

# **VALUATION REPORT**

**REPORT ON FAIR VALUE FOR ISSUE OF  
PREFERENTIAL ALLOTMENT EQUITY  
SHARES OTHER THAN CASH  
CONSIDERATION  
VIVANTA INDUSTRIES LIMITED**

## **Table of Contents**

<i>Table of Contents</i>	2
<i>Summary Report</i>	3
<i>Executive Summary</i>	4
<b>INDUSTRY BACKGROUND</b>	5
<i>Introduction</i>	5
<i>Director Details</i>	5
<i>Caveats, Limitations and Disclaimers</i>	6
<i>Purpose of the Report</i>	7
<i>Scope of Work and Bases of Valuation</i>	10
<i>Appointing Authority</i>	11
<i>Disclosure of Registered Valuer Interest</i>	11
<i>Basis and Premise of Valuation</i>	11
<i>Source of Information</i>	11
<i>Selection of Valuation Methodology</i>	14
<i>Valuation of Shares of the Company</i>	14
<i>Valuation of Shares as per Market Approach</i>	16
<i>Valuation of Shares as per Income Approach</i>	19
<i>Valuation of Shares as per Cost Approach</i>	21

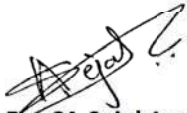
## Summary Report

1. Date of Valuation : 05<sup>th</sup> December, 2024
2. Date of appointment : 09<sup>th</sup> December, 2024
3. Date of submission of the Valuation Report : 10<sup>th</sup> December, 2024

The said valuation assignment has been conducted for the purpose of computing the Value of Shares for Issue of preferential allotment equity shares other than cash consideration of **VIVANTA INDUSTRIES LIMITED** (herein after referred to as "*the Company*") for further issuance of securities, as per Section 42 and Section 62(1)(c) of the Companies Act 2013 read with Rule 13(2)(g) of Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the 'Chapter V - Preferential Issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('**SEBI (ICDR) Regulations 2018**') and the valuation guidelines stipulated under International Valuation Standards.

The Value for Issue of PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION ascertained by us is **Rs. 3.85/- per share**.

For and on behalf of



**For CA Sejal Agrawal**  
**Registered Valuer - Securities & Financial Assets**  
**Registration No. IBBI/RV/06/2020/13106**  
**Place: Ahmedabad**  
**UDIN: 24141498BKDHOU5185**

## Executive Summary

Client	: VIVANTA INDUSTRIES LIMITED(
CIN	: L74110GJ2013PLC075393
Net Worth as on 30 <sup>th</sup> September, 2024	: 1,682.09 lakhs
Purpose of Valuation	Further issuance of securities, as per Section 42 and Section 62(1)(c) of the Companies Act 2013 read with Rule 13(2)(g) of Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the 'Chapter V - Preferential Issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (' <b>SEBI (ICDR) Regulations 2018</b> ')
Base of Valuation	: Market Value - Sec 30 of IVS 2020
Premise of Valuation	: Highest and best use - Sec 140 of IVS 2020
Method for Valuation	Market Approach (Market price method), Income Approach, Net Asset Method
Value Variation from Standard Assumptions	None
Special Assumptions	None
Capacity & Status of Valuer	External- Sejal Agrawal (RV-S&FA)
Independence	The total fees, including the fee for this assignment earned from the instructing party are less than 5.0% of our total annual revenues.
Standards Utilized	International Valuation Standard



## INDUSTRY BACKGROUND

### Introduction

#### Background Information:

Company Information	
CIN	L74110GJ2013PLC075393
Company Name	VIVANTA INDUSTRIES LIMITED
ROC Name	ROC Ahmedabad
Registration Number	075393
Date of Incorporation	31/05/2013
Email Id	compliance@vivantaindustries.com
Registered Address	403/TF, SARTHIK II, OPP RAJPATH CLUB, S.G HIGHWAY, BODAKDEV, Ahmedabad, AHMEDABAD, Gujarat, India, 380054
Listed in Stock Exchange(s) (Y/N)	Yes
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Public
Authorised Capital (Rs)	14,00,00,000
Paid up Capital (Rs)	12,50,00,000

The Board of Directors of the company as on valuation date are as follows: -

#### Director Details

Sr. No	DIN/PAN	Name	Designation
1	03362796	Jainil Raseshkumar Bhatt	Director
2	00027820	Hemant Amrish Parikh	Managing Director
3	09012222	Rushabh Anilkumar Shah	Director
4	09693120	Nidhi Bansal	Director
5	10451579	Mukeshkumar Ganeshbhai Kanazariya	Director





## **Caveats, Limitations and Disclaimers**

### **i. Restriction on use of Valuation Report**

This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. I do not take any responsibility for the unauthorized use of this report.

### **ii. Responsibility of RV**

We owe responsibility only to the client that has appointed us under the terms of the engagement letters. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.

### **iii. Accuracy of Information**

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

### **iv. Achievability of the forecast results**

We do not provide assurance on the achievability of the results forecast by the management as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

### **v. Post Valuation Date Events**

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.

### **vi. Reliance on the representations of the clients, their management and other third parties**

The client and its management warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the clients, their management and other third parties concerning the financial data, operational data and maintenance schedule of all plant-machinery-equipment-tools-vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents.



**vii. No procedure performed to corroborate information taken from reliable external sources**

We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources or reproduced in its proper form and context.

**viii. Compliance with relevant laws**

The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not reflected in the balance sheet provided to us.

**ix. Multiple factors affecting the Valuation Report**

The valuation report is tempered by the exercise of judicious discretion by the RV, taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.

**x. Future services including but not limited to Testimony or attendance in courts/ tribunals/ authorities for the opinion of value in the Valuation Report**

We are fully aware that based on the opinion of value expressed in this report, we may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and our tendering evidence before such authority shall be under the applicable laws.

### **Purpose of the Report**

This valuation is done for the purpose of determining the price per share pursuant to Issue Of PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION in pursuance to compliance with the provisions of Section 42 and Section 62(1)(c) of the Companies Act 2013 read with Rule 13(2)(g) of Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the 'Chapter V - Preferential Issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI (ICDR) Regulations 2018') and the valuation guidelines stipulated under International Valuation Standards.

- The company is looking to assess its fair value for the proposed Issue of Preferential Allotment of Equity shares and Convertible Warrants in accordance with Regulations 164/166A of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 ("ICDR") using latest available un- Audited Report on Financial Results as on 30<sup>th</sup> September, 2024.
- There is no change in control, however, allotment to the Proposed allottees is less than five percent of the post issue fully diluted share capital of the issuer, therefore, the pricing Issue





of PREFERRED ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION of the Company shall be determined as higher of:

- the price determined as per Regulation 164 of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 or
  - the price determined as per Valuation Report of an Independent Registered Valuer as per Regulation 166A of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 or
  - the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable.
- For the purposes of price to be determined as per Regulation 164 of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018, the Issue of PREFERRED ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION of the company are frequently traded on the stock exchange, on **BSE** and thus Regulation 164(1) becomes applicable.
  - For the purposes of valuation under Regulation 166A, detailed valuation methodology has been explained in this report.
  - The relevant extract of the regulation 164/166A are as under:

**Regulation 164: Pricing of frequently traded shares**

1. If the Issue of PREFERRED ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION: of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price per share in the said Issue of PREFERRED ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION: to be allotted shall be not less than higher of the following:
  - (a) The 90 trading days' volume weighted average price of the related Issue of PREFERRED ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION quoted on the recognised stock exchange preceding the relevant date; or
  - (b) The 10 trading days' volume weighted average prices of the related Issue Of PREFERRED ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION 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 Issue of PREFERRED ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION to be allotted pursuant to the preferential issue.

2. If the Issue of PREFERRED ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION of the issuer have been listed on a recognised stock exchange for a period of less than 90 trading days as on the relevant date, the price per share / warrants pursuant to Issue Of PREFERRED ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION to be allotted pursuant to the Preferential issue (for cash consideration) shall be not less than the higher of the following:





- (a) The price at which Issue of PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION were issued by the issuer in its initial public offer or the value per share / warrant arrived at in a scheme of compromise, arrangement and amalgamation under sections 230 to 234 the Companies Act, 2013, as applicable, pursuant to which the Issue of PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION of the issuer were listed, as the case may be; or
- (b) the average of the volume weighted average prices of the related Issue of PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION quoted on the recognised stock exchange during the period the Issue of PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION have been listed preceding the relevant date; or
- (c) the average of the 10 trading days volume weighted average prices of the related Issue of PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION quoted on a recognised stock exchange during the two weeks 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 Issue Of PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION to be allotted pursuant to the preferential issue.

3. Where the price of the Issue Of PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION is determined in terms of sub-regulation (2), such price shall be recomputed by the issuer on completion of 90 trading days from the date of listing on a recognised stock exchange with reference to the 90 trading days volume weighted average prices of the related equity shares quoted on the recognised stock exchange during these 90 trading days and if such recomputed price is higher than the price paid on allotment, the difference shall be paid by the allottees to the issuer.

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.

(a) A Preferential issue of specified securities to qualified institutional buyers, not exceeding five in number, shall be made at a price not less than 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 Issue of PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION to be allotted pursuant to the preferential issue:

- (b) no allotment shall be made, either directly or indirectly, to any qualified institutional buyer who is a promoter or any person related to the promoters of the issuer: Provided that a qualified institutional buyer who does not hold any shares in the issuer and who has acquired rights in the capacity of a lender shall not be deemed to be a person related to the promoters. Explanation. —For the purpose of this clause, a qualified institutional buyer who has any of the following rights shall be deemed to be a person related to the promoters of the issue: -



- (a) rights under a shareholder's agreement or voting agreement entered into with promoters or promoter group;
- (b) veto rights; or
- (c) right to appoint any nominee director on the board of the issuer.

4. For the purpose of this Chapter, "frequently traded shares" means the shares of the issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer:

Provided that where the share capital of a particular class of shares of the issuer is not identical throughout such period, the weighted average number of total shares of such class of the issuer shall represent the total number of shares.

**Explanation:** For the purpose of this regulation, 'stock exchange' means any of the recognised stock exchange(s) in which the Issue of PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION of the issuer are listed and in which the highest trading volume in respect of the Issue OF PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.

### **The Companies Act, 2013**

#### **Relevant Extract of Section 62: Further issue of share capital**

(1) Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(c) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed

#### **Scope of Work and Bases of Valuation**

- Registered Valuer has been appointed by the **Board** to issue a report on the likely valuation of equity share. I understand that the purpose of the said report is to determine the Fair Market Value for Issue Of PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION of the company as per Section 42 and Section 62(1)(c) of the Companies Act 2013 read with Rule 13(2)(g) of Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the 'Chapter V - Preferential Issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI (ICDR) Regulations 2018').
- Registered Valuer to value the Issue of PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION of the Company as per the International Accounting Standards.
- The value is to be determined with reference to the date of Valuation.





### **Appointing Authority**

The management of the Company appointed CA Sejal Agrawal (Registered Valuer cum Chartered Accountant) for Issue of PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION.

### **Disclosure of Registered Valuer Interest**

I have no present or prospective contemplated financial interest in the Company nor any personal interest with respect to the Promoters & Board of Directors of the Company. I have no bias/prejudice with respect to any matter that is the subject of the valuation report or to the parties involved with this engagement.

My professional fee 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.

### **Basis and Premise of Valuation**

As per IVS 2020 we have used the "Market Value" as the basis of valuation. The Premise of Value has been taken as Highest & Best Use (HABU), which is also understood to be the Current Use, in the present case.

IVS-104 defines "Market Value" as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Sec 140 of International Valuation Standard defines Highest and best use is the use, from a participant perspective, that would produce the highest value for an asset.

### **Source of Information**

- A Discussions with the KMPs.
- Audited of 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023, 31<sup>st</sup> March, 2022 of Vivanta industries Ltd
- Financial Result as on 30<sup>th</sup> September, 2024 of Vivanta industries Ltd.
- Management Representations Letter
- MOA & AOA
- GST Certificate
- Management Signed projection From FY 2025 to 2029
- Certificate Of incorporation





In valuing the shares of the company, we need to perform the following steps:

1. Understanding the Business of the company
2. Understanding the Industry in which the company operates
3. Identifying the Assets of the company, including Income Generating Businesses, fixed assets, etc.
4. Valuing the Assets of the company, wherein, three different approaches may be employed to determine value: (i) the Income Approach, (ii), the Market Approach and (iii) the Cost Approach. While each of these approaches is initially considered in the valuation of an asset, the nature and characteristics of the asset, availability of required data for each of the approaches indicate which approach, or approaches, is most applicable.
5. Identifying the liabilities of the company
6. Computing the Value available to Shareholders and arriving at the Value per share

As required by Valuation Standards, we have given consideration to all the relevant and appropriate valuation approaches. In selecting the appropriate valuation approach and method, we have considered the following:

- a) The appropriate basis (es) of value and premise(s) of value, determined by the terms and purpose of the valuation assignment,
- b) The respective strengths and weaknesses of the possible valuation approaches and methods,
- c) The appropriateness of each method in view of the nature of the asset, and the approaches or methods used by participants in the relevant market, and
- d) The availability of reliable information needed to apply the method(s).

We have hereunder discussed the various approaches available under the valuation standards and approach (es) adopted by us after considering the above and the information available for the asset under valuation:

### **Income Approach**

The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. This approach is appropriate where the income-producing ability of the asset is the critical element affecting the value or reasonable projections of the amount and timing of future income are available for the subject asset. The approach is used where 'Anticipation of benefits' is the economic principle which would be used by market participants to decide the Value of the subject asset.

The following Income Approach method have been considered by us in the report:

#### **➤ Discounted Cash Flow (DCF) Method**

DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

Beta is an adjustment that uses historic stock market data to measure the sensitivity of the company's cash flow to market indices, for example, through business cycles.

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows in the



future. The free cash flows are projected for a certain number of years and then discounted at a discount rate that reflects a company's cost of capital and the risk associated with the cash flows it generates. DCF analysis is based mainly on the following elements:

- Projection of financial statements (key value driving factors)
- The cost of capital to discount the projected cash flows

### **Market Approach**

The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. This approach is appropriate where the subject assets or substantially similar assets are frequently publicly traded and the information on the market transactions are sufficiently and reliably available. The approach is used where 'Price Equilibrium' is the economic principle which would be used by market participants to decide the Value of the subject asset.

The following Market approach methods have been considered by us in this report:

- **Guideline Publicly Trade comparable method** – The Guideline publicly trade comparable method utilizes the information on publicly traded comparable that are the same or similar to the subject asset to arrive at an indication of the value.
- **Comparable transactions method** - The comparable transactions method, also known as the guideline transactions method, utilizes information on transactions involving assets that are the same or similar to the subject asset to arrive at an indication of value.

### **Cost Approach**

The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence. The approach is used where 'cost of substitution' is the economic principle which would be used by market participants to decide the Value of the subject asset.

The value arrived at under this approach is based on the financial statements of the Company, may be defined as Shareholders' Funds or Net Assets owned by the Company. The balance sheet values are adjusted for any contingent liabilities that are likely to materialize.





## Selection of Valuation Methodology

There is no single definition of the term 'Value' that is suitable for all purposes or at all times. The value of a particular asset may vary according to different valuation methodologies that are adopted to ascertain the value for a specific purpose. Valuation of securities is an inexact science. It may sometimes involve a set of judgments and assumptions that may be subject to certain uncertainties. In the section above, Independent Registered Valuer has discussed some of the commonly used valuation methodologies. The valuation methodology to be adopted varies from case to case depending upon different factors affecting valuation. There are a number of methodologies to value companies / businesses using historical and forecast financials of the company.

A typical valuation analysis involves review and analysis of historical financials of the company and broad comparison of the company's forecast financial projections as regards all the significant macro and micro variables like economy and industry growth rate assumptions, inflation, interest and foreign exchange rates and tax rate forecasts. Company's profitability factors (industry competitive factors and company's operating strategies and its competitive position in the industry), economies of scale and optimal capital structure also affects the business valuation of the company.

However, the value is specific to the point in time and may change with the passage of time.

## Valuation of Shares of the Company

We have considered appropriate weightage to all the three methods as discussed above and derived a value of equity share.

### Weightage Average method

Relevant date	06/12/2024
Valuation date	05/12/2024

VIVANTA INDUSTRIES LIMITED			
Valuation Approach			
	Value per share (INR)	Weight	Total Value (Weight x Price)
A. Net asset method (Annexure 3)	1.35	0	0
B. Market Approach -VWAP Basis [90/10 days] (Annexure 1)	3.85	50%	1.93
C. Income Approach-[DCF] (Annexure 2)	3.63	50%	1.82
<b>TOTAL</b>		<b>100%</b>	<b>3.74</b>
<b>Average Price Per Share</b>			





## Basis for Weights:

### 1. Net Asset Value (NAV):

- The Net Asset Value method calculates the value of a company based on its assets and liabilities.

Assigning no weight to NAV is justified for the following reasons:

The Net Asset Method has not been considered as it yields a very low value, failing to capture the company's true potential. For a Trunky Project Management company, intrinsic value lies in its future cash flows, ongoing contracts, and market positioning, which are better represented through the DCF and Market Methods.

### 2. Market Approach:

Market Price Method: specifically utilizing Volume Weighted Average Price (VWAP) over 10 and 90 days,

- By considering both short-term (10 days) and slightly longer-term (90 days) perspectives, it accounts for recent market trends and provides a balanced view.

Assigning 50% weight to Market Price is justified for the following reasons:

- **Reflects Real-Time Market Sentiment:** It captures the current market price, reflecting the collective judgment of investors and market participants, providing a real-time assessment of the company's value.

### 3. DCF Method (Discounted Cash Flow):

The DCF method is a fundamental approach to valuation that estimates the present value of a company's future cash flows. Discounted Cash Flow Method under the Income Approach has been considered. For computing the Value of Shares using Income Method, we have adopted the Discounted Cash Flows (DCF) method. Discounted cash flow is one the most prominent methodology of valuation.

Assigning 50% weight to DCF is justified for the following reasons:

- DCF is a fundamental valuation method that focuses on the future cash flows of the company, providing a comprehensive and intrinsic view of its value.
- It considers the time value of money, providing a present value for future cash flows, making it a robust method for long-term investment analysis

## Conclusion

Based on my valuation exercise, the minimum Issue price for the **Issue of PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION** as at the close of trading hours of the date preceding the relevant date, i.e., 06<sup>th</sup> December 2024, as per **Regulation 166A**, is **Rs. 3.74 per share and the value arrived at under Regulation 164(1) (Rs. 3.85 per share)**. This value is derived from the **Market Valuation Approach** adopted by me, which is higher.



**Valuation Method - VWAP Basis [90/10 days]**

**Regulation 164(1)**

- At least 10% of the total Issue of PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION have been traded on the BSE in 240 trading days preceding the Valuation Date, therefore, Issue Of PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION of the company shall be treated as frequently traded.
- Stock Exchange means the Stock Exchange where highest trading volume in respect of the Issue of PREFERENTIAL ALLOTMENT EQUITY SHARES OTHER THAN CASH CONSIDERATION of the issuer has been recorded during the preceding 90 trading days prior to the Valuation Date. The company is listed in **BSE** only. therefore, BSE data is considered for all relevant computations.
- For the purpose of valuation, we have relied on the data of BSE in accordance to the amended Regulations 164 and 166A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended vide Notification No. SEBI/LAD-NRO/GN/2022/63 dated 14<sup>th</sup> January, 2022.

**Valuation as per Weighted Average for 10 Days preceding the relevant date:**

S.NO	DATE	WAP	NO OF SHARE	NO. OF TRADES	TOTAL TURNOVER (RS.))
1	05-Dec-24	3.70	371359	1215	1375293
2	04-Dec-24	3.64	276066	1026	1005083
3	03-Dec-24	3.56	251551	1025	895849
4	02-Dec-24	3.52	323570	1137	1139184
5	29-Nov-24	3.55	190392	852	675433
6	28-Nov-24	3.55	229719	833	816594
7	27-Nov-24	3.54	297558	905	1052672
8	26-Nov-24	3.51	292541	1005	1026272
9	25-Nov-24	3.60	269217	1087	969549
10	22-Nov-24	3.53	233457	1051	824275
			<b>2735430</b>		<b>9780204</b>
<b>VWAP of 10 Trading 'days</b>					<b>3.58</b>



**Valuation as per Weighted Average for 90 Days preceding the relevant date:**

S.NO	DATE	WAP	NO. OF SHARES	NO. OF TRADES	TOTAL TURNOVER (RS.)
1	05-Dec-24	3.70	371359	1215	1375293
2	04-Dec-24	3.64	276066	1026	1005083
3	03-Dec-24	3.56	251551	1025	895849
4	02-Dec-24	3.52	323570	1137	1139184
5	29-Nov-24	3.55	190392	852	675433
6	28-Nov-24	3.55	229719	833	816594
7	27-Nov-24	3.54	297558	905	1052672
8	26-Nov-24	3.51	292541	1005	1026272
9	25-Nov-24	3.60	269217	1087	969549
10	22-Nov-24	3.53	233457	1051	824275
11	21-Nov-24	3.61	351228	1272	1266703
12	19-Nov-24	3.73	374320	1194	1394819
13	18-Nov-24	3.60	317210	1553	1140510
14	14-Nov-24	3.50	425014	1341	1488193
15	13-Nov-24	3.64	350473	1277	1276172
16	12-Nov-24	3.72	335590	1303	1247109
17	11-Nov-24	3.72	340301	1501	1267151
18	08-Nov-24	3.79	337569	1355	1280381
19	07-Nov-24	3.80	328094	1362	1247510
20	06-Nov-24	3.77	444853	1425	1678417
21	05-Nov-24	3.81	380805	1268	1451991
22	04-Nov-24	3.77	475343	1744	1794349
23	01-Nov-24	3.80	245129	1172	932130
24	31-Oct-24	3.66	237006	1093	866649
25	30-Oct-24	3.67	254664	1000	934878
26	29-Oct-24	3.61	346123	979	1248251
27	28-Oct-24	3.53	263618	1116	931119
28	25-Oct-24	3.53	420226	1368	1484986
29	24-Oct-24	3.62	320891	1296	1161669
30	23-Oct-24	3.63	353959	1198	1283380
31	22-Oct-24	3.56	313299	1172	1116741
32	21-Oct-24	3.67	266600	1221	979703
33	18-Oct-24	3.65	160497	909	586321
34	17-Oct-24	3.66	317194	1101	1160394
35	16-Oct-24	3.64	923145	1535	3358728
36	15-Oct-24	3.88	567665	1302	2200118
37	14-Oct-24	3.84	555778	1565	2131916
38	11-Oct-24	3.73	239099	761	891249
39	10-Oct-24	3.70	275620	828	1020501
40	09-Oct-24	3.69	198410	786	731480
41	08-Oct-24	3.58	262812	962	940430
42	07-Oct-24	3.55	405287	1418	1439280
43	04-Oct-24	3.66	540786	1320	1981028
44	03-Oct-24	3.70	342126	1232	1264587
45	01-Oct-24	3.73	641992	1242	2397653





S.NO	DATE	WAP	NO. OF SHARES	NO. OF TRADES	TOTAL TURNOVER (RS.)
46	30-Sep-24	3.78	330717	1141	1248477
47	27-Sep-24	3.76	467093	1128	1758197
48	26-Sep-24	3.79	367932	1044	1394222
49	25-Sep-24	3.84	324919	973	1247046
50	24-Sep-24	3.81	344298	1123	1311900
51	23-Sep-24	3.83	317991	1164	1219251
52	20-Sep-24	3.85	381477	1084	1469740
53	19-Sep-24	3.83	511690	1394	1957915
54	18-Sep-24	3.87	279785	951	1083715
55	17-Sep-24	3.89	367358	1317	1429734
56	16-Sep-24	3.87	723473	1423	2803149
57	13-Sep-24	3.84	334893	1080	1287358
58	12-Sep-24	3.83	370588	1118	1420390
59	11-Sep-24	3.85	290957	1161	1119014
60	10-Sep-24	3.87	339137	1317	1312016
61	09-Sep-24	3.90	628968	1600	2453695
62	06-Sep-24	3.97	1001994	1680	3979566
63	05-Sep-24	3.88	418632	1243	1626169
64	04-Sep-24	3.89	334438	1110	1302326
65	03-Sep-24	3.91	342719	1349	1340965
66	02-Sep-24	3.93	414988	1428	1631714
67	30-Aug-24	3.95	402250	1299	1589681
68	29-Aug-24	3.99	332721	1220	1327476
69	28-Aug-24	4.02	374342	1114	1503130
70	27-Aug-24	3.99	380322	1264	1518677
71	26-Aug-24	4.03	642454	1755	2588145
72	23-Aug-24	4.03	488271	1467	1969934
73	22-Aug-24	4.07	703793	1789	2861446
74	21-Aug-24	4.10	1043172	1891	4276015
75	20-Aug-24	4.17	1345267	2409	5615294
76	19-Aug-24	4.17	2950155	3260	12303640
77	16-Aug-24	3.87	392534	1441	1518400
78	14-Aug-24	3.80	270846	1209	1030212
79	13-Aug-24	3.87	361863	1637	1401113
80	12-Aug-24	3.85	426205	1745	1641974
81	09-Aug-24	3.89	297426	1464	1156388
82	08-Aug-24	3.85	375949	1536	1449190
83	07-Aug-24	3.90	399571	1567	1559812
84	06-Aug-24	3.95	427118	1659	1686956
85	05-Aug-24	3.86	844719	2654	3258736
86	02-Aug-24	3.95	594832	1898	2348802
87	01-Aug-24	3.97	680955	2024	2703063
88	31-Jul-24	4.00	1001251	2099	4001056
89	30-Jul-24	4.03	402588	1446	1623147
90	29-Jul-24	4.05	562813	1963	2280687
			<b>40243620</b>		<b>154966233</b>



S.NO	DATE	WAP	NO. OF SHARES	NO. OF TRADES	TOTAL TURNOVER (RS.)
VWAP of 90 Trading 'days					3.85

**VWAP Basis (90/10 days)**

VWAP (10 trading days preceding the relevant date) (A)	3.58
VWAP (90 trading days preceding the relevant date) (B)	3.85
Minimum Price (Higher of (A) or (B))	3.85

**Valuation of Shares as per Income Approach**

**Annexure 2**

**Valuation Method - Discounted Cash Flow Method**

PARTICULARS	30-09-2024	FY 25	FY 26	FY 27	FY 28	FY 29	Terminal
					Perpetuity Growth Rate		3%
Cash Accrual Timing Factor	0.25	0.25	1.25	2.25	3.25	4.25	
PBT (Excluding Other Income)	-16.57	78.37	238.24	529.25	924.58	1,712.02	
Tax @ 25.17	-	41.27	74.78	148.77	249.05	448.07	
EBIT(1-Tax)	(16.57)	37.10	163.46	380.48	675.53	1,263.95	
Add Finance Cost	2.87	5.00	4.50	4.05	3.64	3.28	
Book Depreciation	12.32	33.37	31.03	27.93	25.13	22.62	
(Inc)/Dec in Working Capital	-7.12	740.68	63.66	44.70	76.25	-73.03	
Operating Cash Flows	(8.49)	816.14	262.64	457.15	780.56	1,216.83	
(Inc)/Dec in Fixed Assets	-1.73	-	-10.00	-	-	-	
Free Cash Flows	(10.22)	816.14	252.64	457.15	780.56	1,216.83	7,807.88
Discounting Factor	0.96	0.96	0.80	0.68	0.57	0.48	0.48
Present Value of Free Cash Flows	(9.79)	781.33	203.16	308.78	442.85	579.89	3,720.92



Summary	Amount (In INR Lakhs)
Present Value of Total Discrete Period Cash Flows	2,316.01
Present Value of Terminal Cash Flows	3,720.92
<b>Enterprise value (EV)</b>	<b>6,036.93</b>
Less: Debt	1,500.91
Less: Deferred Tax Liabilities	-
Add: Cash & Cash Equivalent	4.59
<b>Equity Value (In INR Lakhs)</b>	<b>4,540.61</b>
Total No. of Shares Outstanding as on valuation date	12,50,00,000
<b>Value per share (INR)</b>	<b>3.63</b>
<b>Value per share (INR) (Round off)</b>	<b>4.00</b>

#### DFCF Assumptions:

Particulars	Notes
Risk free rate (Rf) as on 30.09.2024	6.75% Considered of long-term Indian government bond rate
Market Rate of Return	15.95% BSE Sensex return on long term basis
Industry Beta... ( $\beta$ )	0.86 We have conservatively considered the Beta of 1.02 for the purposes of valuation based on Construction Supplies industry from <a href="http://www.Damodaran.com">http://www. Damodaran.com</a> website. We adjusted the Average levered beta to unlevered beta to account for the company's capital structure. Subsequently, we relevered the beta to reflect the company's targeted capital structure, providing a comprehensive assessment of its risk profile within the context of valuation.
Additional Company Specific (including Small Company) Risk Premium (unsystematic risk) (CSRFP)	5% We have given a 5% additional risk premium looking into company profile, financial structure and ROI investor will look into while investing in this type of company. This is also dependent upon the level of aggressiveness of the future cash flows and present scenario of the country and company environment in which it is operating.
Cost of Equity (Ke)	19.70% As per Modified CAPM model i.e. $[Ke = Rf + \beta(Rm - Rf) + CSRFP]$
WACC	19.05% $WACC = (Ke * \% \text{ Equity in Capital Structure}) + (\text{Cost of Debt} * \% \text{ Debt in Capital Structure} * (1 - \text{Tax Rate}))$
Growth Rate	3% As the perpetuity growth rate assumes that the Company will continue its historic business and generate Free Cash Flows at a steady state forever. Since terminal value constitutes a major proportion of the entire value of the business, we while deciding the terminal growth rate have given emphasis to economic factors & financial factors like Inflation of the Country, GDP growth of the





		Country, Projected Financials, Historical Financial Position, Organic & Inorganic growth strategies of the Company, investment opportunity etc. Accordingly, for perpetuity, we have considered 3% growth rate.
--	--	---

### Valuation of Shares as per Cost Approach

Particulars	Amt in Lakhs
<b>Assets</b>	
<b>Non-Current Assets</b>	
-	
Tangible Assets	-
Non-Current Investments	170.00
Long-term loans and advance	-
Property, Plant and Equipment	333.67
Capital Work-in-Progress	-
Investment Property	-
Other Intangible Assets	762.14
other financial assets	-
Other-Non Current Assets	1,023.03
Deferred Tax Asset	1.55
<b>Current Assets</b>	
Current Investments	-
Inventories	350.68
Trade Receivables	1,619.17
Cash And Cash Equivalents	4.59
Short-Term Loans and Advances	402.48
Other Bank Balances	
Other Tax Assets	
Other Current Assets	



<b>Total Assets</b>	<b>4,667.31</b>
<b>Liabilities</b>	
<u>Non-Current Liabilities</u>	
Deferred Tax Liabilities	-
Long-term borrowings	88.37
Other Non Current Liabilities	271.35
Unsecured Loans	1,412.54
Long-term Provision	-
<u>Current Liabilities</u>	
Trade Payables	1,031.06
Other Current Liabilities	30.60
Short-Term Provision	151.29
Short-Term Borrowings	
Current Tax Liabilities	
Other Financial Liabilities	
<b>Total Liabilities</b>	<b>2,985.21</b>
<b>Net Worth</b>	<b>1,682.10</b>
Preference Share Holder	-
<b>Net Worth attributable to Equity Holders</b>	<b>1,682.10</b>
<b>No. of Equity Shares Outstanding</b>	<b>12,50,00,000</b>
Book Value/ Equity Share	1.35

