

Valuation Report

**Fair Value of Value Addition or Sweat Contribution by
Managing Director of Bazel International Ltd.**

By

Kunvarji Finstock Private Limited

SEBI Registered Category I Merchant Banker

(Registration Number – INM000012564)



Date: September 7, 2022

To,

**Board of Directors,
Bazel International Ltd.**

II-B/20, First Floor, Lajpat Nagar,
New Delhi South – 110024,
India.

Dear Sir,

Subject: Valuation of Value Addition or Sweat Contribution by Managing Director of Bazel International Ltd.

We refer to our discussion undertaken with the Management Representative of **Bazel International Ltd.** (hereinafter referred to as "BIL", "Bazel International", "the Company", "you", "your"), wherein the Management has appointed **Kunvarji Finstock Private Limited**, a Category I Merchant Banker registered with SEBI having Registration Number – INM000012564 (hereinafter referred to as "Kunvarji", "Valuer", "We", "Us" or "Our") vide engagement letter dated September 5, 2022 to arrive at the fair value of **Value Addition or Sweat Contribution by Mr. Pankaj Dawar, Managing Director** of the Company for the purpose of issuance of Sweat Equity in accordance with Regulation 34 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for compliance purposes.

We have derived the fair value of Value Addition or Sweat Contribution of Mr. Pankaj Dawar to be **INR 1,58,54,540.**

For, Kunvarji Finstock Private Limited



Mr. Kunal Shah
Director (DIN: 00049623)



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000398/2022



www.kunvarji.com



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1. DISCLAIMER

This report is prepared by Kunvarji Finstock Private Limited, a Category I Merchant Banker registered with SEBI vide Registration Number- INM000012564 for Bazel International Ltd. on the basis of audited/unaudited/limited reviewed accounts, market information, documents, papers, information and explanations given by the officers of the Company.

This report is to facilitate the Company for determining fair value of the Value Addition or Sweat Contribution of Mr. Pankaj Dawar for the purpose of issuance of Sweat Equity Shares.

This report shall not be used as a base for any purpose other than that mentioned below in the report.

While utmost care has been taken in preparing this document to ensure that the facts stated are accurate and reasonable, neither the Valuer nor any officer or employee of the Valuer shall in anyway be responsible for the contents therein.



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This Document is for the perusal of
The Board of Directors & Shareholders of
Bazel International Ltd.

2. CONFIDENTIALITY NOTE

The information contained in this document is privileged and confidential. It is intended only for the use of the addressee named above.

Any retention, dissemination, distribution or copying or sharing of any information from this document is strictly prohibited.

3. BRIEF PROFILE OF THE ENTITY

Bazel International Ltd. is a public limited company bearing CIN L65923DL1982PLC290287 and was incorporated on December 30, 1982. The registered office of the company is II-B/20, First Floor, Lajpat Nagar, New Delhi South – 110024, India.

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 equity shares of the Company are listed on Bombay Stock Exchange Limited ('BSE').

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.

4. BRIEF PROFILE OF MR. PANKAJ DAWAR

Mr. Pankaj Dawar (DIN: 06479649) is a fellow member of the Institute of Company Secretaries of India (ICSI) and is being equipped with immense management skills, knows how to harmonize the team with the company's goals. Having a rich experience in financial and marketing sector, with best intentions, he shares a vision to put out fires instead of working to unite the people as a Team. He is instrumental in development and implementation of strategies for the growth of the Company. He is primarily looks into formulating strategies in relation to financing.



5. ENGAGEMENT BACKGROUND

We have been informed by the Management of the company in order to incentivize and retain the right talent, the Company has issued Sweat Equity shares to Mr. Pankaj Dawar who helped the Company to gain various tangible & intangible benefits paving the way for the Company for its growth and prosperity and intends to ascertain the fair value of value addition or sweat contribution as per Regulation 34 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for compliance purposes.

In this regard, Kunvarji Finstock Private Limited, a Category I Merchant Banker registered with SEBI vide Registration Number — INM000012564, has been appointed to report on the fair value of value addition or sweat contribution of Mr. Pankaj Dawar, Managing Director of Company.

While carrying out the assignment, the Valuer has made discussion with management representative of the Company regarding the present and future financial performance, operations and business activities. Further, the Company has provided us the financial, business, operational & corporate information etc. and we have studied and considered such financials, information, etc. to prepare this report.

It is pertinent to mention that the accurate quantification of the intangible gains made by the Company consequent to the contribution of Mr. Pankaj Dawar is difficult to be ascertained in absolute numerical terms and involves careful consideration and review of various parameters that directly and / or indirectly contribute to business expansion with consequent accretion in value. These include the general economic outlook as well as the current and expected conditions in the business environment and the industry's relationship with the economy, the competitive environment prevailing within the industry, the relative competitive advantages of the business in terms of its service capability, management capabilities and the quality of the clients of the entity, the management of the Company, the historical financial and operational performance of the business, etc.

6. SHAREHOLDING PATTERN AS ON JUNE 30, 2022

The equity shareholding pattern of Bazel International as on valuation date is set out below:

Category of Shareholder	No. of Shares (FV – INR 10 each)	% Shareholding
Promoters & Promoter Group	9,000	0.62%
Public	14,46,000	99.38%
Total	14,55,000	100.00%

7. SOURCES OF INFORMATION

The following sources of information have been utilized in conducting the valuation:

- Memorandum and Articles of Association of Bazel International;
- Brief History, Present Activities and Business Profile of the Bazel International;
- Audited Financial Statements of Bazel International for the year ended on March 31, 2022, March 31, 2021 & March 31, 2020;
- Limited Reviewed Financial Results of Bazel International for the year ended on June 30, 2022;
- Projections of the future profitability and Balance Sheet of Bazel International (with and without contribution of Mr. Pankaj Dawar) as certified by management of Bazel International from July 2022 to March 2028;
- Latest Shareholding Pattern of the Company as at Valuation Date;
- Written Representations received from the management of Bazel International;
- Such other information, explanations and representations as required and which have been provided by the Management of Bazel International, which were considered relevant for purpose of carrying out this valuation analysis and preparing this Report.

In addition to the above, we have also obtained such other information and explanations from the Management as considered relevant for the purpose of the valuation.

It may be mentioned that the Management has been provided with an opportunity to review factual information in our report as part of our standard practice to ensure that factual inaccuracies/omissions etc. are avoided in our final signed report.



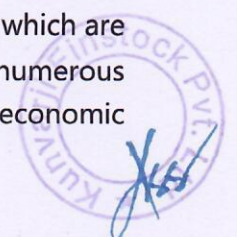
8. PROCEDURES ADOPTED

Procedures used in our analysis included such substantive steps as we considered necessary under the circumstances, including, but not necessarily limited to the following:

- Discussion with the Management to:
 - Understand the business and the fundamental factors that affect its earning generating capability of Bazel International including strength, weakness, opportunity and threat analysis and historical financial performance;
 - Enquire about the historical financial performance, business plans, current state of affairs, business plans and the future performance estimates.
- Analysis of information shared by the Management;
- Reviewed the Limited Reviewed Financial Results of Bazel International for the year ended on June 30, 2022 and Audited Financial Statements for the year ended on March 31, 2022, March 31, 2021 & March 31, 2020 ;
- Reviewed the projections of profitability & Balance Sheet (with and without contribution of Mr. Pankaj Dawar) as provided by the Management including understanding basis of preparation and the underlying assumptions;
- Discussions with the Management to obtain requisite explanation and clarification of data provided;
- Selection of appropriate internationally accepted valuation methodology/ies after deliberations and consideration to the sector in which the Company operates; and
- Arrived at Value Addition or Sweat Contribution by Mr. Pankaj Dawar using the method considered appropriate.

9. VALUATION METHODOLOGIES

The value analysis of Bazel International as at the report date has been carried out on a going concern basis. It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to the industry performance and general business and economic conditions, many of which are beyond the control of the companies themselves.



The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purpose, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The following are commonly used and accepted methods for determining the value of sweat contribution:

1. Asset Approach - Net Asset Value method
2. Market Approach:
 - a. Market Price method
 - b. Comparable Companies Market Multiple method
3. Income Approach - Discounted Cash Flow method

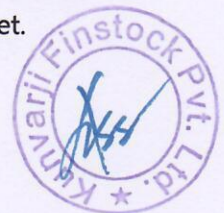
As discussed and agreed with the management, we have carried out the value analysis of by providing weightage to the value derived using Net Asset Value ('NAV') method, Comparable Companies Multiple ('CCM') method and Discounted Cash Flow ('DCF') method, which are commonly used & most appropriate method for valuing such companies.

10. VALUATION BASED ON NET ASSET VALUE (NAV) METHOD

The Asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value or replacement cost basis. The Net Asset Value ignores the future return the asset can produce and is calculated using historic data that does not reflect how much the business is worth to someone who may buy or invest in the business as a going concern.

The valuation 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. The operating assets have therefore been considered at their book values.

Valuation of the equity shares of the Company under this method is arrived at by determining on the basis of Limited Reviewed Financial Results as on June 30, 2022. Net worth is the excess of all assets over company over its liabilities to outsiders as shown in the balance sheet.



(Amount in INR)

	Particulars	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	9,09,558	10,61,489
	Investment in Unquoted Equity Shares	99,92,912	99,92,912
(iii)	<u>Current Assets</u>	15,27,99,691	15,27,99,691
	<u>TOTAL ASSETS (A)</u>	<u>16,37,27,313</u>	<u>16,38,79,244</u>
(i)	<u>Borrowings</u>	1,59,02,987	1,59,02,987
(ii)	<u>Current Liabilities</u>	17,27,019	17,27,019
	<u>TOTAL LIABILITIES (B)</u>	<u>1,76,30,006</u>	<u>1,76,30,006</u>
	Net Asset Value (A-B)		14,62,49,238
	No of Equity Shares		14,55,000
	Value per Equity Share		100.51

11. VALUATION BASED ON MARKET VALUE METHOD

The market price of an equity share as quoted on stock exchange is normally considered as the value of equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of shares. But there could be situations where the value of the share as quoted in the stock market would not be regarded as a proper index of the fair value of the shares especially where the market values are fluctuating in volatile capital markets.

Particulars	Value (INR)
Market Price as on June 30, 2022	36.40
Number of Shares Outstanding	14,55,000
Market Valuation (INR)	5,29,62,000



12. VALUATION CALCULATION BASED ON DCF

The Discounted Free Cash Flows method is one of the most rigorous approaches for valuation of a business/asset/equity. DCF method values a business based upon the available cash flow a prudent investor would expect the subject business to generate over a given period of time. In this method, the projected free cash flows from business operations are discounted at the weighted average cost of capital and sum of such discounted free cash flows is the value of the business. For arriving at the valuation of equity shares, projected free cash flows to various stakeholders are discounted at the cost of equity to arrive at the value of business and subtracting outstanding Debts & Preference shareholding, if any, there from and adjusting surplus assets & liabilities, if any, thereto.

Using the Discounted Free Cash Flows method involves determining the following:

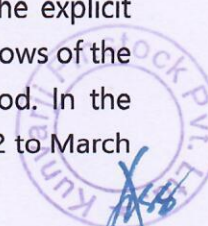
- Estimating future free cash flows,
- The time frame of the cash flows i.e. the explicit forecast Period,
- Appropriate Discount rate to be applied to cash flows
- The continuing value i.e. the cumulative value of the free cash flows beyond the explicit forecast period which is also known as Terminal Value
- Value of cash and cash equivalents and Surplus Assets

➤ **Free Cash Flows to Equity (FCFE)**

FCFE are the cash flows expected to be generated by the Company that are available to providers of the Equity Capital. FCFE is determined by Profit after Taxes, to which any non-cash expenses like Depreciation and amortization are added back. The above is adjusted for (i) change in working capital requirements (ii) investments in capital expenditure and other assets as well as (iii) change in non-current assets and liabilities and (iv) change in Borrowings. Free cash flows thus calculated will be equal to the sum of the cash flows available to Equity Stakeholders.

➤ **Time Frame of Cash Flows**

A problem faced in valuing a business is its indefinite life, especially where the valuation, as in the present case, is on a going concern basis. This problem could be tackled by separating the value of the business into two-time periods viz. explicit forecast period and post explicit forecast period. In such a case, the value of business will be value of free cash flows generated during the explicit forecast period and value of free cash flows generated during the post explicit forecast period. While projected free cash flows of the explicit forecast period could be estimated on the basis of business plan, the free cash flows of the post explicit forecast period could be estimated using an appropriate method. In the present case, we have been furnished with the financial projections for July 2022 to March 31, 2028, we have considered the same for the purpose of valuation.



➤ **Appropriate Discounting Rate i.e. Cost of Equity**

Cost of Equity (COE) is the rate that a company is expected to pay to equity holders. The COE is the minimum return that a company must earn on an existing asset base to satisfy its equity shareholder. Broadly speaking, a company's assets are financed by debt & equity. COE is the cost for equity shareholders.

• **Cost of Equity (Ke)**

The cost of equity has been determined using the Capital Assets Pricing Model. For this purpose, the formula used is as under:

$$\text{CAPM (Ke)} = R_f + \beta (R_m - R_f) + \alpha$$

Where,

CAPM (Ke) = Discount rate derived from Capital Assets Pricing Model

R_f = Risk free rate of return

β = Beta factor as a measure of the systematic risk

R_m = Representative Market Return

(R_m - R_f) = Equity Market premium (ERP)

α = Company Specific Risk Premium

Capital-Asset Pricing Model (CAPM) describes the relationship between systematic risk and expected return for assets, particularly stocks. CAPM is widely used throughout finance for pricing risky securities and generating expected returns for assets given the risk of those assets and cost of capital.

Given that cash flows are estimated to accrue evenly over the year, we have used the mid period discounting convention to discount the cash flows.

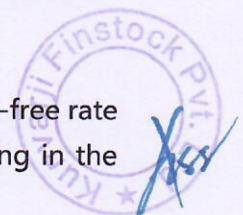
• **Risk Free Rate**

The risk-free rate is generally based on the returns available from long-term Government Bonds and securities. These returns are used since they represent a very low default risk, are liquid (freely tradable) and include the expected long-term inflation premium. Based on current yield of 10 Year GOI Security bond, risk free rate has been considered as 7.45% in the present case.

(Source: <https://in.investing.com/rates-bonds/india-10-year-bond-yield-historical-data>)

• **Equity Risk Premium**

The Equity Risk Premium (ERP) is the additional amount of return over the risk-free rate that is required to compensate the investor for the additional risk of investing in the



equity. It is typically measured by the amount by which historical returns in the equity security markets, over a long period of time, have exceeded the returns from risk free investments. Such historical return from investment in the equity markets – which is the sum of return by way of capital appreciation and return by way of dividend yield – is the market return. We have considered equity risk premium of 2.76% based on the Return of BSE Finance Index in last 15 years. (Market Return = 10.21%)

• **Beta (β)**

Systematic risk is measured in the CAPM by a factor known as Beta. Beta is a measure of volatility or systematic risk, of a security or a portfolio in comparison to the market as a whole. The beta of the asset has to be estimated relative to the market portfolio and by selecting the comparable companies closely associated with the subject company. We have considered Beta of 0.30 as calculated below:

Name of the Companies	Beta*
Ashika Credit Capital Ltd.	0.39
Citiport Financial Services Ltd.	0.06
Transwarranty Finance Ltd.	0.46
Average	0.30

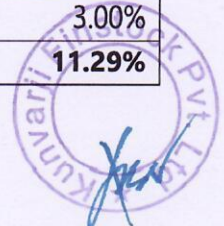
*Source: www.moneycontrol.com

• **Company Specific Risk Premium (α)**

Company Specific Risk Premium (CSRP) is the risk unique to the company. At present Bazel International is operating at a small scale whereas the proposed business plan on the basis of which valuation has been arrived at considering the financial projections which are at a bigger scale. It includes Additional Business & Projection Risk. Hence to compensate the investor for this aspect, we have considered 3.00% premium towards CSRP.

Statement Showing Cost of Equity

Particulars	
Risk Free Rate of Return	7.45%
Beta Coefficient	0.30
Market Return	10.21%
Market Equity Risk Premium	2.76%
Business Risk	3.00%
Cost of Equity Financing	11.29%



➤ **Terminal Value**

The terminal value of an on-going business could best be determined as present value of estimated future free cash flows in order to obviate the need to forecast the Company's cash flows in detail for an indefinite period. On this basis, the calculation of the terminal value may be made by capitalizing the free cash flows of the terminal year with Cost of Equity, adjusted for the future expected growth ("g"). As per our estimate, 5.00% should be assumed to be a long-term rate at which company should grow and accordingly the same is considered as perpetual growth rate for the purpose of valuation of Bazel International. FCFE at the end of explicit forecast period which is FY 2027-28 is considered for calculation of terminal value. Other aspects in this regard have been described above under the heading of explicit forecast period.

➤ **Equity Value**

To arrive at the total value attributable to the equity shareholders of the business, value arrived through DCF method for the Company is adjusted by subtracting outstanding Debts & Preference shareholding, if any, there from and adjusting for the inflow on exercise of options, non-operating assets/ liabilities (e.g. fair value of investments, any contingent liabilities, etc.). The total adjusted value for equity shareholders is then divided by the total number of equity shares to arrive at the value per equity share.



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DISCOUNTED FREE CASH FLOW (WITHOUT CONTRIBUTION OF MR. PANKAJ DAWAR)

Statement showing Free Cash Flow to Equity

(Amount in INR)

Particulars	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Profit After Tax	33,82,052.10	35,75,242.70	36,85,057.15	39,36,963.33	38,26,757.78	41,14,915.69
Add: Depreciation	4,040.10	3,636.09	3,272.48	2,945.23	2,650.71	2,385.64
Cash Profit After Taxes	33,86,092.20	35,78,878.79	36,88,329.63	39,39,908.57	38,29,408.49	41,17,301.33
Less: Incremental Capital Expenditure	-	-	-	-	-	-
Less: Incremental Working Capital Investment	(35,10,609.73)	(44,42,475.22)	(62,62,789.24)	(42,81,676.44)	(94,59,624.30)	(60,95,687.74)
Less: Incremental Non-Current Assets/Liabilities	-	-	-	-	-	-
Unlevered Free Cash Flows	68,96,701.93	80,21,354.01	99,51,118.87	82,21,585.01	1,32,89,032.79	1,02,12,989.07
Adjusted Unlevered Free Cash Flows	51,72,526.45	80,21,354.01	99,51,118.87	82,21,585.01	1,32,89,032.79	1,02,12,989.07
Mid-Year Discount factor	0.96	0.86	0.78	0.70	0.63	0.56
Net Present Value	49,69,196.61	69,24,477.97	77,19,108.80	57,30,687.06	83,23,393.15	57,47,987.26

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Statement Showing Calculation of Terminal Value

Particulars	Amount in INR
UFCF of last explicit year	1,02,12,989.07
COE	11.29%
Growth Rate	5.00%
Terminal Value	17,05,70,738.68
Discount Factor	0.56
PV of Terminal Value	9,59,99,165.95

Statement Showing Value per Share

Particulars	Amount in INR
PV of Explicit Cash Flows	3,94,14,850.85
PV of Terminal Value	9,59,99,165.95
Less: PV of Terminal Debt	-
Add: Cash & Bank Balance as on June 30, 2022	24,05,971.46
Add: Fair Value of Other Assets (If Any)	1,10,54,401.00
Equity Value (Without Contribution of Mr. Pankaj Dawar)	14,88,74,389.26
No. of Equity Shares	14,55,000
Equity Value Per Share	102.32



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DISCOUNTED FREE CASH FLOW (WITH CONTRIBUTION OF MR. PANKAJ DAWAR)

Statement showing Free Cash Flow to Equity

(Amount in INR)

Particulars	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Profit After Tax	39,46,822.08	46,03,079.35	54,08,524.22	63,00,995.90	72,75,756.41	82,94,317.08
Add: Depreciation	4,040.10	3,636.09	3,272.48	2,945.23	2,650.71	2,385.64
Cash Profit After Taxes	39,50,862.18	46,06,715.44	54,11,796.71	63,03,941.13	72,78,407.12	82,96,702.72
Less: Incremental Capital Expenditure	-	-	-	-	-	-
Less: Incremental Working Capital Investment	(10,84,192.16)	(56,15,530.21)	(55,06,850.01)	(51,54,297.01)	(53,13,667.58)	(51,38,732.91)
Less: Incremental Non-Current Assets/Liabilities	-	-	-	-	-	-
Unlevered Free Cash Flows	50,35,054.34	1,02,22,245.64	1,09,18,646.71	1,14,58,238.14	1,25,92,074.70	1,34,35,435.64
Adjusted Unlevered Free Cash Flows	37,76,290.76	1,02,22,245.64	1,09,18,646.71	1,14,58,238.14	1,25,92,074.70	1,34,35,435.64
Mid-Year Discount factor	0.96	0.86	0.78	0.70	0.63	0.56
Net Present Value	36,27,846.35	88,24,409.78	84,69,622.66	79,86,729.69	78,86,863.55	75,61,617.10



Statement Showing Calculation of Terminal Value

Particulars	Amount in INR
UFCF of last explicit year	1,34,35,435.64
COE	11.29%
Growth Rate	5.00%
Terminal Value	22,43,89,957.26
Discount Factor	0.56
PV of Terminal Value	12,62,89,238.78

Statement Showing Value per Share

Particulars	Amount in INR
PV of Explicit Cash Flows	4,43,57,089.14
PV of Terminal Value	12,62,89,238.78
Less: PV of Terminal Debt	-
Add: Cash & Bank Balance as on June 30, 2022	24,05,971.46
Add: Fair Value of Other Assets (If Any)	1,10,54,401.00
Equity Value (Without Contribution of Mr. Pankaj Dawar)	18,41,06,700.37
No. of Equity Shares	14,55,000
Equity Value Per Share	126.53

13. VALUATION CONCLUSION

Considering the methodologies applied in our valuation analysis to determine the fair value of value addition or sweat equity. In this regard, please refer to the section titled "Valuation Methodologies" for a discussion on some of the other possible methods that could be used for valuation purpose.

Valuation (Without contribution of Mr. Pankaj Dawar)

Valuation Methods	Equity Value (INR)	Weights	Weighted Equity Value (INR)
Net Asset Value (NAV) Method	14,62,49,238	45%	6,58,12,157
Market Price Method	5,29,62,000	10%	52,96,200
Discounted CashFlow (DCF) Method	14,88,74,389	45%	6,69,93,475
	Value (INR)		13,81,01,832

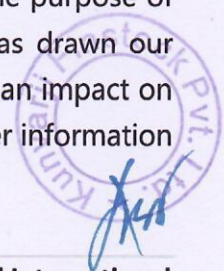
Valuation (With contribution of Mr. Pankaj Dawar)

Valuation Methods	Equity Value (INR)	Weights	Weighted Equity Value (INR)
Net Asset Value (NAV) Method	14,62,49,238	45%	6,58,12,157
Market Price Method	5,29,62,000	10%	52,96,200
Discounted CashFlow (DCF) Method	18,41,06,700	45%	8,28,48,015
	Value (INR)		15,39,56,372

Accordingly, we have valued the fair value of Value Addition or Sweat Contribution of Mr. Pankaj Dawar to be **INR 1,58,54,540 (INR 15,39,56,372 - INR 13,81,01,832)**.

14. LIMITING CONDITIONS

- Our 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.
- Our report is meant for the purpose mentioned above and exclusively for the use of the company, its shareholders & investors and may submit the report to any regulatory / statutory / tax authority as may be required under any law. Our report should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. We are independent of the company and have no current or expected interest in the Company or its assets except as mentioned above. The fee paid for our services in no way has influenced the results of our analysis.
- 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 client existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of you and the client. In the course of the valuation, we were provided with both written and verbal information. We 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. This report is issued on the understanding that company has drawn our attention to all the matters relevant as on date of this report which would have an impact on our valuation. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company.



- The client / owner and its management / representatives warranted to us that the information they supplied is complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the owners/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.
- 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 and /or reproduced in its proper form and context. The report assumes that the company has complied fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the company/business/assets will be managed in a competent and responsible manner. However, changes to the same in the future could impact the Company and the industry they operate in, which may impact our valuation.
- Our valuation is based on the market conditions that currently exist due to COVID-19 Pandemic. However, changes to the same in the future could impact the Company and the industry they operate in, which may impact our valuation.
- Unless 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. Further, we have also not carried out any physical verification of the assets and liabilities. Details about market value of the assets wherever required, have been furnished to us by the Company. We have not undertaken any verification/assessment of such values.
- The valuation report should be tempered by the exercise of judicious discretion and judgment 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. 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 tendering evidence before such authority shall be under the applicable laws.

- We do not provide assurance on the achievability of the results forecast by the management/owners 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/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management. The execution and operations of the project is yet to be achieved. Change in any of the key assumptions like commercial operations date, capital structure, amount/timing/terms of the financial closure etc. may have major impact on valuation of the company.
- The actual fair value achieved may be higher or lower than our estimate of value depending upon the circumstances, the nature of the business. The knowledge, negotiating ability and motivation of the parties and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place.
- An analysis of such nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.
- 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.
- Except the valuation part, our report is not, nor should it be construed as our Opinion or Certifying the compliance with the provisions of the law including companies, taxation and capital market related laws or as regards any legal implications or issues.

For, Kunvarji Finstock Private Limited

Mr. Kunal Shah
Director (DIN: 00049623)



Date: September 7, 2022
Place: Ahmedabad