



DUE DILIGENCE REPORT FOR PREMIUM MERCHANTS LIMITED

[Pursuant to Regulation 10(3) of the SEBI (Delisting of Equity Shares) Regulations, 2021]

To

The Board of Directors

Premium Merchants Limited
Omaxe Square, Plot No.14, 3rd Floor,
Jasola District Centre, Jasola,
South Delhi, New Delhi 110025.

In terms of Regulation 10 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 ("**Delisting Regulations**"), we, M/s. Pooja Sawarkar & Associates, Peer Reviewed Practicing Company Secretaries (Membership no. FCS 10262, COP no. 15085, PR no. 1343/2021), have been appointed by the Board of Directors of PREMIUM MERCHANTS LIMITED, (hereinafter referred to as the "**Company**") having CIN: L51909DL1985PLC021077 and having its registered office at Omaxe Square, Plot No.14, 3rd Floor, Jasola District Centre, Jasola, South Delhi, New Delhi, 110025 at the Board meeting held on 20th April, 2024, to carry out the due diligence in accordance with Regulation 10(3) and other applicable provisions under the Delisting Regulations and issue a Due Diligence Report ("**DDR**").

Background:

1. In terms of Regulation 8 of the Delisting Regulations, an Initial Public Announcement dated 19th April, 2024 ("**Initial Public Announcement**") was issued by Saffron Capital Advisors Private Limited, Manager to the Offer for and on behalf of K K Modi Investment And Financial Services Private Limited ("**Promoter Acquirer/ Acquirer**") *inter alia* expressing its intention to:
 - (a) Acquire 2,78,000 (Two Lakhs Seventy Eight Thousand) fully paid up equity shares of the Company, having a face value of ₹ 10 each, ("**Equity Shares**") representing 27.86% of the paid-up equity capital held by the public shareholders of the Company (as defined under the Delisting Regulations and to be referred to as "**Public Shareholders**"), by Promoter Acquirer ~~along with the persons acting in concert, as the case may be;~~ and
 - (b) Consequently, voluntarily delist the Equity Shares from the Stock Exchange where the Equity Shares are presently listed namely, Metropolitan Stock Exchange of India Limited ("**Stock Exchange**") by making a delisting offer in accordance with the Delisting Regulations ("**Delisting Proposal**")
2. The present Capital structure including the details of the Authorised, Subscribed, Issued, Paid up and Listed Equity share Capital of the Company is placed at **Annexure I**.
3. Shareholding Pattern of the Company as on **03.05.2024** is placed at **Annexure II**.
4. The distribution of public shareholding as on **03.05.2024** is as per **Annexure III**.
5. The list of Top Twenty-Five shareholders (other than Acquirer) as on **03.05.2024** is placed at **Annexure IV**.





Verification

1. On the basis of the information received from/furnished by the Board of Directors of the Company, as required under sub-regulation 2 of Regulation 10 of the Delisting Regulations and explanation provided by the officials of the Company, for the purpose of carrying out the due diligence, we have examined the following:
 - (a) The details of buying, selling and dealing in the Equity Shares of the Company by the Acquirer or its related entities during the period of two years prior to the date of Board Meeting held on 4th May, 2024 i.e. from 4th May, 2022 to 3rd May, 2024 ("**Due Diligence Period**" / ("**Review Period**") to consider the Delisting Proposal including the details of the Top Twenty-Five shareholders, for the said period;
 - (b) Quarterly Beneficial Positions Statements as forwarded by the Company [sent by Registrar & Transfer Agent of the Company, MAS Services Limited ("Registrar" or "RTA")], in relation to Top Twenty-five Public Shareholders and members of Promoter Group for the **Due Diligence Period**.
 - (c) List of Top Twenty-five Public Shareholders and Acquirer from RTA of the Company as on **03.05.2024**
 - (d) The details of off-market transactions of the aforesaid persons/ shareholders during the Review Period;

2. For the purpose of verifying applicability and compliance of securities laws, we have identified the following regulations and their applicability

Regulations	Acquirer and their related entities (including members of Promoter Group)	Top 25 Public Shareholders
The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) as amended from time to time	Applicable/Not Applicable	Applicable/Not Applicable
The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (SEBI PIT Regulations) as amended from time to time	Applicable/Not Applicable (As there were no transactions)	Applicable/Not Applicable
The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SEBI SAST Regulations) as amended from time to time	Applicable/Not Applicable	Applicable/Not Applicable
The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI SBEB Regulations) as amended from time to time	Applicable/Not Applicable	Applicable/Not Applicable



Observation:

Basis review of the aforesaid information/ document, set out below is our analysis/ observations:

a) For Acquirer and its-related entities:

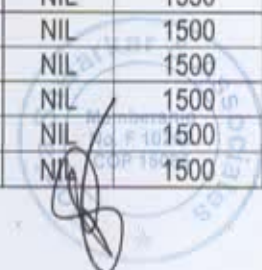
- i. During the Review Period, we did not notice any change in the shareholding of the Acquirer and its related entities.
- ii. As on **03.05.2024**, the Acquirer and its-related entities hold 7,20,000 (Seven Lakhs Twenty Thousand) Equity shares, representing 72.14% paid up Equity share capital of the Company.

b) For Top Twenty-Five shareholders:

- i) During the Review Period, Top Twenty-Five Public Shareholders, detailed under have overall (net) bought/sold NIL Equity Shares of the Company.

Table 1.1

Sr. No.	Name of Top 25 Equity Shareholders*	Share holding as on 04.05.2022	Date of dealing*	Buy	Sell	Share holding as on 03.05.2024
1.	Trend Agencies Private Limited	49000	NIL	NIL	NIL	49000
2.	Azure Products Private Limited	48985	NIL	NIL	NIL	48985
3.	Narayan Sales Pvt Ltd	47400	NIL	NIL	NIL	47400
4.	Soni Associates Pvt Ltd.	30000	NIL	NIL	NIL	30000
5.	Rajesh Kumar Thakur	4000	NIL	NIL	NIL	4000
6.	Raj Kumar Prasad	2400	NIL	NIL	NIL	2400
7.	Ram Dhari Gupta	2000	NIL	NIL	NIL	2000
8.	Sanjay Chaturvedi	2000	NIL	NIL	NIL	2000
9.	Satya Devi	2000	NIL	NIL	NIL	2000
10.	Satya Narain Bagri	2000	NIL	NIL	NIL	2000
11.	Shyam Yadav	2000	NIL	NIL	NIL	2000
12.	Subash Chand	2000	NIL	NIL	NIL	2000
13.	Bilas Chand	1800	NIL	NIL	NIL	1800
14.	Kamla Aggarwal	1800	NIL	NIL	NIL	1800
15.	Madhu Chowdhary	1800	NIL	NIL	NIL	1800
16.	O. P. Aggarwal	1800	NIL	NIL	NIL	1800
17.	Renu Kumari	1800	NIL	NIL	NIL	1800
18.	Satish Garg	1800	NIL	NIL	NIL	1800
19.	Ved Prakash	1800	NIL	NIL	NIL	1800
20.	Anita Gupta	1550	NIL	NIL	NIL	1550
21.	Anita Pawar	1500	NIL	NIL	NIL	1500
22.	Ashwini Plana	1500	NIL	NIL	NIL	1500
23.	Atul Agarwal	1500	NIL	NIL	NIL	1500
24.	Dolly Plaha	1500	NIL	NIL	NIL	1500
25.	Jugal Kishore	1500	NIL	NIL	NIL	1500





***Note:** There are 16 other public shareholders holding 1500 Equity Shares of the Company other than the public shareholders mentioned from Sr. no 21 to 25 (i.e. same number of Equity Shares). It may be noted that there is no change in the Equity Shares held by such public shareholders also and the details of them are not captured in table above as the requirement is 25 public shareholders only. The details of the public shareholders mentioned from Sr. no 21 to 25 are according to the list provided by the Registrar and Share Transfer Agent, without any order of preference.

ii. The Acquirer has confirmed that they do not have any connection, direct or indirect, with the Top Twenty-Five Public Shareholders. There are no related entities or other members of the Promoter Group.

Certification:

We hereby certify that, during the Due Diligence Period:

- There was no buying, selling and dealing in the equity shares of the company carried out by the Acquirer or its related entities and the Top Twenty-Five Shareholders and hence the certification for compliance with the applicable provisions of securities laws is not applicable.
- The Acquirer has not, directly or indirectly, –
 - (a) employed any device, scheme or artifice to defraud any shareholder or other person; or
 - (b) engaged in any transaction or practice that operates as a fraud or deceit upon any shareholder or other person; or
 - (c) engaged in any act or practice that is fraudulent, deceptive or manipulative –

in connection with delisting of Equity Shares of the Company sought or permitted or exit opportunity given or other acquisition of Equity Shares made under the Delisting Regulations.

Assumption and Limitation of Scope & Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
2. This DDR is based on due diligence of documents/ information shared by the Company for our review. Our responsibility is to give report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. Various concepts viz. defraud, deceit, fraudulent, deceptive, manipulative are used in the SEBI Delisting Regulations. However, parameters/methodology for determining the same are not prescribed therein. By reading these terminologies, it can be construed that the Acquirer shall not directly or indirectly cause any loss to the Public Shareholders by adopting any malpractice. Based on publicly available information, we have checked whether the Acquirer or the Company has common registered office or directorship. We do not have any negative observation.





4. We are not expressing any opinion on the Floor price and/or the price at which the shares would ultimately be delisted. We have assumed that the Company/ Acquirer would comply with the applicable provisions related to floor price. Further, we are not an investment adviser or tax advisor or a broker/ dealer. This report should not be construed as investment/ disinvestment advise.
5. This DDR is solely for the intended purpose of delisting of Equity Shares of the Company and for your information and it is not to be used, circulated, quoted or otherwise referred to for any purpose other than Delisting purposes and as required under the Delisting Regulations.

For M/s. Pooja Sawarkar & Associates
Company Secretary



Pooja Sawarkar
Proprietor

Membership No: FCS 10262
COP: 15085; PR no. 1343/2021

UDIN: F010262F000308441

Pace: Mumbai

Date: 04.05.2024



ANNEXURE I

CAPITAL STRUCTURE OF THE COMPANY AS ON 03.05.2024

AUTHORISED CAPITAL

Particulars	Number of shares	Nominal value per share (In Rs.)	Total Authorised Capital (In Rs.)
Equity	10,00,000	10	1,00,00,000
Preference	10,00,000	10	1,00,00,000
Unclassified	NIL	NIL	NIL

ISSUED CAPITAL

Particulars	Number of shares	Nominal value per share (In Rs.)	Total Issued Capital (In Rs.)
Equity	9,98,000	10	99,80,000
Preference	6,00,000	10	60,00,000
Unclassified	NIL	NIL	NIL

SUBSCRIBED CAPITAL

Particulars	Number of shares	Nominal value per share (In Rs.)	Total Subscribed Capital (In Rs.)
Equity	9,98,000	10	99,80,000
Preference	6,00,000	10	60,00,000
Unclassified	NIL	NIL	NIL

PAID UP CAPITAL

Particulars	Number of shares	Nominal value per share (In Rs.)	Total Paid up Capital (In Rs.)
Equity	9,98,000	10	99,80,000
Preference	6,00,000	10	60,00,000
Unclassified	NIL	NIL	NIL

LISTED CAPITAL

Particulars	Number of shares	Nominal value per share (In Rs.)	Total Listed Capital (In Rs.)	Name of Stock Exchange where listed
Equity	9,98,000	10	99,80,000	Metropolitan Stock Exchange of India Limited
Preference	NIL	NIL	NIL	NIL
Unclassified	NIL	NIL	NIL	NIL





ANNEXURE II

SHAREHOLDING PATTERN AS ON 03.05.2024

Category	No. of Equity Shares	%
Acquirer: (a) who decides to make an offer for delisting of equity shares and Persons acting in concert in accordance with Regulation 5A of the Takeover Regulations or b) who is a Promoter or part of Promoter Group along with persons acting in concert	7,20,000	72.14
Public Shareholders	2,78,000	27.86
Total	9,98,000	100.00





ANNEXURE III

The Distribution of Public shareholding as on 03.05.2024

Range of share holding of nominal value of Equity Shares		No. of shareholders	% of shareholders	No. of equity shares held	% of total equity shares
1	5000	66	54.545	25315	2.536
5001	10000	6	4.958	4650	0.466
10001	20000	42	34.710	66250	6.639
20001	30000	1	0.827	2400	0.240
30001	40000	1	0.827	4000	0.400
40001	50000	0	0	0	0
50001	100000	0	0	0	0
100001	*****	4	3.306	175385	17.574
Acquirer					
a) who decides to make an offer for delisting of equity shares and Persons acting in concert in accordance with Regulation-5A of the Takeover Regulations or		-	-	-	-
b) who is a Promoter or part of Promoter Group along with persons acting in concert		1	0.827	7,20,000	72.145
Total		121	100	9,98,000	100



ANNEXURE IV

Details of Top Twenty-Five Shareholders (other than Acquirer) as on 03.05.2024

Sr. No.	Name of Top 25 Equity Shareholders*	Share holding as on 04.05.2022	Date of dealing*	Buy	Sell	Share holding as on 03.05.2024
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6.	Raj Kumar Prasad	2400	NIL	NIL	NIL	2400
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8.	Sanjay Chaturvedi	2000	NIL	NIL	NIL	2000
9.	Satya Devi	2000	NIL	NIL	NIL	2000
10.	Satya Narain Bagri	2000	NIL	NIL	NIL	2000
11.	Shyam Yadav	2000	NIL	NIL	NIL	2000
12.	Subash Chand	2000	NIL	NIL	NIL	2000
13.	Bilas Chand	1800	NIL	NIL	NIL	1800
14.	Kamla Aggarwal	1800	NIL	NIL	NIL	1800
15.	Madhu Chowdhary	1800	NIL	NIL	NIL	1800
16.	O. P. Aggarwal	1800	NIL	NIL	NIL	1800
17.	Renu Kumari	1800	NIL	NIL	NIL	1800
18.	Satish Garg	1800	NIL	NIL	NIL	1800
19.	Ved Prakash	1800	NIL	NIL	NIL	1800
20.	Anita Gupta	1550	NIL	NIL	NIL	1550
21.	Anita Pawar	1500	NIL	NIL	NIL	1500
22.	Ashwini Plana	1500	NIL	NIL	NIL	1500
23.	Atul Agarwal	1500	NIL	NIL	NIL	1500
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