



SUSHMITA ADHIKARI & ASSOCIATES, PCS FIRM
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Listing Operation,
BSE Limited,
20th Floor, P.J.Towers,
Dalal Street,
Mumbai – 400 001.

Dear Sir,

Sub: Application for “In-principle approval” prior to issue and allotment of 1,44,500 sweat equity shares pursuant to Chapter IV of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

We, Sushmita Adhikari & Associates, Practicing Company Secretary, hereby certify that the minimum issue price for the proposed issue of sweat equity shares of Bazel International Limited, based on the pricing formula prescribed under Regulation 164 / 165 of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 has been worked out at Rs. 109.72 per share.

The relevant date for the purpose of said minimum issue price was August 30, 2022.

The workings for arriving at such minimum issue price have been attached herewith.

For Sushmita Adhikari & Associates, PCS Firm

SUSHMITA Digitally signed
by SUSHMITA
A ADHIKARI
ADHIKARI Date: 2022.12.08
20:16:50 +05'30'

PCS Sushmita Adhikari
Membership No. A68007
UDIN: A068007D002664029
Date: 08.12.2022

BAZEL INTERNATIONAL LIMITED
Fair Value of Equity Shares of the company
for the purpose of issue of Sweat Equity Shares
under Section 54 of the Companies Act, 2013 and
Securities and Exchange Board of India
(Share Based Employee Benefits and Sweat
Equity) Regulations, 2021
as on August 30, 2022

Prepared by: -

CS SHREYANSH M JAIN

Registered Valuer (S & FA)

R. No.: IBBI/RV/03/2019/12124

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RV SHREYANSH M JAIN

Registered Valuer (SFA)

Ref: RV/SMJ/BIL/2022-23

September 07, 2022

To,
Board of Directors,
Bazel International Limited
II-B/20, First Floor, Lajpat Nagar,
South Delhi, New Delhi-110024, India

Dear Sir,

Subject – Report on Fair Value of Equity Shares for the purpose of issue of Sweat Equity Shares under Section 54 of the Companies Act, 2013 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

I have performed a valuation engagement in respect of "Bazel International Limited" (referred hereinafter as "BIL" or "the Company") as on relevant date i.e., 30.08.2022. This valuation was performed on fair value base solely for the purpose of issue of Sweat Equity Shares under Section 54 of the Companies Act, 2013 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The resulting estimate of value should not be used for any purpose or by any other party for any purpose other than the one identified above.

I have estimated the fair value per equity share of the Company to be **INR 109.72 per share**.

This conclusion is subject to the Statement of Assumptions and Limiting Conditions found in the later part of this report. A detailed working of the valuation can be found in later part of this report. I have no obligation to update this report or my conclusion of value for information that comes to my attention after the date of this report.

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A. Background information of the asset being Valued

Bazel International Limited (“BIL”) is public limited company incorporated under the Companies Act, 1956 on December 30, 1982 listed with Bombay Stock Exchange (BSE) having its registered office at II-B/20, First Floor, Lajpat Nagar, South Delhi, New Delhi-110024, India. The Company Identification Number (CIN) of the company is L65923DL1982PLC290287.

Bazel International is a Non-Deposit Accepting Non-Banking Financial Company (ND-NBFC) registered with Reserve Bank of India having registration no. B-14.03332. The Company offers Credit facilities to individual and business clients. It offers business loans and fulfills working capital requirement of individual and body corporate. The Company has established its own norm for evaluating different needs of its clients and providing appropriate payment options.

B. Purpose of the Valuation and appointing authority

I have been informed by the management that the company is in the process of issue of Sweat Equity Shares. Thus, a valuation report for the same is required under the Companies Act, 2013 read with rules made thereunder and Regulation 33 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 read with Regulation 165 of the Securities and Exchange Board of India (ICDR) Regulations, 2018.

The Audit Committee of BIL has appointed Shreyansh Jain, Registered Valuer – Securities or Financial Assets (‘Valuer’, ‘I’, ‘my’ or ‘me’) to provide a valuation report for the fair value of equity shares of BIL for the purpose referred above.

C. Identity of the Independent Registered Valuer

Name of the Valuer	RV Shreyansh M Jain
IBBI Registration Number	IBBI/RV/03/2019/12124
ICSI RVO Reg. No.	ICSIRVO/SFA/38
Address	B3/110, Shyam Villa, Opp. Shyam Mandir, New City Light, Surat – 395017, Gujarat, India
Contact Email of RV	rvshreyanshmjain@gmail.com



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D. Use of work of Expert

I have not used the work of any other experts in the valuation assignment.

E. Disclosure of Valuer's Interest or Conflict, if any

I hereby confirm and explicitly declare that I am Independent Registered Valuer and do not have any interest, direct or indirect, in the underlying securities being valued.

F. Date of appointment, valuation date and date of the valuation report

Date of appointment	August 30, 2022
Relevant date	August 30, 2022
Date of valuation report	September 07, 2022

G. Inspections and/or investigations undertaken

I have not carried out any inspection or independent verification of the information provided. I have relied on the publicly available information and other financial and non-financial information made available to me as well as the representations made to me in the course of this engagement.

H. Nature and sources of the information used or relied upon

In the course of my valuation analysis, I have relied on various financial and non-financial information obtained from the company and from various public, financial and industry sources. I have relied that all information provided by the company has been duly approved by the concerned authority to which it pertains to. My conclusion of value is dependent on such information being complete and accurate in all material respects. The principal sources of Information used in the course of my valuation include, inter alia:

1. Company specific information

- Brief history, present activities and business profile etc.;
- Memorandum of Association and Article of Association;
- Discussions with and other information provided by the company;
- Notes and presentations prepared by the company;
- Historical financial information provided by the company;
- List of directors of the Company as at Valuation Date;
- Management Representation Letter ("MRL") dated September 06, 2022



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2. Publicly available information

Publicly available information and secondary information including information on websites like <https://www.bseindia.com>. I have not independently verified the accuracy or timelines of the same; and

It is important to note that I have relied upon the information provided to me and referred to above. I have not endeavored to seek an independent confirmation of its reliability, accuracy or completeness beyond what is reasonably necessary and prudent in the circumstances. I have not performed any form of audit or verification of the information that I have relied upon. Accordingly, the Valuer accepts no responsibility for any errors in the information on which the valuation conclusions are based.

I. Procedures adopted in carrying out valuation and valuation standards followed

My analysis of value of the company, BIL is based on the International Valuation Standards and the prescriptions laid down in Companies (Registered Valuer's and Valuation) Rules, 2017 as well as the requirements of the Securities and Exchange Board of India (ICDR) Regulation, 2018.

Some of the key procedures in carrying out the valuation engagement are:

- a. Understanding the nature and purpose of the transaction.
 - b. Selection of the most appropriate valuation base.
 - c. Identifying the premise of value which refers to the conditions and circumstances how asset is deployed.
 - a. Selection of the valuation approach and the corresponding valuation methodology.
- The standard valuation approaches and methodologies are as below:

i. Cost Approach

- a. Net Asset Method

ii. Market Approach

- a. Market Price Method
- b. Comparable Companies Multiple Method
- c. Comparable Company Transaction Method

iii. Income Approach

- a. Discounted Cash Flow (DCF) Method

- d. Performing the valuation engagement and arriving at the valuation conclusion



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J. Valuation Methodology Used

In accordance with my engagement letter dated 30th August, 2022, I have considered various methodologies as provided under IVS 105-Valuation Approaches in order to determine fair value of equity shares and Regulation 165 of Securities and Exchange Board of India (ICDR) Regulations, 2018.

It is also important to note that as a listed company, valuation of BIL for the purpose of issue of sweat equity shares is governed by the 'pricing guidelines' in the Regulation 33 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. which is as under:

33. Pricing of sweat equity shares.

The price of sweat equity shares shall be determined in accordance with the pricing requirements stipulated for a preferential issue to a person other than a qualified institutional buyer under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Further since the shares of the company are not frequently traded, the pricing of the shares shall be governed by Regulation 165 of SEBI (ICDR) Regulations, 2018 which is as under:

Pricing of infrequently traded shares

165. Where the shares of an issuer are not frequently traded, the price determined by the issuer shall take into account the valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies:

Provided that the issuer shall submit a certificate stating that the issuer is in compliance of this regulation, obtained from an independent registered valuer to the stock exchange where the equity shares of the issuer are listed.

Our valuation exercise is based on the provisions of SEBI Regulations noted above.

COST APPROACH

1. Net Asset Value Method ('NAV)

The asset-based value analysis technique is based on the value of the underlying net assets of the business, either on a book value basis, realizable value basis or replacement cost basis. This value analysis approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominates earnings capability. It is also used where the main strength of the business is its asset backing rather than its capacity or potential to earn profits.



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Book value is considered important in terms of valuation because it represents a fair and accurate picture of a company's worth. The book value of equity share based on Limited Reviewed Financial Results for the period ended on 30.06.2022 is **INR 100.51 per share** and given as under:

		Amount in INR	
		Book value	MV/ RV
(i)	<u>Fixed Assets</u>	25,152	25,152
(ii)	<u>Non-Current Assets</u>		
	Investment in Quoted Equity Shares		
	EASUN Capital Markets Ltd	909,558	1,061,489
	Investment in Unquoted Equity Shares	9,992,912	9,992,912
(iii)	<u>Current Assets</u>	152,799,691	152,799,691
TOTAL ASSETS (A)		163,727,313	163,879,244
(i)	<u>Borrowings</u>	15,902,987	15,902,987
(ii)	<u>Current Liabilities</u>	1,727,019	1,727,019
TOTAL LIABILITIES (B)		17,630,006	17,630,006
Net Asset Value (A-B)			146,249,238
No of Equity Shares			1,455,000
Value per Equity Share			100.51

MARKET APPROACH

1. Market Price Method

Under the Market Price method, a Valuer considers the traded price observed over a reasonable period while valuing assets which are traded in the active market. For this purpose, one considers the market where the trading volume of asset is the highest when such asset is traded in more than one active market. The valuation standards also prescribe that the Valuer should use average price of the asset over a reasonable period and use a weighted average or volume weighted average to reduce the impact of volatility or any one-time event in the asset.



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Based on our discussion with the Management, we understand that since the shares of the company are not frequently traded shares, we have therefore not used Market Price method.

2. Comparable Companies' Multiple Method ('CCM')

Under CCM the value of shares/ business of a company is determined based on market multiples of publicly traded comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. CCM applies multiples derived from similar or 'comparable' publicly traded companies to a company's operating metrics. Although no two companies are entirely alike, the companies selected as comparable companies should be engaged in the same or a similar line of business as the subject company. The appropriate multiple is generally based on the performance of listed companies with similar business models and size.

The Company is engaged in Finance Sector. In present case, we have considered the appropriate Price/ Book Value of listed peers engaged in same industry as that of the Company to arrive at fair value of its equity shares.

(In INR Crores)				
Name of the Company	As on Date	Market Cap.	Net Worth	P/B Multiple
Ashika Credit Capital Ltd.	31/03/2022	44.43	51.46	0.86
Citiport Financial Services Ltd.	31/03/2022	8.70	3.06	2.84
Transwarranty Finance Ltd.	31/03/2022	19.32	18.76	1.03
Average Multiple				1.58
Less: Discount for Illiquidity, Size and Product Mix				25.00%
Adjusted Average Multiple				1.18

(Source: <https://www.bseindia.com/>)

Particulars	In INR Crores
Net Worth as on June 30, 2022	14.61
Valuation at adjusted average P/B multiple	17.30
Less: Contingent Liabilities as on June 30, 2022	-
Net Adjusted Value	17.30
No. of Shares on a fully diluted basis	1,455,000
Value per share (INR)	118.92

3. Comparable Companies' Transaction Method ('CTM')

Under CTM the value of shares/ business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.



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Based on my discussion with the Management, I understand that there are no recent comparable transactions involving companies of similar nature and having a similar metrics as that of BIL, I have therefore not used CTM method.

INCOME APPROACH

1. Discounted Cash Flows ('DCF') Method

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.

Free cash flows are the cash flows expected to be generated by the company that are available to stakeholders of the company. The terminal value represents the total value of the available cash flow for all periods subsequent to the forecast period.

The projected free cash flows to equity shareholders over the explicit forecast period and terminal value are discounted using the Weighted Average Cost of Capital ('WACC'). The sum of the discounted value of such free cash flows to equity is the value of the business attributable to equity shareholders.

Based on our discussion with the Management, we have been informed that amount and timing of future income are not available with reasonable certainty, we have therefore not used Income Approach.

K. Restrictions on use of the valuation report, if any

This valuation report is meant for use for the limited purpose of issue of sweat equity shares as on the valuation date or on a date close to the valuation date. It should not be used for any other purpose and by any other persons. Further, the valuation report is based on the available financial information from the company and publicly available sources which I believe to be accurate. I accept no responsibility for any errors in the information on which the valuation conclusions are based.

L. Major factors that were taken into account during the valuation

I have considered all factors that are required under the provisions of the Regulation 33 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 read with SEBI (ICDR) Regulations, 2018, the Companies Act, 2013 and the relevant rules and requirements of the valuation standards.



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For the purpose of proposed issue of sweat equity shares for which this valuation report is issued, I am informed by the company BIL that the relevant date is August 30, 2022. The equity shares are infrequently traded shares in terms of Regulation 165 of SEBI (ICDR) Regulation, 2018.

M. Conclusion

The current valuation has been carried out based on the discussed valuation methodologies explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, key underlying assumptions and limitations were given due consideration.

In order to assess the reasonableness of the value determined under each method, I have considered appropriate factors such as applicable nature of asset to be valued, availability of adequate inputs or information underlying the value and its reliability, premise of value, purpose and intended use of the valuation, amount of dependency on observable inputs and other relevant factors.

In light of the aforesaid and after taking into consideration the principles of valuation that one would have to consider to value the equity shares of the Company, we have derived value as per Net Asset Value Method ('NAV) under Cost Approach, CCM method under Market approach and assigned equal weights to each method arrive at fair value of shares of the Company.

Particulars	Price per share (INR)	Weights	Weighted value (INR)
COST APPROACH			
Net Asset Value Method	100.51	50%	50.26
MARKET APPROACH			
Market Price Method	--	--	
Comparable Companies Multiple Method	118.92	50%	59.46
INCOME APPROACH			
Discounted Cash Flow (DCF) Method	--	--	
Weighted Average Price			109.72



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On the above basis of the foregoing, the fair value of equity shares of BIL is arrived at **INR 109.72 per share.**

N. Caveats, limitation and disclaimers to the extent they explain or elucidate the limitations faced by Valuer

My report is subject to the scope and 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.

1. This report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. The Company is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. 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.
2. In the course of the valuation, I was provided with both written and verbal information. I have however, evaluated the information provided to me 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.
3. 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.
4. While my work has involved an analysis of financial information and accounting records, my engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, I express no audit opinion or any other form of assurance on this information.
5. I 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. I express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.
6. The client and its management/representatives warranted to me that the information they supplied was complete, accurate and true and correct to the best of their knowledge. I have relied upon the representations of the owners/clients, their management and other third parties concerning the financial data except as specifically stated to the contrary in the report. I shall not be liable for any loss, damages, cost or



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expenses arising from fraudulent acts, misrepresentations, or willful default on part of the companies, their directors, employee or agents.

7. I have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, I 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 I 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 and /or reproduced in its proper form and context.
8. 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.
9. I owe responsibility to only to the authority/client that has appointed me under the terms of the engagement letter. I 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 I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the client or companies, their directors, employees or agents.
10. 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 company 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 recorded/reflected in the balance sheet/fixed assets register provided to me.
11. I am independent of the client/company and have no current or expected interest in the Company or its assets. The fee paid for my services in no way influenced the results of my analysis.
12. My report is meant for the purpose mentioned above 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.

Date: 07-09-2022

Place: Surat



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CP No.: ICSIRVO/SFA/38

IBBI R. No.: IBBI/RV/03/2019/12124