

**VALUATION**  
**OF**  
**EQUITY SHARES**  
**OF**  
**RICHA INFO SYSTEMS LIMITED**  
**CIN: L30007GJ2010PLC062521**

Prepared by:  
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(IBBI Registered Valuer)  
134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,  
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RV Registration No – IBBI/RV/03/2020/13674

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**Date: November 04, 2023**

To,

**RICHA INFO SYSTEMS LIMITED**

Shop No. 101, Shalin Complex

Sector-11,

Gandhinagar,

Gujarat, India, 382010

Dear Sir,

**Sub: Valuation Analysis of the Equity Shares of RICHA INFO SYSTEMS LIMITED**

I refer to our engagement letter dated November 03, 2023 for carrying out the valuation of **Equity Shares of RICHA INFO SYSTEMS LIMITED** (here-in-after referred as "**Company**" or "**RISL**"). In accordance with the terms of the engagement, I am enclosing my report along with this letter. In attached report, I have summarized my Valuation analysis of the Shares together with the description of methodologies used and limitation on my Scope of Work.

Based on my assessment and in terms of first Proviso to the Sub-Regulation 1 of Regulation 166A r.w. Sub-Regulation 1 of Regulation 164 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended from time to time, the Floor Price of the Equity Share of the Company having Face Value of Rupees 10.00 each has been arrived at **Rs. 72.22** In case you require any further assistance, please feel free to contact me.

This Valuation Analysis is confidential and has been prepared for you for providing the same to government or regulatory authorities and this report can be provided to potential investor of RISL for enabling compliance under various laws as detailed hereinafter in this report. It should not be used, reproduced or circulated to any other person, in whole or in part, without my prior consent. Such consent will only be given after full consideration of the circumstance at that time. I trust that above meets your requirements.

Please feel free to contact us in case you require any additional information or clarifications.

Thanking you,

Yours faithfully,



**ABHISHEK CHHAJED**

**RV Registration No – IBBI/RV/03/2020/13674**

**Registered Valuer**



**Place: Ahmedabad**

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RICHA INFO SYSTEMS LIMITED (“RISL”) is Public Limited Company incorporated under the Companies Act, 1956 on October 01, 2010, having its registered office at Shop No. 101, Shalin Complex Sector-11, Gandhinagar, Gujarat, Gandhinagar (Gujarat), Gandhi Nagar, Gandhinagar, Gujarat, India, 382010. The Company Identification Number (CIN) of the company is L30007GJ2010PLC062521. Equity Shares of RISL are listed on Emerge Platform of National Stock Exchange of India Limited.

**Main Object of the Company are:**

To carry on the business to manufacture, trading, marketing, design, plan, programme, engineer, exchange, develop, import, export, buy sell, distribute, transfer, lease, hire, license, use dispose-off, operate, fabricate, construct, assemble, record, maintain, repair, recondition, work, alter, convert, improve, procure, install, modify and to act as consultant, agent, franchiser, job worker, representative, adviser, otherwise to deal in all kinds of computer, computer hardware microprocessors, plotter, laser engraving machine, computer peripherals, electronic equipments, accessories, Networking, Medical Equipment, Dental Equipment, Computer Peripheral, Computer consumable, LCD Projector, Office automation, Solar Item, EPBAX, Video conference item, satellite phones, mobile phones, telephone dialers, tape recorders, televisions, videocassette recorders/players, oscilloscope, play back systems, receivers, professional and defence electronics, testing and measuring instruments, analytical instruments, process control equipments, electronic devices, closed circuit, electronic and electrical apertures.

**Capital Structure of the Company;**

Particulars	Amount (in Rs.)
<b>Authorised Share Capital</b> 25,00,000 Equity shares of Rupees 10.00 each	2,50,00,000
<b>Issued, Subscribed &amp; Fully Paid-up Share Capital</b> 24,30,000 Equity shares of Rupees 10.00 each	2,43,00,000

**Board of Directors**

Sr. No	Name	DIN
1.	DINESHCHANDRA FULCHAND SHAH	03115819
2.	TUSHAR DINESHCHANDRA SHAH	03115836
3.	HEMABEN TUSHAR SHAH	03115848
4.	MILAP ARVINDKUMAR MEHTA	09331905
5.	SEJAL PANDYA	09330703





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**2. PURPOSE:**

RISL intends to issue equity shares on preferential basis. In this regard, RISL has engaged me to carry out valuation of Equity Shares of the Company as per requirements of Sub-Regulation 1 of Regulation 166A r.w. Sub-Regulation 1 of Regulation 164 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, on the relevant date being November 03, 2023.

**3. KEY DATES:**

**Appointing Authority-** Board of Director of the RISL

**Appointment Date:** November 03, 2023

**Valuation Date/Relevant Date:** November 03, 2023

**Report Date:** November 04, 2023.

**4. IDENTITY OF VALUER AND ANY OTHER EXPERTS INVOLVED IN THE VALUATION:**

I am independent Registered Valuer as required under the Companies (Registered Valuer & Valuation) Rules, 2017 registered with Insolvency & Bankruptcy Board of India having registration no. IBBI/RV/03/2020/13674. No other Experts are involved in this valuation exercise.

**5. PECUNIARY INTEREST DECLARATION**

I do not have pecuniary interest in the Shares of RISL, past, present or prospective, and the opinion expressed is free of any bias in this regard. I strictly follow the code of conduct of the Registered Valuation Organization of IBBI.

**6. SOURCES OF INFORMATION:**

I have been provided the following information for the valuation analysis:

- MOA & AOA of RISL;
- Annual Report for the year ended on March 31, 2023, March 31, 2022 and March 31 2021;
- Trading History Data of Equity Shares of RISL for last one year from relevant Date;
- Written Representations made by the Company in course of the valuation exercise;
- Other related information from various sources;

Besides the above listing, there may be other information provided by the Client which may not have been perused by me in any detail, if not considered relevant for my defined scope.

Discussions (in person / over call) with the management to: Understand the business and fundamental factors that affect its earning- generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance. During the discussions with the management, I have also obtained explanations and information considered reasonably necessary for this exercise.



**CS ABHISHEK CHHAJED****(IBBI Registered Valuer)****134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,****Ahmedabad City , Ahmedabad , Gujarat - 380001****E-mail – csabhishekchhajed1@gmail.com Contact number - +91 94088 12129****7. FINANCIAL INFORMATION:**

<b>Particulars</b>	<b>As at March 31, 2023 Audited Amt. in Lakhs</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	
Share Capital	243.00
Reserve and Surplus	1,091.69
<b>Non-Current Liability</b>	
Long Term Borrowing	849.30
Deferred Tax Liability (Net)	6.29
<b>Current Liabilities</b>	
Short Term Borrowing	771.67
Trade Payables	181.90
Other Current Liabilities	77.66
Short Term provisions	14.85
<b>TOTAL</b>	<b>3,236.36</b>
<b>ASSETS</b>	
<b>Non-Current Assets</b>	
Fixed Assets	1,230.26
Other Non Current Assets	2.74
<b>Current Assets</b>	
Inventories	705.07
Trade Receivables	921.02
Cash and Cash Equivalents	39.72
Short Term Loans and Advances	273.44
Other Current Assets	64.11
<b>TOTAL</b>	<b>3,236.36</b>

**8. VALUATION PARAMETERS**

- I. Net Asset Value (NAV)
  - II. Price Earning Capacity Value (PECV)
  - III. Market Value.
- I. Net Asset Value (NAV)**





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The Net Assets Method represents the value with reference to historical cost of assets owned by the company and the attached liabilities on particular date. Net asset will be calculated starting from the total assets of the company and deducting there from all debts, borrowing and liabilities, including current and Likely contingent Liability and preference capital if any. In other words it should represent true net worth of business after providing for all outside present and potential liabilities. In the case of companies, the net assets value calculated from assets side of the balance sheet in the above manner will be crossed checked with equity share capital plus free reserve and surplus, less likely contingent liabilities.

### II. Price Earning Capacity Value (PECV)

The profit-earning capacity value will be calculated by capitalising the average of the after-tax profits at the following rates;

- I. 15% in the case of manufacturing companies.
- II. 20% in the case of trading companies.
- III. 17.5% in the case of “intermediate companies”, that is to say, companies whose turnover from trading activity is more than 40%, but less than 60% of their total turnover.

The crux of estimating the profit-earning capacity value lies in the assessment of the future maintainable earnings of the business. While the past trends in profits and profitability would serve as a guide, it should not be overlooked that the valuation is for the future and that it is the future maintainable stream of earnings that is of greater significance in the process of valuation. All relevant factors that have a bearing on the future maintainable earnings of the business must, therefore, be given due consideration.

### III. Market Value:

The Equity Shares of Company are listed on EMERGE Platform of National Stock Exchange of India Limited (NSE) for a period of more than 90 trading days as on the relevant date i.e. Friday, November 03, 2023 and are frequently traded in accordance with SEBI ICDR Regulations.

#### *In case of “frequently traded shares (Regulation 164(1) of the SEBI ICDR Regulations:*

If the equity shares of the Company have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following;

- a. the 90 trading days’ volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or
- b. the 10 trading days’ volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

Articles of Association of the Company do not provide for any particular method of determination which results in a floor price higher than that determined under SEBI ICDR Regulations.

The Company’s Equity Share are listed only at one Nationwide Stock Exchange i.e. on Emerge Platform of National Stock Exchange of India Limited and accordingly, “Emerge Platform of National Stock Exchange of India Limited” is the Stock exchange on which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.

### 9. VALUATION ANALYSIS:

In terms of first Proviso to the Sub-Regulation 1 of Regulation 166A r.w. Sub-Regulation 1 of Regulation 166A and Sub-Regulation 1 of Regulation 164 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”) and by using the Valuation Parameters, the following is the Valuation Analysis of Equity Shares of the Company.



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Sr. No.	Valuation Parameters	Value per Equity Share (in Rupees)
1.	Price Earning Capacity Value Method	25.00
2.	Net Assets Value Method	54.93
3.	Market Value Method	72.22

**For, detailed working calculation of Value of Equity Share, please refer;****Annexure 1** - For Net Assets Value Method**Annexure 2** - For Price Earning Capacity Value Method**Annexure 3** - For Market Value Method

Sr. No	Method	Value per Equity Share (in Rupees) (A)	Weights (B)	Weighted (C=A*B)
1.	Price Earning Capacity Value Method	25.00	1	25.00
2.	Net Assets Value Method	54.93	2	109.86
3.	Market Value Method	72.22	3	216.66
<b>Total (D)</b>			<b>6</b>	<b>351.52</b>
<b>Floor Price (In Rupees) (Total of C / D)</b>				<b>59.00</b>

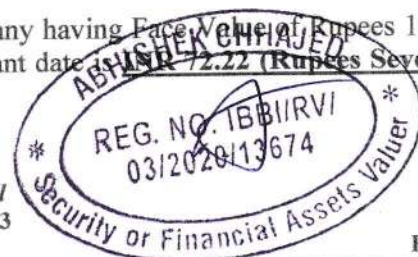
**10. CONCLUSION:**

In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the documents available with us but which will strongly influence the worth of a Shares and Debentures.

In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined in this report, I conclude as under;

Sr. No.	Provisions	Minimum Floor Price (in Rupees)
A	Floor Price in terms of first Proviso to the Sub-Regulation 1 of Regulation 166A of the SEBI ICDR Regulations	59.00
B	Floor Price in terms of the Sub-Regulation 1 of Regulation 164 of the SEBI ICDR Regulations	72.22

Accordingly, the Floor Price of the Equity Share of the Company having Face Value of Rupees 10.00 each in terms of Chapter V of SEBI ICDR Regulations as at Relevant date is **72.22 (Rupees Seventy-Two and Twenty-Two Paise Only)**.





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**11. CAVEATS, LIMITATIONS AND DISCLAIMERS:**

My report is subject to the scope limitations detailed hereinafter.

As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. My engagement for this valuation consulting work does not include any procedures designed to discover any defalcations or other irregularities, should any exist.

I have provided an assessment of the value based on the information available, application of certain formula and within the scope and constraints of our engagement, others may place a different value to the same. However, I independently did not verify such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.

The company and its representatives warranted to us that the information supplied to us was complete and accurate to the best of their knowledge and that the financial information properly reflects the business conditions and operating results for the respective periods in accordance with generally accepted accounting principles. Information supplied to us has been accepted as correct without any further verification. I have not audited, reviewed, or compiled the historical provided to us and, accordingly, i do not express any audit opinion or any other form of assurance on this information. Because of the limited purpose of the information presented, it may be incomplete and contain departures from generally accepted accounting principles. In the course of the valuation, i were provided with both written and verbal information. I have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement.

My conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company. I assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise.

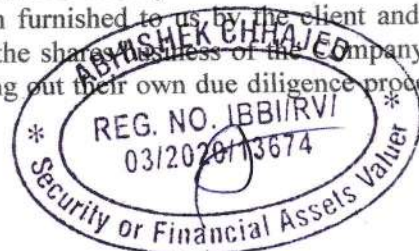
The draft of the present report was circulated to the Management for confirming the facts stated in the report and to confirm that information or facts stated are not erroneous and the assumptions used are reasonable.

No investigation on the Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the liabilities in the books. Therefore, no responsibility is assumed for matters of a legal nature.

My work does not constitute an audit or certification of the historical financial statements including the working results of the Company referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation mentioned in the report and it is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

I have no responsibility to update this report for events and circumstances occurring after the date of this report. My fees is not contingent to the results or output of this report. I will not be responsible to appear in front of Companies act, income tax, RBI or any other regulatory authority in relation to the said valuation.

The decision to carry out the transaction (including consideration thereof) on the basis of this valuation lies entirely with the RISL and my work and my finding shall not constitute a recommendation as to whether or not RISL should carry out the transaction. The report and conclusion of value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The conclusion of value represents my opinion, based on information furnished to us by the client and other sources. Any person/party intending to provide finance/invest in the shares/business of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.



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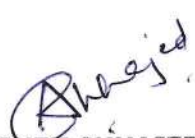
My report is meant for the purpose mentioned in point 2 of this report and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared.

I acknowledge that I am independent valuer and have no present or contemplated financial interest in the Company. My fees for this valuation is based upon my normal billing rates, and not contingent upon the results or the value of the business or in any other manner. I have not been engaged by the Company in any unconnected transaction during last five years.

Neither me, nor any managers, employees of my firm makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

Thanking you,

Yours faithfully,



**ABHISHEK CHHAJED**

**RV Registration No – IBBI/RV/03/2020/13674**

**Registered Valuer**

**Place: Ahmedabad**





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**Annexure 1**

**Valuation of Equity Shares of RISL under NAV Method:**

**Calculation of Net Assets Value of the Company as at March 31, 2023**

<b>Particulars</b>	<b>Amount in Lakhs</b>
Total Assets	3,236.36
Total Liabilities	1,901.67
Net worth	1,334.69
No. of Equity Shares	24.300
<b>Book Value Per Share</b>	54.93



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**Annexure 2**

**Valuation of Equity Shares of RISL under PECV Method:**

Amount in Lakhs

Particulars	2022-23	2021-22	2020-21	Total
Total Revenue	3,428	3,232	2,011.34	
Profit Before Tax	121	134	99	
Weights	3	2	1	6
Product	363.33	268.72	98.64	731
Weighted Average Profit Before Tax				122
Tax @25.17%				31
Future Maintainable Profit				91
Capitalisation rate @15%				608
No of Shares				24.30
Fair Value				25



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**Annexure 3**

**Valuation of Equity Shares of RISL under Market Price Method**

*(Source: National Stock Exchange of India Limited)*

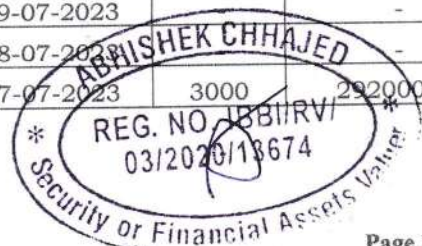
<b>Date of EGM/AGM/POSTAL BALLOT</b>	04-12-2023
<b>Relevant Date</b>	03-11-2023

<b>Name of the Company</b>	Richa Info Systems Limited
<b>Stock Exchange</b>	National Stock Exchange of India Limited

**Average of the volume weighted average price (VWAP) of the equity shares of Richa Info Systems Limited quoted on the National Stock Exchange of India Limited during the 90 trading days preceding the relevant date (considering relevant date as 03/11/2023)**

Days	Date		VWAP	Days	Date		VWAP
1	02-11-2023	3000	210000.00	46	28-08-2023	15000	1022650.00
2	01-11-2023	5000	332350.00	47	25-08-2023	15000	1052300.00
3	31-10-2023	24000	1703350.00	48	24-08-2023	14000	973850.00
4	30-10-2023	37000	2676950.00	49	23-08-2023	63000	4280500.00
5	27-10-2023	5000	344750.00	50	22-08-2023	10000	679000.00
6	26-10-2023	12000	752400.00	51	21-08-2023	42000	2646700.00
7	25-10-2023	3000	165000.00	52	18-08-2023	58000	3389300.00
8	23-10-2023	7000	392150.00	53	17-08-2023	6000	352500.00
9	20-10-2023	-	-	54	16-08-2023	27000	1674100.00
10	19-10-2023	15000	778900.00	55	14-08-2023	3000	195150.00
11	18-10-2023	3000	153000.00	56	11-08-2023	6000	411050.00
12	17-10-2023	6000	303300.00	57	10-08-2023	1000	72050.00
13	16-10-2023	1000	51000.00	58	09-08-2023	1000	75800.00
14	13-10-2023	7000	368100.00	59	08-08-2023	1000	79750.00
15	12-10-2023	-	-	60	07-08-2023	-	-
16	11-10-2023	1000	55000.00	61	04-08-2023	1000	83950.00
17	10-10-2023	-	-	62	03-08-2023	-	-
18	09-10-2023	1000	55000.00	63	02-08-2023	17000	1640350.00
19	06-10-2023	-	-	64	01-08-2023	145000	14094500.00
20	05-10-2023	-	-	65	31-07-2023	-	-
21	04-10-2023	1000	57800.00	66	28-07-2023	2000	195800.00
22	03-10-2023	-	-	67	27-07-2023	2000	191050.00
23	29-09-2023	-	-	68	26-07-2023	-	-
24	28-09-2023	3000	173850.00	69	25-07-2023	-	-
25	27-09-2023	-	-	70	24-07-2023	-	-
26	26-09-2023	3000	182550.00	71	21-07-2023	-	-
27	25-09-2023	-	-	72	20-07-2023	-	-
28	22-09-2023	1000	64050.00	73	19-07-2023	-	-
29	21-09-2023	4000	260100.00	74	18-07-2023	-	-
30	20-09-2023	-	-	75	17-07-2023	3000	292000.00

*Private & Confidential  
Valuation\_RISL\_2023*





**CS ABHISHEK CHHAJED****(IBBI Registered Valuer)****134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,****Ahmedabad City , Ahmedabad , Gujarat - 380001****E-mail – csabhishekchhajed1@gmail.com Contact number - +91 94088 12129**

31	18-09-2023	2000	129250.00	76	14-07-2023	-	-
32	15-09-2023	-	-	77	13-07-2023	-	-
33	14-09-2023	4000	251550.00	78	12-07-2023	-	-
34	13-09-2023	-	-	79	11-07-2023	1000	93350.00
35	12-09-2023	5000	305700.00	80	10-07-2023	-	-
36	11-09-2023	6000	346800.00	81	07-07-2023	-	-
37	08-09-2023	16000	980600.00	82	06-07-2023	-	-
38	07-09-2023	13000	824800.00	83	05-07-2023	-	-
39	06-09-2023	17000	1093450.00	84	04-07-2023	-	-
40	05-09-2023	21000	1354850.00	85	03-07-2023	1000	90000.00
41	04-09-2023	1000	63150.00	86	30-06-2023	-	-
42	01-09-2023	18000	1172350.00	87	28-06-2023	-	-
43	31-08-2023	12000	793800.00	88	27-06-2023	-	-
44	30-08-2023	13000	865250.00	89	26-06-2023	-	-
45	29-08-2023	13000	897450.00	90	23-06-2023	2000	184250.00
						<b>Average Price</b>	<b>72.22</b>

**Average of the volume weighted average price (VWAP) of the equity shares of Richa Info Systems Limited quoted on the National Stock Exchange of India Limited during the 10 trading days preceding the relevant date (considering relevant date as 03/11/2023)**

Days	Date		VWAP	Days	Date		VWAP
1	02-11-2023	3000	210000.00	6	26-10-2023	12000	752400.00
2	01-11-2023	5000	332350.00	7	25-10-2023	3000	165000.00
3	31-10-2023	24000	1703350.00	8	23-10-2023	7000	392150.00
4	30-10-2023	37000	2676950.00	9	20-10-2023	-	-
5	27-10-2023	5000	344750.00	10	19-10-2023	15000	778900.00
						<b>Average Price</b>	<b>66.27</b>

A	Average of 90 trading days VWAP		<b>72.22</b>
B	Average of 10 trading days VWAP		<b>66.27</b>
C	<b>Applicable Minimum Price (Higher of the A or B)</b>		<b>72.22</b>



**VALUATION REPORT OF EQUITY SHARES**

**OF**

**ALEKH ADVISORY PRIVATE LIMITED**

---

**Prepared by:**

**Hemang Harshadbhai Shah**

**Practicing Company Secretary**

**IBBI Registered Valuer - Securities or Financial Assets**

**Registered Trademark Agent**

**Qualified Independent Director**

**Contact:**

**E – Mail: [hemang\\_shah1989@yahoo.com](mailto:hemang_shah1989@yahoo.com)**

**Mobile: 9099712511**

## I. Preamble

This report is prepared by Hemang Shah, Proprietor of Hemang Shah & Associates and IBBI Registered Valuer (Registered Valuer) solely for the purpose of valuation Equity Shares of ALEKH ADVISORY PRIVATE LIMITED (The Company). Registered Valuer has been appointed by the Company on 04th November, 2023 ("Date of Appointment"). The valuation date is 01st April, 2023 ("Valuation date"). This report is subject to the scope of limitations detailed hereinafter. This report has been prepared solely for the purpose set out in this report and should not be reproduced (in part or otherwise) in any other document whatsoever without Registered Valuer's specific written consent.

Registered Valuer has relied on such data, information, etc. as was necessary and deemed for the purpose of this assignment which has been made available to Registered Valuer by the management of the Company / Authorized Person and relied on the statements, information and explanation provided and has not tried to evaluate the accuracy thereof.

Registered Valuer's work does not constitute certification or due diligence of the past working results of the Company and Registered Valuer has relied upon the information provided to it by the Company as set out in their results.

Registered Valuer has not carried out any physical verification of the assets and liabilities of the Company and takes no responsibility on the identification, availability and valuation of such assets and liabilities.

## II. Scope and Purpose of Valuation

The purpose of this Valuation Report is to determine Value of the Equity Shares of ALEKH ADVISORY PRIVATE LIMITED having face value of Rs. 10.00/- each as on 01st April, 2023 for proposed issue of Equity Shares as per the requirements of the Companies Act 2013.

## III. Identity of the Valuer and Any other experts involved in the Valuation

Name of the Valuer	Hemang Harshadbhai Shah
Registration Number	IBBI/RV/03/2020/12854
Address of the Valuer	Co – Venture hub, 314 - 316, 3rd Floor, Kalp Business Hub, Above SBI Bank, Bahucharaji Road, Karelibaugh, Vadodara – 390018
Contact Detail	9099712511
Email Address	<a href="mailto:hemang_shah1989@yahoo.com">hemang_shah1989@yahoo.com</a>
Qualifications	Practicing Company Secretary, IBBI Registered Valuer, Registered Trade Mark Agent, Qualified Independent Director
Disclosure of Interest or Conflict	None
Any other experts involved	None



IV. Inspections and / or investigation undertaken

Following are the Sources of information:

- (A) Audited Financial Statements for the Financial Year ended on 31st March, 2023.
- (B) Projections up to 31st March, 2028.
- (C) Other business related information and explanations given during the process of valuation as was required for filling the gaps.
- (D) Reliance has been placed on the verbal explanations and information given to us and certified documents provided by directors of the Company and other representatives and associates of the Company.

V. About the Company

Name of the Company	ALEKH ADVISORY PRIVATE LIMITED
Date of Incorporation	18/01/2007
CIN	U74140GJ2007PTC049802
Registered office	111, Santoshinagar, Near Ramrajya Opp. Rabari Vasahat, Amraiwadi, Ahmedabad, Ahmedabad, Gujarat, India, 380008
Director(s)	As per <b>"Annexure – A"</b> .

Authorized and Paid Up Capital of the Company as on Valuation Report Date is Rs. 16,00,000.00/- and Rs. 15,79,000.00/- respectively.

VI. About the Business of the Company - Main object of the Company as per MOA of the Company

As per **"Annexure – B"**.

VII. Procedures adopted in carrying out the Valuation and Valuation Standard followed

- (A) Receipt of proposal for valuation;
- (B) Collection of information and documents;
- (C) Determining valuation approaches and methods;
- (D) Valuation synthesis & revisiting the assumptions and decision made; Report preparation and its validation;

## VIII. Valuation Standards followed

International Valuations methodology and relevant International Valuations Standards (popularly known as 'IVS') issued by IVSC have been followed for preparation and valuation of the Equity Shares.

## IX. Premises of value, Valuation Approaches and Methods

The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment by the Valuer, based on the facts and circumstances as applicable to the specific transaction.

Valuation by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions. There can therefore be no standard formula to establish an indisputable value, although certain formula are helpful in assessing reasonableness.

For the purpose of determining fair value, a Valuer may therefore, use any of the approaches as per the generally / internationally accepted valuation methodologies which in its opinion are most appropriate based on the facts of each valuation.

The internationally / generally accepted valuation methodologies have been discussed hereinafter, along with the reasons for choice of approach used.

### Premise of Value

The premise of the value determination is 'Going Concern' and the value of Equity Shares so determined is of a company expected to continue to operate in future.

### Approaches of Valuation

There are three approaches to carry out valuation of Equity Shares:

1. Market Approach
2. Cost Approach
3. Income Approach

#### 1. Market Approach

Usually under the market based approach, the methods that may be applied are Market Price Method, Comparable Multiple Method (CMM), Comparable Transaction Method (CTM) or Price of Recent Investment Method (PORI). Under CMM method various multiple like EV/Sales, EV/EBITDA, P/BV P/E, Price/Sales can be used to value a business or Securities or Financial Assets depending upon the facts and circumstances of the cases.

## 2. Cost Approach

Under this approach, the book value / replaceable value / realizable value of the underlying assets of the company is determined to arrive at the value of the business, depending on the facts and circumstances applicable to a company.

Usually under the asset-based approach, the methods that maybe applied are Net Book Value Method, Net Replaceable Value, Net Realizable Value.

Net Book Value method considers the book value of all assets and liabilities and arrives at fair value of underlying asset whereas Net Replaceable Value is the method which considers replacement cost of existing assets instead of Book Value and Net Realizable Value is the Method which considers realizable value instead of Book Value of assets and liabilities.

## 3. Income Approach

Usually under the Income Based Approach, the methods that may be applied are Discounted Cash Flow Method / Dividend Discount Method (DCF) or the Price Earning Capacity Value (PECV) Method.

Under DCF method, the future free cash flows of the business or Securities or Financial Assets are discounted to the valuation date to arrive at the present value of the cash flows of the business or Securities or Financial Assets or capitalized using a discount rate depending on the capital structure of the company. This method also takes into account the value of the business or Securities or Financial Assets in perpetuity by the calculation of terminal value using the exit multiple method or the perpetuity growth method, whichever is appropriate.

Under PECV method, the average earning on the basis of past 3-5 year are first determined, adjustments are then made for any exceptional transactions or items of non- recurring nature. The adjusted average earning are then capitalized at an appropriate rate to arrive at the value of business. The capitalization rate so factored has to be decided depending upon various factors such as the earning trend in the industries, P/E prevailing in the industries etc.

In the present case, for the application of the Market approach we have considered couple of multiples of peer listed companies. But as there were inconsistency in the results as per "Annexure – C", we have given zero weightage to the Market Approach.

As per "Annexure – C" we have considered Cost Approach but as discussed with the management of the Company, Cost Approach may not reflect true value of the Company as it is expecting good growth in near future, we have given zero weightage to the Cost Approach.

We have considered Income Approach as the Company has provided projections for its business which may have significant impact on the Company's value and accordingly we have given 100% weightage to it.



X. List of Assumptions and Limiting Conditions

1. The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation and may not be used out of the context presented herein.
2. Public information, estimates, industry and statistical information contained in this report have been obtained from sources considered to be reliable. However, the undersigned, independently did not verify such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.
3. The company and its representatives warranted to the undersigned that the information supplied was complete and accurate to the best of their knowledge and that the financial information properly reflects the business conditions and operating results for the respective periods in accordance with generally accepted accounting principles. We have not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.
4. I do not provide assurance on the achievability of the results forecasted by the client because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management. Projections were made, analyzed, discussed, modified and finalized by the Company and the Company is confident to achieve results projected by them.
5. Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it nor may it be used for any purpose by anyone other than those enumerated in this report without written consent. This report and the conclusion of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein.
6. This valuation reflects facts and conditions existing or reasonable foreseeable at the valuation date. Subsequent events have not been considered, and the undersigned has no obligation to update the report for such events and conditions.
7. No change of any item in this valuation / conclusion report shall be made by anyone other than the undersigned and shall have no responsibility for any such unauthorized change.
8. It is assumed that there is full compliance with all applicable Central, State, and local environmental regulations and laws and I do not provide assurance on compliance of various laws and acts i.e. Companies Act, 2013.
9. To derive Valuation, the Company has made few assumptions which may differ Accounting Principles.
10. I have made no investigation of title to property, and assume that the owner's claim to the property is valid.

XI. Valuation of Equity Shares.

As per "Annexure – C".

Notes to valuation calculation:

1. Projections, Cash Flow and other financial data were provided by the Company.
2. The Company has assumed terminal growth rate @ 3%.
3. Tax rate was assumed by the Company.
4. After discussion with the Company, understanding the Company and Industry, cost of capital was assumed at 21.59%.
5. We have applied general discount @ 20% for lack of control, lack of marketability and other factors.

Based on analysis of the company and subject to our comments and caveats as detailed, the fair value of the Equity Shares of the company (As calculated in "Annexure – C") as on 01st April, 2023 having face value of Rs. 10.00/- each has been arrived at Rs. 5,774.00/-.

  
HEMANG SHAH



IBBI Registered Valuer

Registration Number: IBBI/RV/03/2020/12854

COP Number: ICSIRVO/SFA/93

Date: 07th November, 2023

Place: Vadodara

**ALEKH ADVISORY PRIVATE LIMITED**

**ANNEXURE - A = LIST OF DIRECTORS AS ON VALUATION DATE**

<b>SERIAL NUMBER</b>	<b>DIN</b>	<b>FULL NAME</b>	<b>DESIGNATION</b>	<b>DATE OF APPOINTMENT</b>
1	07131757	JIGNESH R BHAVSAR	Director	15/05/2015
2	07186022	JASHVANTBHAI BHILABHAI BHAVSAR	Director	15/05/2015



## **ALEKH ADVISORY PRIVATE LIMITED**

### **ANNEXURE - B = BUSINESS OF THE COMPANY / MAIN OBJECT AS PER MOA**

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To carry on in India or elsewhere the business Consultancy in the area of Management, Statistics, Marketing and to deal in all kinds of Articles, Goods, Commodities and to act as consultant, advisor, representative, advocate, signatory, attorney, liaisoner, agent, servicemen, middlemen, arbitrator, conciliator, auctioner, liquidator, secretary and solicitor in all its branches such as legal, commercial, industrial, manufacturing, production engineering, personnel, marketing, advertising, publicity, sales promotion public welfare, corporate management, business management, company law, taxation, investment, portfolio management, accounting, placement, agriculture, animal husbandry, poultry, fisheries, power generation, energy savings, insurance, banking loans, syndication, exchange currency, imports and exports, research and development, software development computer applications, quality control, technical knowhow, geology and mining, medicine & surgery, merchant banking, underwriting, secretarial services, financial management, construction, transport and on other similar subjects and to make evaluations, feasibility studies, techno-economic feasibility studies, project report, forecasts, survey and rehabilitation packages and for the purpose to run, establish, maintain, provide, operate, manage, supervise, arrange and take on hire all utilities, commercial and welfare fields.

## ALEKH ADVISORY PRIVATE LIMITED

### ANNEXURE - C = VALUATION CALCULATION

(A) Income Approach with 100% Weightage:

#### Estimated future cash flow and Share Valuation working

Years	Cash Flow	COE	Present Value	Discounted
2023-24	1,08,18,598.71	21.59%	0.8224	88,97,427.94
2024-25	2,31,93,846.89	21.59%	0.6764	1,56,87,716.07
2025-26	5,46,62,520.28	21.59%	0.5563	3,04,06,753.49
2026-27	16,20,99,919.48	21.59%	0.4575	7,41,57,771.10
2027-28	53,92,94,460.85	21.59%	0.3762	20,29,05,255.46
Terminal Value of Cash Flow	2,98,76,31,725.25	21.59%	0.3762	1,12,40,72,695.77
Total Value of Firm				1,45,61,27,619.82
Debt as at end of Explicit Period				31,71,94,449.61
Contingent Liability as at March 31, 2023				-
Cash and Cash Equivalent Balance as at March 31, 2023				6,67,213.00
Total Value of Equity share holders before DLOM				1,13,96,00,383.22
<u>DLOM@20%</u>				22,79,20,076.64
Total Value of Equity share holders after DLOM				91,16,80,306.57
Outstanding number of Equity Shares				1,57,900
<b>Fair Value per Equity share in Rs</b>				<b>5,774.00</b>



## ALEKH ADVISORY PRIVATE LIMITED

### ANNEXURE - C = VALUATION CALCULATION

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(B) Market Approach with 0% Weightage:

	P/E	P/B
Prudent Corporate Advisory Services Ltd.	45.15	12.59
HDFC Asset Management Company Ltd.	25.59	6.07
AVERAGE	35.37	9.33
EPS of ALEKH ADVISORY PRIVATE LIMITED	-0.17	
VALUE	-6.0129	
BOOK VALUE of ALEKH ADVISORY PRIVATE LIMITED		174.5365674
VALUE		1628.426174

## ALEKH ADVISORY PRIVATE LIMITED

### ANNEXURE - C = VALUATION CALCULATION

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(C) Cost Approach with 0% Weightage:

<b>Particulars</b>	<b>Amount</b>
Book Value of Assets	4,14,67,724.00
Adjustments:	
Less: Book Value of Immovable Property	0.00
Add: Market Value of Immovable Property	0
Less: Deferred Tax Assets	0
<b>Revised Value of Asset (A)</b>	<b>4,14,67,724.00</b>
<b>Liabilities of the Company</b>	
Non Current Liabilities	1,12,50,000.00
Current Liability	26,58,400.00
<b>Total Liabilities of the Company (B)</b>	<b>1,39,08,400.00</b>
Net Assets of the Company	2,75,59,324.00
No of Shares of the Company	1,57,900
Fair Value per Share	174.537



**VALUATION REPORT OF EQUITY SHARES**  
**OF**  
**ARTH TECHNOCRATS PRIVATE LIMITED**

---

**Prepared by:**

**Hemang Harshadbhai Shah**

**Practicing Company Secretary**

**IBBI Registered Valuer - Securities or Financial Assets**

**Registered Trademark Agent**

**Qualified Independent Director**

**Contact:**

**E – Mail: [hemang\\_shah1989@yahoo.com](mailto:hemang_shah1989@yahoo.com)**

**Mobile: 9099712511**

## I. Preamble

This report is prepared by Hemang Shah, Proprietor of Hemang Shah & Associates and IBBI Registered Valuer (Registered Valuer) solely for the purpose of valuation Equity Shares of ARTH TECHNOCRATS PRIVATE LIMITED (The Company). Registered Valuer has been appointed by the Company on 04th November, 2023 ("Date of Appointment"). The valuation date is 01st April, 2023 ("Valuation date"). This report is subject to the scope of limitations detailed hereinafter. This report has been prepared solely for the purpose set out in this report and should not be reproduced (in part or otherwise) in any other document whatsoever without Registered Valuer's specific written consent.

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Registered Valuer's work does not constitute certification or due diligence of the past working results of the Company and Registered Valuer has relied upon the information provided to it by the Company as set out in their results.

Registered Valuer has not carried out any physical verification of the assets and liabilities of the Company and takes no responsibility on the identification, availability and valuation of such assets and liabilities.

## II. Scope and Purpose of Valuation

The purpose of this Valuation Report is to determine Value of the Equity Shares of ARTH TECHNOCRATS PRIVATE LIMITED having face value of Rs. 10.00/- each as on 01st April, 2023 for proposed issue of Equity Shares as per the requirements of the Companies Act 2013.

## III. Identity of the Valuer and Any other experts involved in the Valuation

Name of the Valuer	Hemang Harshadbhai Shah
Registration Number	IBBI/RV/03/2020/12854
Address of the Valuer	Co – Venture hub, 314 - 316, 3rd Floor, Kalp Business Hub, Above SBI Bank, Bahucharaji Road, Karelibaugh, Vadodara – 390018
Contact Detail	9099712511
Email Address	<a href="mailto:hemang_shah1989@yahoo.com">hemang_shah1989@yahoo.com</a>
Qualifications	Practicing Company Secretary, IBBI Registered Valuer, Registered Trade Mark Agent, Qualified Independent Director
Disclosure of Interest or Conflict	None
Any other experts involved	None

IV. Inspections and / or investigation undertaken

Following are the Sources of information:

- (A) Audited Financial Statements for the Financial Year ended on 31st March, 2023.
- (B) Projections up to 31st March, 2028.
- (C) Other business related information and explanations given during the process of valuation as was required for filling the gaps.
- (D) Reliance has been placed on the verbal explanations and information given to us and certified documents provided by directors of the Company and other representatives and associates of the Company.

V. About the Company

Name of the Company	ARTH TECHNOCRATS PRIVATE LIMITED
Date of Incorporation	19/08/2022
CIN	U51909GJ2022PTC134809
Registered office	Plot No. 1374/1, Sector 4/D, Gandhinagar, Gandhinagar, Gujarat, India, 382006
Director(s)	As per " <b>Annexure – A</b> ".

Authorized and Paid Up Capital of the Company as on Valuation Report Date is Rs. 17,00,000.00/- and Rs. 1,00,000.00/- respectively.

VI. About the Business of the Company - Main object of the Company as per MOA of the Company

As per "**Annexure – B**".

VII. Procedures adopted in carrying out the Valuation and Valuation Standard followed

- (A) Receipt of proposal for valuation;
- (B) Collection of information and documents;
- (C) Determining valuation approaches and methods;
- (D) Valuation synthesis & revisiting the assumptions and decision made; Report preparation and its validation;



## VIII. Valuation Standards followed

International Valuations methodology and relevant International Valuations Standards (popularly known as 'IVS') issued by IVSC have been followed for preparation and valuation of the Equity Shares.

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### Premise of Value

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### Approaches of Valuation

There are three approaches to carry out valuation of Equity Shares:

1. Market Approach
2. Cost Approach
3. Income Approach

#### 1. Market Approach

Usually under the market based approach, the methods that may be applied are Market Price Method, Comparable Multiple Method (CMM), Comparable Transaction Method (CTM) or Price of Recent Investment Method (PORI). Under CMM method various multiple like EV/Sales, EV/EBITDA, P/BV P/E, Price/Sales can be used to value a business or Securities or Financial Assets depending upon the facts and circumstances of the cases.

## 2. Cost Approach

Under this approach, the book value / replaceable value / realizable value of the underlying assets of the company is determined to arrive at the value of the business, depending on the facts and circumstances applicable to a company.

Usually under the asset-based approach, the methods that maybe applied are Net Book Value Method, Net Replaceable Value, Net Realizable Value.

Net Book Value method considers the book value of all assets and liabilities and arrives at fair value of underlying asset whereas Net Replaceable Value is the method which considers replacement cost of existing assets instead of Book Value and Net Realizable Value is the Method which considers realizable value instead of Book Value of assets and liabilities.

## 3. Income Approach

Usually under the Income Based Approach, the methods that may be applied are Discounted Cash Flow Method / Dividend Discount Method (DCF) or the Price Earning Capacity Value (PECV) Method.

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Under PECV method, the average earning on the basis of past 3-5 year are first determined, adjustments are then made for any exceptional transactions or items of non- recurring nature. The adjusted average earning are then capitalized at an appropriate rate to arrive at the value of business. The capitalization rate so factored has to be decided depending upon various factors such as the earning trend in the industries, P/E prevailing in the industries etc.

In the present case, for the application of the Market approach we have considered couple of multiples of peer listed companies. But as there were inconsistency in the results as per "Annexure – C", we have given zero weightage to the Market Approach.

As per "Annexure – C" we have considered Cost Approach but as discussed with the management of the Company, Cost Approach may not reflect true value of the Company as it is expecting good growth in near future, we have given zero weightage to the Cost Approach.

We have considered Income Approach as the Company has provided projections for its business which may have significant impact on the Company's value and accordingly we have given 100% weightage to it.

X. List of Assumptions and Limiting Conditions

1. The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation and may not be used out of the context presented herein.
2. Public information, estimates, industry and statistical information contained in this report have been obtained from sources considered to be reliable. However, the undersigned, independently did not verify such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.
3. The company and its representatives warranted to the undersigned that the information supplied was complete and accurate to the best of their knowledge and that the financial information properly reflects the business conditions and operating results for the respective periods in accordance with generally accepted accounting principles. We have not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.
4. I do not provide assurance on the achievability of the results forecasted by the client because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management. Projections were made, analyzed, discussed, modified and finalized by the Company and the Company is confident to achieve results projected by them.
5. Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it nor may it be used for any purpose by anyone other than those enumerated in this report without written consent. This report and the conclusion of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein.
6. This valuation reflects facts and conditions existing or reasonable foreseeable at the valuation date. Subsequent events have not been considered, and the undersigned has no obligation to update the report for such events and conditions.
7. No change of any item in this valuation / conclusion report shall be made by anyone other than the undersigned and shall have no responsibility for any such unauthorized change.
8. It is assumed that there is full compliance with all applicable Central, State, and local environmental regulations and laws and I do not provide assurance on compliance of various laws and acts i.e. Companies Act, 2013.
9. To derive Valuation, the Company has made few assumptions which may differ Accounting Principles.
10. I have made no investigation of title to property, and assume that the owner's claim to the property is valid.



XI. Valuation of Equity Shares.

As per "Annexure – C".

Notes to valuation calculation:

1. Projections, Cash Flow and other financial data were provided by the Company.
2. The Company has assumed terminal growth rate @ 3%.
3. Tax rate was assumed by the Company.
4. After discussion with the Company, understanding the Company and Industry, cost of capital was assumed at 21.59%.
5. We have applied general discount @ 20% for lack of control, lack of marketability and other factors.

Based on analysis of the company and subject to our comments and caveats as detailed, the fair value of the Equity Shares of the company (As calculated in "Annexure – C") as on 01st April, 2023 having face value of Rs. 10.00/- each has been arrived at Rs. 20,534.00/-.



*Hemang Shah*  
**HEMANG SHAH**

**IBBI Registered Valuer**

**Registration Number: IBBI/RV/03/2020/12854**

**COP Number: ICSIRVO/SFA/93**

**Date: 07th November, 2023**

**Place: Vadodara**

## ARTH TECHNOCRATS PRIVATE LIMITED

### ANNEXURE - A = LIST OF DIRECTORS AS ON VALUATION DATE

SERIAL NUMBER	DIN	FULL NAME	DESIGNATION	DATE OF APPOINTMENT
1	09708605	RICHA SHAH	Director	19/08/2022
2	09708606	ARTH SHAH	Director	19/08/2022
3	03115836	TUSHAR DINESHCHANDRA SHAH	Director	14/08/2023

## **ARTH TECHNOCRATS PRIVATE LIMITED**

### **ANNEXURE - B = BUSINESS OF THE COMPANY / MAIN OBJECT AS PER MOA**

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1. To carry on in India or elsewhere the business to buy, procure, install, acquire, import, improve upon, alter, maintain, prepare for market, handle, assemble, sell, resale, export, operate, dispose of, distribute, transport, store, forward, dispose, consume, repair supply and otherwise deal in or develop all types of varieties, models, shapes, sizes, specifications, description, diameters, capacities, applications, uses and values of all types of home automation products.
2. To carry on the business of buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying, trading, dealing in any manner whatsoever in all type of goods on retail as well as on wholesale basis in India or elsewhere.



## ARTH TECHNOCRATS PRIVATE LIMITED

### ANNEXURE - C = VALUATION CALCULATION

(A) Income Approach with 100% Weightage:

#### Estimated future cash flow and Share Valuation working

Years	Cash Flow	COE	Present Value	Discounted
2023-24	1,765.69	21.59%	0.8224	1,452.14
2024-25	3,772.08	21.59%	0.6764	2,551.34
2025-26	11,021.72	21.59%	0.5563	6,130.98
2026-27	36,522.40	21.59%	0.4575	16,708.34
2027-28	1,03,023.36	21.59%	0.3762	38,761.72
Terminal Value of Cash Flow	5,70,738.03	21.59%	0.3762	2,14,735.65
Total Value of Firm				2,80,340.16
Debt as at end of Explicit Period				23,930.28
Contingent Liability as at March 31, 2023				-
Cash and Cash Equivalent Balance as at March 31, 2023				266.00
Total Value of Equity share holders before DLOM				2,56,675.88
DLOM@20%				51,335.18
Total Value of Equity share holders after DLOM				2,05,340.70
Outstanding number of Equity Shares				10
<b>Fair Value per Equity share in Rs</b>				<b>20,534.00</b>

## ARTH TECHNOCRATS PRIVATE LIMITED

### ANNEXURE - C = VALUATION CALCULATION

---

(B) Market Approach with 0% Weightage:

	P/E	P/B
3i Infotech Ltd.	343.13	0.72
C. E. Info Systems (MapmyIndia) Ltd.	48.98	9.94
AVERAGE	196.055	5.33
EPS of ARTH TECHNOCRATS PRIVATE LIMITED	10.44	
VALUE	2046.8142	
BOOK VALUE of ARTH TECHNOCRATS PRIVATE LIMITED		20.4
VALUE		108.732

# ARTH TECHNOCRATS PRIVATE LIMITED

## ANNEXURE - C = VALUATION CALCULATION

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(C) Cost Approach with 0% Weightage:

<b>Particulars</b>	<b>Amount</b>
Book Value of Assets	5,872.00
Adjustments:	
Less: Book Value of Immovable Property	0.00
Add: Market Value of Immovable Property	0
Less: Deferred Tax Assets	0
<b>Revised Value of Asset (A)</b>	<b>5,872.00</b>
<b>Liabilities of the Company</b>	
Non Current Liabilities	1,701.00
Current Liability	3,967.00
<b>Total Liabilities of the Company (B)</b>	<b>5,668.00</b>
Net Assets of the Company	204.00
No of Shares of the Company	10
Fair Value per Share	20.400



**VALUATION REPORT OF EQUITY SHARES**  
**OF**  
**DIAGRID INFRA PRIVATE LIMITED**

---

**Prepared by:**

**Hemang Harshadbhai Shah**

**Practicing Company Secretary**

**IBBI Registered Valuer - Securities or Financial Assets**

**Registered Trademark Agent**

**Qualified Independent Director**

**Contact:**

**E – Mail: [hemang\\_shah1989@yahoo.com](mailto:hemang_shah1989@yahoo.com)**

**Mobile: 9099712511**

## I. Preamble

This report is prepared by Hemang Shah, Proprietor of Hemang Shah & Associates and IBBI Registered Valuer (Registered Valuer) solely for the purpose of valuation Equity Shares of DIAGRID INFRA PRIVATE LIMITED (The Company). Registered Valuer has been appointed by the Company on 04th November, 2023 ("Date of Appointment"). The valuation date is 01st April, 2023 ("Valuation date"). This report is subject to the scope of limitations detailed hereinafter. This report has been prepared solely for the purpose set out in this report and should not be reproduced (in part or otherwise) in any other document whatsoever without Registered Valuer's specific written consent.

Registered Valuer has relied on such data, information, etc. as was necessary and deemed for the purpose of this assignment which has been made available to Registered Valuer by the management of the Company / Authorized Person and relied on the statements, information and explanation provided and has not tried to evaluate the accuracy thereof.

Registered Valuer's work does not constitute certification or due diligence of the past working results of the Company and Registered Valuer has relied upon the information provided to it by the Company as set out in their results.

Registered Valuer has not carried out any physical verification of the assets and liabilities of the Company and takes no responsibility on the identification, availability and valuation of such assets and liabilities.

## II. Scope and Purpose of Valuation

The purpose of this Valuation Report is to determine Value of the Equity Shares of DIAGRID INFRA PRIVATE LIMITED having face value of Rs. 10.00/- each as on 01st April, 2023 for proposed issue of Equity Shares as per the requirements of the Companies Act 2013.

## III. Identity of the Valuer and Any other experts involved in the Valuation

Name of the Valuer	Hemang Harshadbhai Shah
Registration Number	IBBI/RV/03/2020/12854
Address of the Valuer	Co – Venture hub, 314 - 316, 3rd Floor, Kalp Business Hub, Above SBI Bank, Bahucharaji Road, Karelibaugh, Vadodara – 390018
Contact Detail	9099712511
Email Address	<a href="mailto:hemang_shah1989@yahoo.com">hemang_shah1989@yahoo.com</a>
Qualifications	Practicing Company Secretary, IBBI Registered Valuer, Registered Trade Mark Agent, Qualified Independent Director
Disclosure of Interest or Conflict	None
Any other experts involved	None

IV. Inspections and / or investigation undertaken

Following are the Sources of information:

- (A) Audited Financial Statements for the Financial Year ended on 31st March, 2023.
- (B) Projections up to 31st March, 2028.
- (C) Other business related information and explanations given during the process of valuation as was required for filling the gaps.
- (D) Reliance has been placed on the verbal explanations and information given to us and certified documents provided by directors of the Company and other representatives and associates of the Company.

V. About the Company

Name of the Company	DIAGRID INFRA PRIVATE LIMITED
Date of Incorporation	06/03/2019
CIN	U27300PN2019PTC182636
Registered office	FLAT NO. C-804, UMANG PREMIER, GAT NO 690 TO 710, WAGHOLI, Pune, PUNE, Maharashtra, India, 412207
Director(s)	As per <b>"Annexure – A"</b> .

Authorized and Paid Up Capital of the Company as on Valuation Report Date is Rs. 1,00,000.00/- and Rs. 1,00,000.00/- respectively.

VI. About the Business of the Company - Main object of the Company as per MOA of the Company

As per **"Annexure – B"**.

VII. Procedures adopted in carrying out the Valuation and Valuation Standard followed

- (A) Receipt of proposal for valuation;
- (B) Collection of information and documents;
- (C) Determining valuation approaches and methods;
- (D) Valuation synthesis & revisiting the assumptions and decision made; Report preparation and its validation;

## VIII. Valuation Standards followed

International Valuations methodology and relevant International Valuations Standards (popularly known as 'IVS') issued by IVSC have been followed for preparation and valuation of the Equity Shares.

## IX. Premises of value, Valuation Approaches and Methods

The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment by the Valuer, based on the facts and circumstances as applicable to the specific transaction.

Valuation by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions. There can therefore be no standard formula to establish an indisputable value, although certain formula are helpful in assessing reasonableness.

For the purpose of determining fair value, a Valuer may therefore, use any of the approaches as per the generally / internationally accepted valuation methodologies which in its opinion are most appropriate based on the facts of each valuation.

The internationally / generally accepted valuation methodologies have been discussed hereinafter, along with the reasons for choice of approach used.

### Premise of Value

The premise of the value determination is 'Going Concern' and the value of Equity Shares so determined is of a company expected to continue to operate in future.

### Approaches of Valuation

There are three approaches to carry out valuation of Equity Shares:

1. Market Approach
2. Cost Approach
3. Income Approach

#### 1. Market Approach

Usually under the market based approach, the methods that may be applied are Market Price Method, Comparable Multiple Method (CMM), Comparable Transaction Method (CTM) or Price of Recent Investment Method (PORI). Under CMM method various multiple like EV/Sales, EV/EBITDA, P/BV P/E, Price/Sales can be used to value a business or Securities or Financial Assets depending upon the facts and circumstances of the cases.



## 2. Cost Approach

Under this approach, the book value / replaceable value / realizable value of the underlying assets of the company is determined to arrive at the value of the business, depending on the facts and circumstances applicable to a company.

Usually under the asset-based approach, the methods that maybe applied are Net Book Value Method, Net Replaceable Value, Net Realizable Value.

Net Book Value method considers the book value of all assets and liabilities and arrives at fair value of underlying asset whereas Net Replaceable Value is the method which considers replacement cost of existing assets instead of Book Value and Net Realizable Value is the Method which considers realizable value instead of Book Value of assets and liabilities.

## 3. Income Approach

Usually under the Income Based Approach, the methods that may be applied are Discounted Cash Flow Method / Dividend Discount Method (DCF) or the Price Earning Capacity Value (PECV) Method.

Under DCF method, the future free cash flows of the business or Securities or Financial Assets are discounted to the valuation date to arrive at the present value of the cash flows of the business or Securities or Financial Assets or capitalized using a discount rate depending on the capital structure of the company. This method also takes into account the value of the business or Securities or Financial Assets in perpetuity by the calculation of terminal value using the exit multiple method or the perpetuity growth method, whichever is appropriate.

Under PECV method, the average earning on the basis of past 3-5 year are first determined, adjustments are then made for any exceptional transactions or items of non- recurring nature. The adjusted average earning are then capitalized at an appropriate rate to arrive at the value of business. The capitalization rate so factored has to be decided depending upon various factors such as the earning trend in the industries, P/E prevailing in the industries etc.

In the present case, for the application of the Market approach we have considered couple of multiples of peer listed companies. But as there were negative results as per "Annexure – C", we have given zero weightage to the Market Approach.

As per "Annexure – C" we have considered Cost Approach but as discussed with the management of the Company, Cost Approach may not reflect true value of the Company as it is expecting good growth in near future, we have given zero weightage to the Cost Approach.

We have considered Income Approach as the Company has provided projections for its business which may have significant impact on the Company's value and accordingly we have given 100% weightage to it.

X. List of Assumptions and Limiting Conditions

1. The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation and may not be used out of the context presented herein.
2. Public information, estimates, industry and statistical information contained in this report have been obtained from sources considered to be reliable. However, the undersigned, independently did not verify such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.
3. The company and its representatives warranted to the undersigned that the information supplied was complete and accurate to the best of their knowledge and that the financial information properly reflects the business conditions and operating results for the respective periods in accordance with generally accepted accounting principles. We have not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.
4. I do not provide assurance on the achievability of the results forecasted by the client because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management. Projections were made, analyzed, discussed, modified and finalized by the Company and the Company is confident to achieve results projected by them.
5. Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it nor may it be used for any purpose by anyone other than those enumerated in this report without written consent. This report and the conclusion of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein.
6. This valuation reflects facts and conditions existing or reasonable foreseeable at the valuation date. Subsequent events have not been considered, and the undersigned has no obligation to update the report for such events and conditions.
7. No change of any item in this valuation / conclusion report shall be made by anyone other than the undersigned and shall have no responsibility for any such unauthorized change.
8. It is assumed that there is full compliance with all applicable Central, State, and local environmental regulations and laws and I do not provide assurance on compliance of various laws and acts i.e. Companies Act, 2013.
9. To derive Valuation, the Company has made few assumptions which may differ Accounting Principles.
10. I have made no investigation of title to property, and assume that the owner's claim to the property is valid.

XI. Valuation of Equity Shares.

As per "Annexure – C".

Notes to valuation calculation:

1. Projections, Cash Flow and other financial data were provided by the Company.
2. The Company has assumed terminal growth rate @ 3%.
3. Tax rate was assumed by the Company.
4. After discussion with the Company, understanding the Company and Industry, cost of capital was assumed at 21.59%.
5. We have applied general discount @ 20% for lack of control, lack of marketability and other factors.

Based on analysis of the company and subject to our comments and caveats as detailed, the fair value of the Equity Shares of the company (As calculated in "Annexure – C") as on 01st April, 2023 having face value of Rs. 10.00/- each has been arrived at Rs. 39,734.00/-.

A handwritten signature in black ink, appearing to read 'Sh. Hemang Shah', is written over a circular official stamp.

**HEMANG SHAH**

**IBBI Registered Valuer**

**Registration Number: IBBI/RV/03/2020/12854**

**COP Number: ICSIRVO/SFA/93**

**Date: 07th November, 2023**

**Place: Vadodara**

## DIAGRID INFRA PRIVATE LIMITED

### ANNEXURE - A = LIST OF DIRECTORS AS ON VALUATION DATE

SERIAL NUMBER	DIN	FULL NAME	DESIGNATION	DATE OF APPOINTMENT
1	07958372	VISHAL R THAWANI	Director	06/03/2019
2	03431884	UDAY PRABHAKARAN NAIR	Director	06/03/2019



**DIAGRID INFRA PRIVATE LIMITED**

**ANNEXURE - B = BUSINESS OF THE COMPANY / MAIN OBJECT AS PER MOA**

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The company is engaged in the business of constructions and infrastructure development.

**DIAGRID INFRA PRIVATE LIMITED**  
**ANNEXURE - C = VALUATION CALCULATION**

(A) Income Approach with 100% Weightage:

**Estimated future cash flow and Share Valuation working**

Years	Cash Flow	COE	Present Value	Discounted
2023-24	2,925.00	21.59%	0.8224	2,405.58
2024-25	5,814.75	21.59%	0.6764	3,932.95
2025-26	17,482.24	21.59%	0.5563	9,724.73
2026-27	65,347.52	21.59%	0.4575	29,895.31
2027-28	1,83,323.97	21.59%	0.3762	68,974.19
Terminal Value of Cash Flow	10,15,594.53	21.59%	0.3762	3,82,109.37
Total Value of Firm				4,97,042.11
Debt as at end of Explicit Period				468.95
Contingent Liability as at March 31, 2023				-
Cash and Cash Equivalent Balance as at March 31, 2023				100.00
Total Value of Equity share holders before DLOM				4,96,673.17
<u>DLOM@20%</u>				99,334.63
Total Value of Equity share holders after DLOM				3,97,338.54
Outstanding number of Equity Shares				10
<b>Fair Value per Equity share in Rs</b>				<b>39,734.00</b>

**DIAGRID INFRA PRIVATE LIMITED**  
**ANNEXURE - C = VALUATION CALCULATION**

---

(B) Market Approach with 0% Weightage:

	P/E	P/B
RBM Infracon Ltd.	11.01	2.77
Advait Infratech Ltd.	17.91	5.58
AVERAGE	14.46	4.175
EPS of DIAGRID INFRA PRIVATE LIMITED	-1.5	
VALUE	-21.69	
BOOK VALUE of DIAGRID INFRA PRIVATE LIMITED		-1.5
VALUE		-6.2625

**DIAGRID INFRA PRIVATE LIMITED**  
**ANNEXURE - C = VALUATION CALCULATION**

---

(C) Cost Approach with 0% Weightage:

<b>Particulars</b>	<b>Amount</b>
Book Value of Assets	100.00
Adjustments:	
Less: Book Value of Immovable Property	0.00
Add: Market Value of Immovable Property	0
Less: Deferred Tax Assets	0
<b>Revised Value of Asset (A)</b>	<b>100.00</b>
<b>Liabilities of the Company</b>	
Non Current Liabilities	0.00
Current Liability	115.00
<b>Total Liabilities of the Company (B)</b>	<b>115.00</b>
Net Assets of the Company	-15.00
No of Shares of the Company	10
Fair Value per Share	-1.500



**VALUATION REPORT OF EQUITY SHARES**  
**OF**  
**MAMTA TRADINGS PRIVATE LIMITED**

---

**Prepared by:**

**Hemang Harshadbhai Shah**

**Practicing Company Secretary**

**IBBI Registered Valuer - Securities or Financial Assets**

**Registered Trademark Agent**

**Qualified Independent Director**

**Contact:**

**E – Mail: [hemang\\_shah1989@yahoo.com](mailto:hemang_shah1989@yahoo.com)**

**Mobile: 9099712511**

## I. Preamble

This report is prepared by Hemang Shah, Proprietor of Hemang Shah & Associates and IBBI Registered Valuer (Registered Valuer) solely for the purpose of valuation Equity Shares of MAMTA TRADINGS PRIVATE LIMITED (The Company). Registered Valuer has been appointed by the Company on 04th November, 2023 ("Date of Appointment"). The valuation date is 01st April, 2023 ("Valuation date"). This report is subject to the scope of limitations detailed hereinafter. This report has been prepared solely for the purpose set out in this report and should not be reproduced (in part or otherwise) in any other document whatsoever without Registered Valuer's specific written consent.

Registered Valuer has relied on such data, information, etc. as was necessary and deemed for the purpose of this assignment which has been made available to Registered Valuer by the management of the Company / Authorized Person and relied on the statements, information and explanation provided and has not tried to evaluate the accuracy thereof.

Registered Valuer's work does not constitute certification or due diligence of the past working results of the Company and Registered Valuer has relied upon the information provided to it by the Company as set out in their results.

Registered Valuer has not carried out any physical verification of the assets and liabilities of the Company and takes no responsibility on the identification, availability and valuation of such assets and liabilities.

## II. Scope and Purpose of Valuation

The purpose of this Valuation Report is to determine Value of the Equity Shares of MAMTA TRADINGS PRIVATE LIMITED having face value of Rs. 10.00/- each as on 01st April, 2023 for proposed issue of Equity Shares as per the requirements of the Companies Act 2013.

## III. Identity of the Valuer and Any other experts involved in the Valuation

Name of the Valuer	Hemang Harshadbhai Shah
Registration Number	IBBI/RV/03/2020/12854
Address of the Valuer	Co – Venture hub, 314 - 316, 3rd Floor, Kalp Business Hub, Above SBI Bank, Bahucharaji Road, Karelibaugh, Vadodara – 390018
Contact Detail	9099712511
Email Address	<a href="mailto:hemang_shah1989@yahoo.com">hemang_shah1989@yahoo.com</a>
Qualifications	Practicing Company Secretary, IBBI Registered Valuer, Registered Trade Mark Agent, Qualified Independent Director
Disclosure of Interest or Conflict	None
Any other experts involved	None

IV. Inspections and / or investigation undertaken

Following are the Sources of information:

- (A) Audited Financial Statements for the Financial Year ended on 31st March, 2023.
- (B) Projections up to 31st March, 2028.
- (C) Other business related information and explanations given during the process of valuation as was required for filling the gaps.
- (D) Reliance has been placed on the verbal explanations and information given to us and certified documents provided by directors of the Company and other representatives and associates of the Company.

V. About the Company

Name of the Company	MAMTA TRADINGS PRIVATE LIMITED
Date of Incorporation	28/03/2008
CIN	U52100GJ2008PTC053411
Registered office	125, PLATINUM PLAZA, JUDGES BUNGALOW ROAD, BODAKDEV, AHMEDABAD, Gujarat, India, 380015
Director(s)	As per "Annexure – A".

Authorized and Paid Up Capital of the Company as on Valuation Report Date is Rs. 25,00,000.00/- and Rs. 8,77,000.00/- respectively.

VI. About the Business of the Company - Main object of the Company as per MOA of the Company

As per "Annexure – B".

VII. Procedures adopted in carrying out the Valuation and Valuation Standard followed

- (A) Receipt of proposal for valuation;
- (B) Collection of information and documents;
- (C) Determining valuation approaches and methods;
- (D) Valuation synthesis & revisiting the assumptions and decision made; Report preparation and its validation;

## VIII. Valuation Standards followed

International Valuations methodology and relevant International Valuations Standards (popularly known as 'IVS') issued by IVSC have been followed for preparation and valuation of the Equity Shares.

## IX. Premises of value, Valuation Approaches and Methods

The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment by the Valuer, based on the facts and circumstances as applicable to the specific transaction.

Valuation by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions. There can therefore be no standard formula to establish an indisputable value, although certain formula are helpful in assessing reasonableness.

For the purpose of determining fair value, a Valuer may therefore, use any of the approaches as per the generally / internationally accepted valuation methodologies which in its opinion are most appropriate based on the facts of each valuation.

The internationally / generally accepted valuation methodologies have been discussed hereinafter, along with the reasons for choice of approach used.

### Premise of Value

The premise of the value determination is 'Going Concern' and the value of Equity Shares so determined is of a company expected to continue to operate in future.

### Approaches of Valuation

There are three approaches to carry out valuation of Equity Shares:

1. Market Approach
2. Cost Approach
3. Income Approach

#### 1. Market Approach

Usually under the market based approach, the methods that may be applied are Market Price Method, Comparable Multiple Method (CMM), Comparable Transaction Method (CTM) or Price of Recent Investment Method (PORI). Under CMM method various multiple like EV/Sales, EV/EBITDA, P/BV P/E, Price/Sales can be used to value a business or Securities or Financial Assets depending upon the facts and circumstances of the cases.



## 2. Cost Approach

Under this approach, the book value / replaceable value / realizable value of the underlying assets of the company is determined to arrive at the value of the business, depending on the facts and circumstances applicable to a company.

Usually under the asset-based approach, the methods that maybe applied are Net Book Value Method, Net Replaceable Value, Net Realizable Value.

Net Book Value method considers the book value of all assets and liabilities and arrives at fair value of underlying asset whereas Net Replaceable Value is the method which considers replacement cost of existing assets instead of Book Value and Net Realizable Value is the Method which considers realizable value instead of Book Value of assets and liabilities.

## 3. Income Approach

Usually under the Income Based Approach, the methods that may be applied are Discounted Cash Flow Method / Dividend Discount Method (DCF) or the Price Earning Capacity Value (PECV) Method.

Under DCF method, the future free cash flows of the business or Securities or Financial Assets are discounted to the valuation date to arrive at the present value of the cash flows of the business or Securities or Financial Assets or capitalized using a discount rate depending on the capital structure of the company. This method also takes into account the value of the business or Securities or Financial Assets in perpetuity by the calculation of terminal value using the exit multiple method or the perpetuity growth method, whichever is appropriate.

Under PECV method, the average earning on the basis of past 3-5 year are first determined, adjustments are then made for any exceptional transactions or items of non- recurring nature. The adjusted average earning are then capitalized at an appropriate rate to arrive at the value of business. The capitalization rate so factored has to be decided depending upon various factors such as the earning trend in the industries, P/E prevailing in the industries etc.

In the present case, for the application of the Market approach we have considered couple of multiples of peer listed companies. But as there were inconstancy in the results as per "Annexure – C", we have given zero weightage to the Market Approach.

As per "Annexure – C" we have considered Cost Approach but as discussed with the management of the Company, Cost Approach may not reflect true value of the Company as it is expecting good growth in near future, we have given zero weightage to the Cost Approach.

We have considered Income Approach as the Company has provided projections for its business which may have significant impact on the Company's value and accordingly we have given 100% weightage to it.

X. List of Assumptions and Limiting Conditions

1. The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation and may not be used out of the context presented herein.
2. Public information, estimates, industry and statistical information contained in this report have been obtained from sources considered to be reliable. However, the undersigned, independently did not verify such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.
3. The company and its representatives warranted to the undersigned that the information supplied was complete and accurate to the best of their knowledge and that the financial information properly reflects the business conditions and operating results for the respective periods in accordance with generally accepted accounting principles. We have not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.
4. I do not provide assurance on the achievability of the results forecasted by the client because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management. Projections were made, analyzed, discussed, modified and finalized by the Company and the Company is confident to achieve results projected by them.
5. Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it nor may it be used for any purpose by anyone other than those enumerated in this report without written consent. This report and the conclusion of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein.
6. This valuation reflects facts and conditions existing or reasonable foreseeable at the valuation date. Subsequent events have not been considered, and the undersigned has no obligation to update the report for such events and conditions.
7. No change of any item in this valuation / conclusion report shall be made by anyone other than the undersigned and shall have no responsibility for any such unauthorized change.
8. It is assumed that there is full compliance with all applicable Central, State, and local environmental regulations and laws and I do not provide assurance on compliance of various laws and acts i.e. Companies Act, 2013.
9. To derive Valuation, the Company has made few assumptions which may differ Accounting Principles.
10. I have made no investigation of title to property, and assume that the owner's claim to the property is valid.

XI. Valuation of Equity Shares.

As per "Annexure – C".

Notes to valuation calculation:

1. Projections, Cash Flow and other financial data were provided by the Company.
2. The Company has assumed terminal growth rate @ 3%.
3. Tax rate was assumed by the Company.
4. After discussion with the Company, understanding the Company and Industry, cost of capital was assumed at 21.59%.
5. We have applied general discount @ 20% for lack of control, lack of marketability and other factors.

Based on analysis of the company and subject to our comments and caveats as detailed, the fair value of the Equity Shares of the company (As calculated in "Annexure – C") as on 01st April, 2023 having face value of Rs. 10.00/- each has been arrived at Rs. 9,834.00/-.



**HEMANG SHAH**

**IBBI Registered Valuer**

**Registration Number: IBBI/RV/03/2020/12854**

**COP Number: ICSIRVO/SFA/93**

**Date: 07th November, 2023**

**Place: Vadodara**

**MAMTA TRADINGS PRIVATE LIMITED**

**ANNEXURE - A = LIST OF DIRECTORS AS ON VALUATION DATE**

<b>SERIAL NUMBER</b>	<b>DIN</b>	<b>FULL NAME</b>	<b>DESIGNATION</b>	<b>DATE OF APPOINTMENT</b>
1	01972614	MAHESH KODWANI	Director	28/03/2008
2	01972669	MAMTA LAXMAN GIANANI	Director	28/03/2008

## MAMTA TRADINGS PRIVATE LIMITED

### ANNEXURE - B = BUSINESS OF THE COMPANY / MAIN OBJECT AS PER MOA

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To carry on the business as traders, agents, dealers, distributors, commission agents, brokers, stockiest, factors, consignors, collaborators, franchisers, concessionaire, exporter, importer, buyers, sellers, merchant, consultant, advisors, manufacturer's representative, job worker, assembler, and other wise to deal in all kinds, classes, size, nature and description of Industrial, Commercial, Consumer, Capital Goods, Item, -Things, Articles, Commodities, Merchandise, Products weather finished, semi-finished or raw material including Engineering Goods, Equipments, Apertures, Home-Appliances, Household, Automobiles, Electrical and electronic goods, Computer Hardware, Software, Gift Article, Toys, Readymade Garments, Fibers and Fabrics, Yarn, Textile, Hosiery Goods, Foot wares, Decorative, Glass and Glass Products, Glass ware, Crockery, Beverages, Minerals, Fertilizers, Pesticides, Drugs, Medicines and Pharmaceuticals, Seeds, Food grains, Spices, Cereals, Flours, Fruits, Dry fruits, Vegetables, Handicraft Items, Herbal and Auryurvedic Products, Agriculture produce and products, Milk and Dairy Products, Food products, Marine Products, Sugar and Sugar Products, Tea and Coffee, Tobacco, Cosmetics, Cement, Cement Product, Steel, Steel Products, Scrap of All type of Metal, Ceramics Products, Sanitary ware, Salt, Dyes, Intermediates, Chemicals, Pigments, Colours, Paints and Varnishes, Diamond, Gold, Jewelry, Novelty, Stationery, Ferrous and non- ferrous metals, Solvent, Oil edible and non-edible, Lubricants, fuel additive, Stones, Marbles and Granites, Mining products, Plastic and Polymers products, Timber, Wood and Wooden article, Furniture, Petroleum product.



## MAMTA TRADINGS PRIVATE LIMITED

### ANNEXURE - C = VALUATION CALCULATION

(A) Income Approach with 100% Weightage:

#### Estimated future cash flow and Share Valuation working

Years	Cash Flow	COE	Present Value	Discounted
2023-24	1,24,88,747.05	21.59%	0.8224	1,02,70,990.72
2024-25	2,54,45,826.60	21.59%	0.6764	1,72,10,896.69
2025-26	5,71,64,875.20	21.59%	0.5563	3,17,98,721.67
2026-27	15,78,94,845.22	21.59%	0.4575	7,22,34,025.95
2027-28	52,46,25,308.37	21.59%	0.3762	19,73,86,103.40
Terminal Value of Cash Flow	2,90,63,66,241.35	21.59%	0.3762	1,09,34,97,203.22
Total Value of Firm				1,42,23,97,941.65
Debt as at end of Explicit Period				34,43,32,196.96
Contingent Liability as at March 31, 2023				-
Cash and Cash Equivalent Balance as at March 31, 2023				6,329.00
Total Value of Equity share holders before DLOM				1,07,80,72,073.69
DLOM@20%				21,56,14,414.74
Total Value of Equity share holders after DLOM				86,24,57,658.95
Outstanding number of Equity Shares				87,700
<b>Fair Value per Equity share in Rs</b>				<b>9,834.00</b>

## MAMTA TRADINGS PRIVATE LIMITED

### ANNEXURE - C = VALUATION CALCULATION

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(B) Market Approach with 0% Weightage:

	P/E	P/B
Novateor Research Laboratories Ltd.	231.25	1.13
PH Trading Ltd.	0	0.04
Shraddha Prime Projects Ltd.	-14.24	9.74
AVERAGE	72.33666667	3.636666667
EPS of MAMTA TRADINGS PRIVATE LIMITED	-0.25	
VALUE	-18.08416667	
BOOK VALUE of MAMTA TRADINGS PRIVATE LIMITED		404.731
VALUE		1471.871737

## MAMTA TRADINGS PRIVATE LIMITED

### ANNEXURE - C = VALUATION CALCULATION

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(C) Cost Approach with 0% Weightage:

<b>Particulars</b>	<b>Amount</b>
Book Value of Assets	4,77,83,020.00
Adjustments:	
Less: Book Value of Immovable Property	0.00
Add: Market Value of Immovable Property	0
Less: Deferred Tax Assets	0
<b>Revised Value of Asset (A)</b>	<b>4,77,83,020.00</b>
<b>Liabilities of the Company</b>	
Non Current Liabilities	1,22,12,500.00
Current Liability	75,600.00
<b>Total Liabilities of the Company (B)</b>	<b>1,22,88,100.00</b>
Net Assets of the Company	3,54,94,920.00
No of Shares of the Company	87,700
Fair Value per Share	404.731

**VALUATION REPORT OF EQUITY SHARES**

**OF**

**MAXTREE PRIVATE LIMITED**

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**Prepared by:**

**Hemang Harshadbhai Shah**

**Practicing Company Secretary**

**IBBI Registered Valuer - Securities or Financial Assets**

**Registered Trademark Agent**

**Qualified Independent Director**

**Contact:**

**E – Mail: [hemang\\_shah1989@yahoo.com](mailto:hemang_shah1989@yahoo.com)**

**Mobile: 9099712511**

## I. Preamble

This report is prepared by Hemang Shah, Proprietor of Hemang Shah & Associates and IBBI Registered Valuer (Registered Valuer) solely for the purpose of valuation Equity Shares of MAXTREE PRIVATE LIMITED (The Company). Registered Valuer has been appointed by the Company on 04th November, 2023 ("Date of Appointment"). The valuation date is 01st April, 2023 ("Valuation date"). This report is subject to the scope of limitations detailed hereinafter. This report has been prepared solely for the purpose set out in this report and should not be reproduced (in part or otherwise) in any other document whatsoever without Registered Valuer's specific written consent.

Registered Valuer has relied on such data, information, etc. as was necessary and deemed for the purpose of this assignment which has been made available to Registered Valuer by the management of the Company / Authorized Person and relied on the statements, information and explanation provided and has not tried to evaluate the accuracy thereof.

Registered Valuer's work does not constitute certification or due diligence of the past working results of the Company and Registered Valuer has relied upon the information provided to it by the Company as set out in their results.

Registered Valuer has not carried out any physical verification of the assets and liabilities of the Company and takes no responsibility on the identification, availability and valuation of such assets and liabilities.

## II. Scope and Purpose of Valuation

The purpose of this Valuation Report is to determine Value of the Equity Shares of MAXTREE PRIVATE LIMITED having face value of Rs. 10.00/- each as on 01st April, 2023 for proposed issue of Equity Shares as per the requirements of the Companies Act 2013.

## III. Identity of the Valuer and Any other experts involved in the Valuation

Name of the Valuer	Hemang Harshadbhai Shah
Registration Number	IBBI/RV/03/2020/12854
Address of the Valuer	Co – Venture hub, 314 - 316, 3rd Floor, Kalp Business Hub, Above SBI Bank, Bahucharaji Road, Karelibaugh, Vadodara – 390018
Contact Detail	9099712511
Email Address	<a href="mailto:hemang_shah1989@yahoo.com">hemang_shah1989@yahoo.com</a>
Qualifications	Practicing Company Secretary, IBBI Registered Valuer, Registered Trade Mark Agent, Qualified Independent Director
Disclosure of Interest or Conflict	None
Any other experts involved	None



IV. Inspections and / or investigation undertaken

Following are the Sources of information:

- (A) Audited Financial Statements for the Financial Year ended on 31st March, 2023.
- (B) Projections up to 31st March, 2028.
- (C) Other business related information and explanations given during the process of valuation as was required for filling the gaps.
- (D) Reliance has been placed on the verbal explanations and information given to us and certified documents provided by directors of the Company and other representatives and associates of the Company.

V. About the Company

Name of the Company	MAXTREE PRIVATE LIMITED
Date of Incorporation	01/03/2018
CIN	U51909GJ2018PTC101041
Registered office	9 GROUND FLOOR NEW MARKET VIKAS MANDAL PANJRAPOLE RELEIF ROAD, Ahmedabad, AHMEDABAD, Gujarat, India, 380001
Director(s)	As per " <b>Annexure – A</b> ".

Authorized and Paid Up Capital of the Company as on Valuation Report Date is Rs. 10,00,000.00/- and Rs. 1,00,000.00/- respectively.

VI. About the Business of the Company - Main object of the Company as per MOA of the Company

As per "**Annexure – B**".

VII. Procedures adopted in carrying out the Valuation and Valuation Standard followed

- (A) Receipt of proposal for valuation;
- (B) Collection of information and documents;
- (C) Determining valuation approaches and methods;
- (D) Valuation synthesis & revisiting the assumptions and decision made; Report preparation and its validation;

## VIII. Valuation Standards followed

International Valuations methodology and relevant International Valuations Standards (popularly known as 'IVS') issued by IVSC have been followed for preparation and valuation of the Equity Shares.

## IX. Premises of value, Valuation Approaches and Methods

The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment by the Valuer, based on the facts and circumstances as applicable to the specific transaction.

Valuation by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions. There can therefore be no standard formula to establish an indisputable value, although certain formula are helpful in assessing reasonableness.

For the purpose of determining fair value, a Valuer may therefore, use any of the approaches as per the generally / internationally accepted valuation methodologies which in its opinion are most appropriate based on the facts of each valuation.

The internationally / generally accepted valuation methodologies have been discussed hereinafter, along with the reasons for choice of approach used.

### Premise of Value

The premise of the value determination is 'Going Concern' and the value of Equity Shares so determined is of a company expected to continue to operate in future.

### Approaches of Valuation

There are three approaches to carry out valuation of Equity Shares:

1. Market Approach
2. Cost Approach
3. Income Approach

#### 1. Market Approach

Usually under the market based approach, the methods that may be applied are Market Price Method, Comparable Multiple Method (CMM), Comparable Transaction Method (CTM) or Price of Recent Investment Method (PORI). Under CMM method various multiple like EV/Sales, EV/EBITDA, P/BV P/E, Price/Sales can be used to value a business or Securities or Financial Assets depending upon the facts and circumstances of the cases.

## 2. Cost Approach

Under this approach, the book value / replaceable value / realizable value of the underlying assets of the company is determined to arrive at the value of the business, depending on the facts and circumstances applicable to a company.

Usually under the asset-based approach, the methods that maybe applied are Net Book Value Method, Net Replaceable Value, Net Realizable Value.

Net Book Value method considers the book value of all assets and liabilities and arrives at fair value of underlying asset whereas Net Replaceable Value is the method which considers replacement cost of existing assets instead of Book Value and Net Realizable Value is the Method which considers realizable value instead of Book Value of assets and liabilities.

## 3. Income Approach

Usually under the Income Based Approach, the methods that may be applied are Discounted Cash Flow Method / Dividend Discount Method (DCF) or the Price Earning Capacity Value (PECV) Method.

Under DCF method, the future free cash flows of the business or Securities or Financial Assets are discounted to the valuation date to arrive at the present value of the cash flows of the business or Securities or Financial Assets or capitalized using a discount rate depending on the capital structure of the company. This method also takes into account the value of the business or Securities or Financial Assets in perpetuity by the calculation of terminal value using the exit multiple method or the perpetuity growth method, whichever is appropriate.

Under PECV method, the average earning on the basis of past 3-5 year are first determined, adjustments are then made for any exceptional transactions or items of non- recurring nature. The adjusted average earning are then capitalized at an appropriate rate to arrive at the value of business. The capitalization rate so factored has to be decided depending upon various factors such as the earning trend in the industries, P/E prevailing in the industries etc.

In the present case, for the application of the Market approach we have considered couple of multiples of peer listed companies. But as there were inconsistency in the results as per "Annexure – C", we have given zero weightage to the Market Approach.

As per "Annexure – C" we have considered Cost Approach but as discussed with the management of the Company, Cost Approach may not reflect true value of the Company as it is expecting good growth in near future, we have given zero weightage to the Cost Approach.

We have considered Income Approach as the Company has provided projections for its business which may have significant impact on the Company's value and accordingly we have given 100% weightage to it.

X. List of Assumptions and Limiting Conditions

1. The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation and may not be used out of the context presented herein.
2. Public information, estimates, industry and statistical information contained in this report have been obtained from sources considered to be reliable. However, the undersigned, independently did not verify such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.
3. The company and its representatives warranted to the undersigned that the information supplied was complete and accurate to the best of their knowledge and that the financial information properly reflects the business conditions and operating results for the respective periods in accordance with generally accepted accounting principles. We have not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.
4. I do not provide assurance on the achievability of the results forecasted by the client because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management. Projections were made, analyzed, discussed, modified and finalized by the Company and the Company is confident to achieve results projected by them.
5. Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it nor may it be used for any purpose by anyone other than those enumerated in this report without written consent. This report and the conclusion of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein.
6. This valuation reflects facts and conditions existing or reasonable foreseeable at the valuation date. Subsequent events have not been considered, and the undersigned has no obligation to update the report for such events and conditions.
7. No change of any item in this valuation / conclusion report shall be made by anyone other than the undersigned and shall have no responsibility for any such unauthorized change.
8. It is assumed that there is full compliance with all applicable Central, State, and local environmental regulations and laws and I do not provide assurance on compliance of various laws and acts i.e. Companies Act, 2013.
9. To derive Valuation, the Company has made few assumptions which may differ Accounting Principles.
10. I have made no investigation of title to property, and assume that the owner's claim to the property is valid.

XI. Valuation of Equity Shares.

As per "Annexure – C".

Notes to valuation calculation:

1. Projections, Cash Flow and other financial data were provided by the Company.
2. The Company has assumed terminal growth rate @ 3%.
3. Tax rate was assumed by the Company.
4. After discussion with the Company, understanding the Company and Industry and considering the registered trademarks with the Company, cost of capital was assumed at 18.59%.
5. We have applied general discount @ 20% for lack of control, lack of marketability and other factors.

Based on analysis of the company and subject to our comments and caveats as detailed, the fair value of the Equity Shares of the company (As calculated in "Annexure – C") as on 01st April, 2023 having face value of Rs. 10.00/- each has been arrived at Rs. 1,12,558.10/-.

  
HEMANG SHAH



IBBI Registered Valuer

Registration Number: IBBI/RV/03/2020/12854

COP Number: ICSIRVO/SFA/93

Date: 07th November, 2023

Place: Vadodara



## MAXTREE PRIVATE LIMITED

### ANNEXURE - A = LIST OF DIRECTORS AS ON VALUATION DATE

SERIAL NUMBER	DIN	FULL NAME	DESIGNATION	DATE OF APPOINTMENT
1	03115836	TUSHAR DINESHCHANDRA SHAH	Additional Director	07/11/2023
2	03115848	HEMABEN TUSHAR SHAH	Additional Director	07/11/2023

## **MAXTREE PRIVATE LIMITED**

### **ANNEXURE - B = BUSINESS OF THE COMPANY / MAIN OBJECT AS PER MOA**

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To purchase, sell, Import, export, manufacture, repair or otherwise deal in all types of boots, shoe, clogs, all kinds of footwear, rubber and plastic goods, lats, boots, laces, buckels, boot polishes, sports accessories and sport goods(excluding clothing) purses, bags, boxes, belts, and accessories, and fittings along with hand tools and implements (hand-operated), cutlery, side arms, razors, all types of trimmer also including hair clipers, curlers, straighteners, hair iron and shaving instruments, head massager, body massager and shoulder massager, insect killer, yoga mat, gym ball, push-up bars, ankle beauty, roller, suna belt, gymnastics and sports articles (excluding clothing); sailboards; surfboards, including parts and accessories thereof, namely center-boards, skegs, masts, booms, handgrips and toenails, clamping joints and device; sporting articles relating to surfing, sailing, windsurfing included in this class, sporting goods, including games and playthings namely, action figures and accessories therefor, toy weapons, plush toys, ballons, bathtub toys ride-on toys, equipment sold as a unit for playing card games, toy vehicles and accessories therefor; radio controlled toy vehicles, dolls, doll clothing and doll accessories, doll furniture, doll houses, doll playsets, play houses flying discs, electronic hand-held game units; game equipment sold as a unit for playing a board game a card game, a manipulative game, a parlor game and an action type target game, stand alone video output game machines, jigsaw and manipulative puzzles, paper face masks, skateboard, ice skates, water squirting toys, balls- namely, playground balls, soccer balls, baseballs, basketballs, baseball gloves, swimming floats for recreational use, kickboard flotation devices for recreational use, surfboards, swim boards for recreational use, swim fins, toy bakewareand toy cookware, toy animals, toy snow globes, and Christmas tree ornaments.

**MAXTREE PRIVATE LIMITED**  
**ANNEXURE - C = VALUATION CALCULATION**

(A) Income Approach with 100% Weightage:

**Estimated future cash flow and Share Valuation working**

Years	Cash Flow	COE	Present Value	Discounted Cash
2023-24	2,06,88,760.19	18.59%	0.9790	2,02,53,622.32
2024-25	2,18,48,872.60	18.59%	0.8433	1,84,25,648.99
2025-26	4,92,37,781.92	18.59%	0.7108	3,49,97,126.15
2026-27	12,74,91,297.13	18.59%	0.5993	7,64,11,280.84
2027-28	34,90,33,352.90	18.59%	0.5054	17,63,95,258.13
Terminal Value of Cash Flow	2,30,56,34,120.48	18.59%	0.5054	1,16,52,26,539.13
Total Value of Firm				1,49,17,09,475.57
Debt as at end of Explicit Period				16,88,20,312.50
Contingent Liability as at March 31, 2023				0.00
Cash and Cash Equivalent Balance as at March 31,				13,23,764.00
Total Value of Equity share holders before DLOM				1,32,42,12,927.07
DLOM@15%				19,86,31,939.06
Total Value of Equity share holders after DLOM				1,12,55,80,988.01
Outstanding number of Equity Shares				10,000.00
Fair Value per Equity share in Rs				1,12,558.10

**MAXTREE PRIVATE LIMITED**  
**ANNEXURE - C = VALUATION CALCULATION**

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(B) Market Approach with 0% Weightage:

	P/E	P/B
Novateor Research Laboratories Ltd.	231.25	1.13
PH Trading Ltd.	0	0.04
Shraddha Prime Projects Ltd.	-14.24	9.74
AVERAGE	72.33666667	3.636666667
EPS of MAXTREE PRIVATE LIMITED	-44.3	
VALUE	-3204.514333	
BOOK VALUE of MAXTREE PRIVATE LIMITED		79.677
VALUE		289.75869

**MAXTREE PRIVATE LIMITED**  
**ANNEXURE - C = VALUATION CALCULATION**

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(C) Cost Approach with 0% Weightage:

<b>Particulars</b>	<b>Amount</b>
Book Value of Assets	39,94,842.00
Adjustments:	
Less: Book Value of Immovable Property	0.00
Add: Market Value of Immovable Property	0
Less: Deferred Tax Assets	-1,435
<b>Revised Value of Asset (A)</b>	<b>39,93,407.00</b>
<b>Liabilities of the Company</b>	
Non Current Liabilities	0.00
Current Liability	31,96,635.00
<b>Total Liabilities of the Company (B)</b>	<b>31,96,635.00</b>
Net Assets of the Company	7,96,772.00
No of Shares of the Company	10,000
Fair Value per Share	79.677

**VALUATION REPORT OF EQUITY SHARES**  
**OF**  
**WEST COAST FOREX PRIVATE LIMITED**

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**Prepared by:**

**Hemang Harshadbhai Shah**

**Practicing Company Secretary**

**IBBI Registered Valuer - Securities or Financial Assets**

**Registered Trademark Agent**

**Qualified Independent Director**

**Contact:**

**E – Mail: [hemang\\_shah1989@yahoo.com](mailto:hemang_shah1989@yahoo.com)**

**Mobile: 9099712511**



## I. Preamble

This report is prepared by Hemang Shah, Proprietor of Hemang Shah & Associates and IBBI Registered Valuer (Registered Valuer) solely for the purpose of valuation Equity Shares of WEST COAST FOREX PRIVATE LIMITED (The Company). Registered Valuer has been appointed by the Company on 04th November, 2023 ("Date of Appointment"). The valuation date is 01st April, 2023 ("Valuation date"). This report is subject to the scope of limitations detailed hereinafter. This report has been prepared solely for the purpose set out in this report and should not be reproduced (in part or otherwise) in any other document whatsoever without Registered Valuer's specific written consent.

Registered Valuer has relied on such data, information, etc. as was necessary and deemed for the purpose of this assignment which has been made available to Registered Valuer by the management of the Company / Authorized Person and relied on the statements, information and explanation provided and has not tried to evaluate the accuracy thereof.

Registered Valuer's work does not constitute certification or due diligence of the past working results of the Company and Registered Valuer has relied upon the information provided to it by the Company as set out in their results.

Registered Valuer has not carried out any physical verification of the assets and liabilities of the Company and takes no responsibility on the identification, availability and valuation of such assets and liabilities.

## II. Scope and Purpose of Valuation

The purpose of this Valuation Report is to determine Value of the Equity Shares of WEST COAST FOREX PRIVATE LIMITED having face value of Rs. 10.00/- each as on 01st April, 2023 for proposed issue of Equity Shares as per the requirements of the Companies Act 2013.

## III. Identity of the Valuer and Any other experts involved in the Valuation

Name of the Valuer	Hemang Harshadbhai Shah
Registration Number	IBBI/RV/03/2020/12854
Address of the Valuer	Co – Venture hub, 314 - 316, 3rd Floor, Kalp Business Hub, Above SBI Bank, Bahucharaji Road, Karelibaugh, Vadodara – 390018
Contact Detail	9099712511
Email Address	<a href="mailto:hemang_shah1989@yahoo.com">hemang_shah1989@yahoo.com</a>
Qualifications	Practicing Company Secretary, IBBI Registered Valuer, Registered Trade Mark Agent, Qualified Independent Director
Disclosure of Interest or Conflict	None
Any other experts involved	None

IV. Inspections and / or investigation undertaken

Following are the Sources of information:

- (A) Audited Financial Statements for the Financial Year ended on 31st March, 2023.
- (B) Projections up to 31st March, 2028.
- (C) Other business related information and explanations given during the process of valuation as was required for filling the gaps.
- (D) Reliance has been placed on the verbal explanations and information given to us and certified documents provided by directors of the Company and other representatives and associates of the Company.

V. About the Company

Name of the Company	WEST COAST FOREX PRIVATE LIMITED
Date of Incorporation	21/02/2018
CIN	U65990GJ2018PTC100905
Registered office	SHOP NO. 16-UPPER GF, GOYAL COMPLEX NR. SANDESH PRESS, VASTRAPUR, Ahmedabad, AHMEDABAD, Gujarat, India, 380054
Director(s)	As per " <b>Annexure – A</b> ".

Authorized and Paid Up Capital of the Company as on Valuation Report Date is Rs. 26,00,000.00/- and Rs. 26,00,000.00/- respectively.

VI. About the Business of the Company - Main object of the Company as per MOA of the Company

As per "**Annexure – B**".

VII. Procedures adopted in carrying out the Valuation and Valuation Standard followed

- (A) Receipt of proposal for valuation;
- (B) Collection of information and documents;
- (C) Determining valuation approaches and methods;
- (D) Valuation synthesis & revisiting the assumptions and decision made; Report preparation and its validation;

## VIII. Valuation Standards followed

International Valuations methodology and relevant International Valuations Standards (popularly known as 'IVS') issued by IVSC have been followed for preparation and valuation of the Equity Shares.

## IX. Premises of value, Valuation Approaches and Methods

The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment by the Valuer, based on the facts and circumstances as applicable to the specific transaction.

Valuation by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions. There can therefore be no standard formula to establish an indisputable value, although certain formula are helpful in assessing reasonableness.

For the purpose of determining fair value, a Valuer may therefore, use any of the approaches as per the generally / internationally accepted valuation methodologies which in its opinion are most appropriate based on the facts of each valuation.

The internationally / generally accepted valuation methodologies have been discussed hereinafter, along with the reasons for choice of approach used.

### Premise of Value

The premise of the value determination is 'Going Concern' and the value of Equity Shares so determined is of a company expected to continue to operate in future.

### Approaches of Valuation

There are three approaches to carry out valuation of Equity Shares:

1. Market Approach
2. Cost Approach
3. Income Approach

#### 1. Market Approach

Usually under the market based approach, the methods that may be applied are Market Price Method, Comparable Multiple Method (CMM), Comparable Transaction Method (CTM) or Price of Recent Investment Method (PORI). Under CMM method various multiple like EV/Sales, EV/EBITDA, P/BV P/E, Price/Sales can be used to value a business or Securities or Financial Assets depending upon the facts and circumstances of the cases.

## 2. Cost Approach

Under this approach, the book value / replaceable value / realizable value of the underlying assets of the company is determined to arrive at the value of the business, depending on the facts and circumstances applicable to a company.

Usually under the asset-based approach, the methods that maybe applied are Net Book Value Method, Net Replaceable Value, Net Realizable Value.

Net Book Value method considers the book value of all assets and liabilities and arrives at fair value of underlying asset whereas Net Replaceable Value is the method which considers replacement cost of existing assets instead of Book Value and Net Realizable Value is the Method which considers realizable value instead of Book Value of assets and liabilities.

## 3. Income Approach

Usually under the Income Based Approach, the methods that may be applied are Discounted Cash Flow Method / Dividend Discount Method (DCF) or the Price Earning Capacity Value (PECV) Method.

Under DCF method, the future free cash flows of the business or Securities or Financial Assets are discounted to the valuation date to arrive at the present value of the cash flows of the business or Securities or Financial Assets or capitalized using a discount rate depending on the capital structure of the company. This method also takes into account the value of the business or Securities or Financial Assets in perpetuity by the calculation of terminal value using the exit multiple method or the perpetuity growth method, whichever is appropriate.

Under PECV method, the average earning on the basis of past 3-5 year are first determined, adjustments are then made for any exceptional transactions or items of non- recurring nature. The adjusted average earning are then capitalized at an appropriate rate to arrive at the value of business. The capitalization rate so factored has to be decided depending upon various factors such as the earning trend in the industries, P/E prevailing in the industries etc.

In the present case, for the application of the Market approach we have considered couple of multiples of peer listed companies. But as there were inconsistency in the results as per "**Annexure – C**", we have given zero weightage to the Market Approach.

As per "**Annexure – C**" we have considered Cost Approach but as discussed with the management of the Company, Cost Approach may not reflect true value of the Company as it is expecting good growth in near future, we have given zero weightage to the Cost Approach.

We have considered Income Approach as the Company has provided projections for its business which may have significant impact on the Company's value and accordingly we have given 100% weightage to it.

X. List of Assumptions and Limiting Conditions

1. The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation and may not be used out of the context presented herein.
2. Public information, estimates, industry and statistical information contained in this report have been obtained from sources considered to be reliable. However, the undersigned, independently did not verify such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.
3. The company and its representatives warranted to the undersigned that the information supplied was complete and accurate to the best of their knowledge and that the financial information properly reflects the business conditions and operating results for the respective periods in accordance with generally accepted accounting principles. We have not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.
4. I do not provide assurance on the achievability of the results forecasted by the client because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management. Projections were made, analyzed, discussed, modified and finalized by the Company and the Company is confident to achieve results projected by them.
5. Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it nor may it be used for any purpose by anyone other than those enumerated in this report without written consent. This report and the conclusion of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein.
6. This valuation reflects facts and conditions existing or reasonable foreseeable at the valuation date. Subsequent events have not been considered, and the undersigned has no obligation to update the report for such events and conditions.
7. No change of any item in this valuation / conclusion report shall be made by anyone other than the undersigned and shall have no responsibility for any such unauthorized change.
8. It is assumed that there is full compliance with all applicable Central, State, and local environmental regulations and laws and I do not provide assurance on compliance of various laws and acts i.e. Companies Act, 2013.
9. To derive Valuation, the Company has made few assumptions which may differ Accounting Principles.
10. I have made no investigation of title to property, and assume that the owner's claim to the property is valid.

XI. Valuation of Equity Shares.

As per "Annexure – C".

Notes to valuation calculation:

1. Projections, Cash Flow and other financial data were provided by the Company.
2. The Company has assumed terminal growth rate @ 3%.
3. Tax rate was assumed by the Company.
4. After discussion with the Company, understanding the Company and Industry, cost of capital was assumed at 21.59%.
5. We have applied general discount @ 20% for lack of control, lack of marketability and other factors.

Based on analysis of the company and subject to our comments and caveats as detailed, the fair value of the Equity Shares of the company (As calculated in "Annexure – C") as on 01st April, 2023 having face value of Rs. 10.00/- each has been arrived at Rs. 3495.00/-.

  
HEMANG SHAH



IBBI Registered Valuer

Registration Number: IBBI/RV/03/2020/12854

COP Number: ICSIRVO/SFA/93

Date: 07th November, 2023

Place: Vadodara



## WEST COAST FOREX PRIVATE LIMITED

### ANNEXURE - A = LIST OF DIRECTORS AS ON VALUATION DATE

SERIAL NUMBER	DIN	FULL NAME	DESIGNATION	DATE OF APPOINTMENT
1	08040454	RAMESHWAR THAKKER	Director	21/02/2018
2	08040449	PARIKSHIT RAMESHWAR THAKKAR	Director	21/02/2018

## WEST COAST FOREX PRIVATE LIMITED

### ANNEXURE - B = BUSINESS OF THE COMPANY / MAIN OBJECT AS PER MOA

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3.[A] The objects to be pursued by the company on its incorporation are :

1. To carry on the business of foreign money exchange of all type, style and nature of money exchange business subject to RBI guidelines, through cash, demand draft, banker's cheque or any other instrument as per the requirements of customers subject to the foreign exchange rules and regulations prevailing by the RBI from time to time and to carry on the business of buying, selling, trading Foreign Exchange in the form of any currency of any particular country by getting and/or giving commission as per the guidelines of RBI from time to time and not any business under the Banking Regulation Act, 1949.

## WEST COAST FOREX PRIVATE LIMITED

### ANNEXURE - C = VALUATION CALCULATION

(A) Income Approach with 100% Weightage:

#### Estimated future cash flow and Share Valuation working

Years	Cash Flow	COE	Present Value	Discounted
2023-24	80,01,900.00	21.59%	0.8224	65,80,919.39
2024-25	1,15,62,098.00	21.59%	0.6764	78,20,302.43
2025-26	3,52,76,401.60	21.59%	0.5563	1,96,22,965.13
2026-27	13,66,12,468.66	21.59%	0.4575	6,24,97,715.79
2027-28	44,11,62,042.57	21.59%	0.3762	16,59,83,682.50
Terminal Value of Cash Flow	2,44,39,88,385.85	21.59%	0.3762	91,95,31,041.04
Total Value of Firm				1,18,20,36,626.29
Debt as at end of Explicit Period				4,68,94,531.25
Contingent Liability as at March 31, 2023				-
Cash and Cash Equivalent Balance as at March 31, 2023				6,29,277.00
Total Value of Equity share holders before DLOM				1,13,57,71,372.04
DLOM@20%				22,71,54,274.41
Total Value of Equity share holders after DLOM				90,86,17,097.63
Outstanding number of Equity Shares				2,60,000
<b>Fair Value per Equity share in Rs</b>				<b>3,495.00</b>

## WEST COAST FOREX PRIVATE LIMITED

### ANNEXURE - C = VALUATION CALCULATION

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(B) Market Approach with 0% Weightage:

	P/E	P/B
Angel One Ltd	10.98	4.59
ICICI Securities Ltd.	12.36	4.84
AVERAGE	11.67	4.715
EPS of WEST COAST FOREX PRIVATE LIMITED	-0.69	
VALUE	-8.0523	
BOOK VALUE of WEST COAST FOREX PRIVATE LIMITED		9.42
VALUE		44.4153

## WEST COAST FOREX PRIVATE LIMITED

### ANNEXURE - C = VALUATION CALCULATION

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(C) Cost Approach with 0% Weightage:

<b>Particulars</b>	<b>Amount</b>
Book Value of Assets	26,29,277.00
Adjustments:	
Less: Book Value of Immovable Property	0.00
Add: Market Value of Immovable Property	0
Less: Deferred Tax Assets	0
<b>Revised Value of Asset (A)</b>	<b>26,29,277.00</b>
<b>Liabilities of the Company</b>	
Non Current Liabilities	0.00
Current Liability	1,80,000.00
<b>Total Liabilities of the Company (B)</b>	<b>1,80,000.00</b>
Net Assets of the Company	24,49,277.00
No of Shares of the Company	2,60,000
Fair Value per Share	9.420