

2022-2023

## HIMADRI SPECIALITY CHEMICAL LIMITED

VALUATION REPORT ON FAIR VALUE OF EQUITY  
SHARES AS ON 08TH JULY' 2022 AS PER  
SECURITIES AND EXCHANGE BOARD OF INDIA  
(ISSUE OF CAPITAL AND DISCLOSURE  
REQUIREMENTS) REGULATIONS, 2018 FOR ISSUE  
OF CONVERTIBLE WARRANTS.

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**Kolkata**

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## CA VIDHI CHANDAK

B.Com, FCA, DISA

Registered Valuer (Securities or Financial Assets)

Registration No.: IBBI/RV/06/2019/11186

### STRICTLY PRIVATE & CONFIDENTIAL

To,

The Board of Directors,  
Himadri Speciality Chemical Limited,  
23A, Netaji Subhas Road, 8th Floor,  
Suite No. 15,  
Kolkata - 700001

**Subject:** Valuation Analysis of Equity Shares of **Himadri Speciality Chemical Limited** for the purpose of proposed further issue of Convertible Warrants by way of preferential allotment as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.

Dear Sir/Madam,

I refer to my engagement letter dated 11th July 2022 issued to **Himadri Speciality Chemical Limited** (herein after referred to as "HSCL" or the "Company") for the valuation of equity shares of the company in accordance to Regulation 166A read with regulation 164 and other applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time for the purpose of proposed further issue of Convertible Warrants by way of preferential allotment ("Proposed Transaction") which may result in allotment of more than 5% of the post issue fully diluted share capital of an issuer, to an allottee or to allottees acting in concert, read with Section 42 and Section 62 (1)(C) of the Companies Act, 2013 for fresh issue of share capital.

The Convertible Warrants would be converted into equal No. of Equity Shares in one or more tranches within 18 months from the date of allotment.

The company is registered with CIN: L27106WB1987PLC042756 is a listed company headquartered in city of Kolkata. The Company was incorporated on 28/07/1987 and is amongst India's largest integrated speciality carbon chemical manufacturer. The equity shares of the Company are presently listed on the National Stock Exchange Limited (NSE) and Bombay Stock Exchange Limited (BSE).

In accordance with the terms of the engagement, I am enclosing my valuation report along with this letter and detailed herein, together with the description of the methodologies used and limitations on my scope of work. The valuation report is intended solely for the use by HSCL and my recommendation is based on the events and circumstances prevailing as on the valuation dates.



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Based on my analysis of the valuation and subject to the caveats as further detailed in this report, the recommended fair value of Equity Shares for the purpose of issue of convertible warrants is ₹ 69.34 per share as on 08/07/2022.

I, thankfully acknowledge the support extended by HSCL while carrying out the said valuation exercise. I shall be glad to address any query with utmost priority.

Thanking You,  
Yours faithfully,

*Vidhi Chandak*

**Vidhi Chandak**  
Registered Valuer  
(Regn. No.: IBBI/RV/06/2019/11186)  
UDIN: 22057114AMVRFY7888



Place: Kolkata  
Date: 14/07/2022

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## 1. CONTEXT AND PURPOSE

Based on the discussions held with the management and Key Managerial Personnel (KMP's), I understand that the Company is proposing to issue Convertible Warrants on preferential basis. The Equity shares of the company are frequently traded. The company is listed on Bombay Stock Exchange Ltd. (BSE) & National Stock Exchange of India Limited (NSE). In terms of Regulation 166A read with Regulation 164 of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 as amended from time to time ('SEBI (ICDR) Regulations'), a preferential issue, which may result in a change in control or allotment of more than 5 % of the post issue fully diluted share capital of an issuer, to an allottee or to allottees acting in concert, shall, besides the market price, requires valuation from an independent registered valuer and should be considered for determining the issue price. Thus, I, being Independent Registered Valuers, have been appointed as per the appointment letter dated 11th July 2022. I am issuing this certificate for the purpose of compliance with the Chapter V of SEBI (ICDR) Regulations.

As per Guidelines for Preferential Issue, where warrants are issued on a preferential basis with an option to apply for and be allotted shares, the issuer company shall determine the price of the resultant shares. Hence, I have carried out the valuation of equity shares of the Company.

## 2. IDENTITY OF REGISTERED VALUER

Vidhi Chandak is a Registered Valuer (Securities or Financial Assets) as required under The Companies (Registered Valuers & Valuation) Rules, 2017. Vidhi Chandak is registered with Insolvency & Bankruptcy Board of India vide registration number IBBI/RV/06/2019/11186. Vidhi Chandak's primary membership is registered with ICAI Registered Valuers Organization vide registration no. ICAIRVO/RV-P000183/2018-19.

## 3. DISCLOSURE OF VALUER INTEREST

I do not have any interest or conflict of interest of any kind with the company, with respect to the valuation undertaken by me.

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.



## 4. BACKGROUND OF THE COMPANY

### Himadri Speciality Chemical Limited

The Company (CIN: L27106WB1987PLC042756) is a listed company headquartered in city of Kolkata. The Company was incorporated on 28/07/1987. The Company operates in carbon materials and chemicals segment and power segment. It offers coal tar pitches, graphite grade binder pitches, graphite grade zero Q1 pitches and other speciality pitches, carbon black etc.

Details of the Authorised and Paid-up Share Capital as on 31 <sup>st</sup> March 2022 of HSCL:		
	Amount in ₹	Break-up of Capital
Authorised Capital	₹ 70,01,00,000/-	70,01,00,000 Equity Shares of ₹ 1/- each
Paid-Up Capital	₹ 41,89,65,278/-	41,89,65,278 Equity Shares of ₹ 1/- each.

Category of Shareholders	No. Of Shares (Face Value of INR 1 each)	Percentage (%)
Promoter and Promoter Group	19,03,18,874	45.40%
Public	22,86,46,404	54.60%
<b>Total</b>	<b>41,89,65,278</b>	<b>100.00%</b>

Based on discussion with the Management, I understand that 5,84,612 ESOPs of Tranche 1 were outstanding as at 31st March 2022, out of which 3,74,372 ESOPs were exercised between 31st March 2022 and the report date. However, for the purpose of our value analysis I have assumed the remaining ESOP of Tranche I to be exercised in future and hence I have taken total number of equity shares outstanding as at the report date to be 41,95,49,890.



## 5. DATE OF APPOINTMENT, RELEVANT DATE & REPORT DATE

The Date of Appointment of Registered Valuer is 11th July 2022. The Analysis of the Fair Value of the Equity Shares of the Company has been carried out as on the Relevant Date i.e., 8<sup>th</sup> July, 2022 and the Report Date is 14th July 2022. As per Regulation 161 of the SEBI ICDR, 2018, "relevant date" means in case of preferential issue, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.

## 6. SOURCES OF INFORMATION

The Analysis is based on a review of the information provided by the Management and information as available in the public domain. Specifically, the sources of information include:

- Unaudited provisional financial statements of HSCL on standalone and consolidated basis for the financial year ended 31st March 2022;
- Audited financial statements of HSCL on standalone and consolidated basis for the financial year ended 31st March 2021;
- Projected financial statements of HSCL.
- Unaudited provisional financial statement of Modern High Rise Private Limited ('MHRPL') (an investee company of HSCL) for the financial year ended 31st March 2022;
- Terms of Optionally Convertible Non Cumulative Preference Shares ('OCPS') issued by MHRPL and outstanding as at report date including nature of instrument, coupon rate, conversion terms, etc.;
- Shareholding pattern of HSCL as at 31st March 2022;
- Discussions and correspondence with the Management in connection with business operations, past trends, proposed future business plans and prospects, realizability of assets, etc.
- Information including market prices, trading volumes etc., available in public domain and databases such as Money Control, CapiQ, BSE, NSE etc.
- Information and explanations received from the management of the company along with Management representation letter.
- In addition to the above, I have also obtained such other information and explanations which were considered relevant for the purpose of the Analysis.



## 7. TERMS OF CONVERTIBLE WARRANTS

To issue warrants each convertible into, or exchangeable for, 1 (one) fully paid up equity share of the Company, having a face value of INR 1/- (Rupee one only) within the period of 18 months in accordance with the applicable laws to the Promoter/ Promoter Group of the Company and certain identified non-promoter persons / entities by way of preferential issue in accordance with the provisions of Section 42 and Section 62(1)(c) of the Companies Act, 2013, as amended read with Companies (Prospectus and Allotment of Securities) Rules, 2014, and Companies (Share Capital and Debentures) Rules, 2014 as amended, Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, SEBI (LODR) Regulations, 2015 and such other acts / rules / regulations as maybe applicable and subject to necessary approval of the members of the Company and other regulatory authorities, as maybe applicable.

## 8. VALUATION STANDARDS FOLLOWED AND PROCEDURES ADOPTED

The Report has been prepared in compliance with the valuation Standards adopted by ICAI Registered Valuers Organisation.

The scope of our services is to determine the fair value of the equity shares using internationally accepted valuation methodologies as may be applicable to the Company and report on the same in accordance with generally accepted professional standards including ICAI Valuation Standards, 2018 notified by the Institute of Chartered Accountants of India (ICAI) and requirement prescribed by Securities Exchange Board of India ('SEBI') Regulations as may be applicable to listed entities.

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

- Analysis of information shared by the Management;
- Reviewed the unaudited provisional financial statements of the Company on standalone and consolidated basis for the financial year ended 31st March' 2022;





- Considered the Projected financial statements of HSCL:
- Reviewed the unaudited provisional financial statements of MHRPL for the financial year ended 31st March' 2022;
- Reviewed the terms of OCPS issued by MHRPL and outstanding as at report date including nature of instrument, coupon rate, conversion terms, etc.;
- Reviewed the shareholding pattern of HSCL as at 31st March 2022;
- Identification of suitable comparable companies in discussion with the Management;
- Selection of appropriate internationally accepted valuation methodology/ (ies) after deliberations and consideration to the sector in which the Company operates, analysis of the business operations of the Company;
- Arrived at the valuation using the method/(s) considered appropriate;

## 9. VALUATION METHODOLOGY AND APPROACH

Valuation is not an exact science. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- Whether the entity is listed on a stock exchange
- Industry to which the Company belongs
- Past track record of the business and the ease with which the growth rate in case flows to perpetuity can be estimated
- Extent to which industry and comparable company information is available.

The approach, method, base and premise of value is selected after considering the terms and purpose of the valuation engagement and available data and information. For the purpose of arriving at the Value of the Equity Shares of the company, the standard of value used is "Fair Value", which is often defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the valuation date. The valuation standard allows choosing the most appropriate valuation premise for carrying out the valuation. So, I have assumed the 'going concern' basis as the most appropriate for this valuation. Going concern value is the value of a business enterprise that is expected to continue to operate in the future.

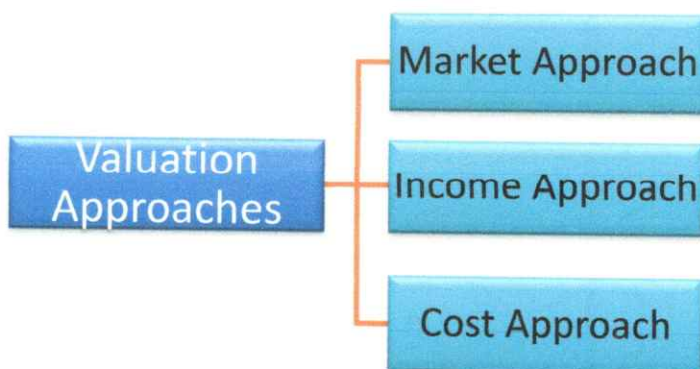


The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond control. In addition, this valuation will fluctuate with changes in the prevailing market conditions, the conditions prospects, financial and otherwise, of the Company, and other factors which generally influence the valuation of Company and its assets.

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 purposes, it cannot be too strongly emphasised that a valuer can arrive at only one value for one purpose. The choice of methodology of valuation has been arrived at, considering the terms and purpose of the valuation engagement and reasonable judgement, in an independent and bona fide manner. Therefore, the approach, method, base and premise of value in this valuation has been selected after taking into consideration the terms and purpose of this engagement.

### Valuation Methodology

In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorized as follows:



## Market Approach

### a) Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the 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 the shares.

In the present case, equity shares of HSCL are listed on NSE and BSE, which are widely held, regularly and frequently traded with reasonable volumes on the exchanges. I have therefore used the market price approach to value the equity shares of HSCL.

Since in the subject case Convertible Warrants of a listed company i.e., HSCL would be issued to the shareholders on preferential basis. As per Guidelines for Preferential Issue, where warrants are issued on a preferential basis with an option to apply for and be allotted shares, the issuer company shall determine the price of the resultant shares. Hence, I have carried out the valuation of equity shares of the Company. The minimum price at which shares are to be issued is prescribed under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (amendment) Regulations, 2022 issued on 14 January 2022. The regulation reads as under:

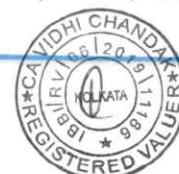
The price of equity shares to be issued shall be determined by Regulation 164 for the Company. The relevant extract of the regulation is:

#### Regulation 164 (Pricing of frequently traded shares)

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

- the ninety trading days volume weighted average prices of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or
- the ten trading days volume weighted average prices of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or

Regulation 164(5) 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 equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.

*The relevant date for the purpose of computing the price of the shares of HSCL has been considered to be 08<sup>th</sup> July, 2022 in accordance with the SEBI Circulars relating to preferential issue of warrants . I have therefore considered the prices upto a day prior to the relevant date i.e. price upto 07<sup>th</sup> July 2022, to ensure that the price of HSCL shares being considered are not less than the minimum price arrived under the above formula prescribed under Regulation 164.*

**b) Comparable Companies Multiples ('CCM') / Comparable Transactions Multiples ('CTM') method**

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. 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. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Based on our discussion with the Management, I understand that there are comparable listed companies which are operating in similar line of business and having similar operating metrics as that of HSCL, I have therefore used the CCM Method for valuing the equity shares of HSCL.

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.

Based on our analysis and discussion with the Management, I understand that there are no recent comparable transactions, data of which is available in public domain, involving companies of similar nature and having a similar operating/ financial metrics as that of the Company, I have therefore not used CTM method to value the shares of HSCL.



### Income Approach - Discounted Cash Flow Method ('DCF')

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. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the terminal value at an appropriate discount factor. The free cash flows represent the cash available for distribution to both the owners of and lenders to the business. The terminal value represents the total value of the available cash flow for all periods subsequent to the forecast period. The terminal value of the business at the end of the forecast period is estimated and discounted to its equivalent present value and added to the present value of the explicit forecast period cash flow to estimate the value of the business.

The projected free cash flows are discounted by the Weighted Average Cost of Capital (WACC) to arrive at the enterprise value. The WACC represents the returns required by the investors of both debt and equity weighed to their relative funding in the entity.

Based on the financial projections of the Company provided by the Management, I have used the DCF Method for valuing the equity shares of HSCL.

### Asset Approach - 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 or realizable value basis or replacement cost basis. This methodology is likely to be appropriate for business which derives value mainly from the underlying value of its assets rather than its earnings. This value analysis approach may also be 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 earning 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.

Based on the Unaudited Financials of the Company provided by the Management, I have used the NAV method for valuing the equity shares of HSCL. The Fair Value of Investments has been Considered as on the Relevant date.



## 10. SCOPE LIMITATIONS, ASSUMPTIONS & CAVEATS

- I. I have been informed that the business activities of the Company have been carried out in the normal and ordinary course between the latest available financials and the report date and that no material changes have occurred in its respective operations and financial position between the latest available financial statements and the report date.

This report, its contents and the results herein are specific and subject to:

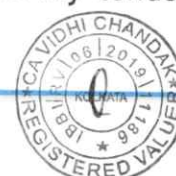
- the purpose of the valuation agreed as per the terms of the engagement;
  - the date of the report;
  - unaudited provisional financial statements of the Company on standalone and consolidated basis for the financial year ended 31st March 2022;
  - Projected financial statements of HSCL;
  - unaudited provisional financial statements of MHRPL for the financial year ended 31st March 2022;
  - comparability of companies identified for valuing the Company including the financial parameters considered; and
  - market price reflecting the fair value of the underlying equity shares of HSCL;
- II. This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. My clients are the only authorized user of this report and are 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.
- III. I owe responsibility to only to the Board of Directors of HSCL who have appointed me under the terms of the engagement letter and nobody else. 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 will 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. In no circumstance shall our liability exceed the amount as agreed in our Engagement Letter.



- IV. While my work has involved an analysis of financial information and accounting records, my engagement does not include a due diligence or an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, I express no audit opinion and 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. 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.
- V. The valuation of company and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is no indisputable single value. Whilst, I consider the valuation to be both reasonable and defensible based on the information available, others may place a different value. While I have provided our recommendation based on the information available to me and within the scope and constraints of our engagement, others may have a different opinion. The final responsibility for the determination of the value of share at which the proposed transaction shall take place will be with the Board of Directors who should take into account other factors such as their own assessment of the proposed transaction and input of other advisors.
- VI. The ultimate analysis will have to be tempered by the exercise of judicious discretion by the valuer and judgment taking into account the relevant factors. There will always be several factors e.g. Management capability, present and prospective yield on comparable securities, market sentiment etc., which are not evident on the face of the financial statement, but which will strongly influence the worth of a share.
- VII. My Valuation Analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any transaction with the Company. Any party shall do so after seeking their own professional advice. I take no responsibility or liability towards third parties for any loss, damage, cost or expense caused by use of or reliance on information disclosed in this report.



- VIII. 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 me as of, the date hereof. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this Report.
- IX. The Company 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 Company and their management and other third parties concerning the financial data. I shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the company, its directors, employee or agents.
- X. 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.
- XI. 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.
- XII. I am fully aware that based on the opinion of value expressed in this report, I 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 my evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my tendering evidence before such authority shall be under the applicable laws.





- XIII. I am independent of the 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.
- XIV. Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the purpose of valuation of the equity shares for the proposed preferential allotment and relevant filing with regulatory authorities in this regard, without our prior written consent. 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.
- XV. This report is only to be used in entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.
- XVI. The opinion of value given in this report is based on information provided in part by the management of the company and other sources as listed in the report. This information is assumed to be accurate and complete.
- XVII. I have not attempted to confirm whether or not all assets of the company are free and clear of liens and encumbrances, or that the owner has good title to all the assets.
- XVIII. I have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic condition affecting the business, the market or the Industry.
- XIX. I have been informed by management that there are no significant lawsuits, or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. I have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.



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XX. I do not provide assurance on the achievability of the forecast by the management/owners 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 the management.

XXI. The report is subject to Indian laws only.

## 11. DISTRIBUTION OF REPORT

The Analysis is confidential and has been prepared exclusively for the Company and for submission to the relevant authorities, etc. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of me. Such consent will only be given after full consideration of the circumstances at the time.

## 12. OPINION ON FAIR VALUE

Based on my analysis of the valuation and subject to the caveats as further detailed in this report, the recommended fair value of equity shares is ₹ 69.34/- per share (as per attached annexure) as on 08/07/2022.

The Convertible Warrants would be converted into equal No. of Equity Shares in one or more tranches within 18 months from the date of allotment. Hence the fair value of each Convertible Warrant for the purpose of proposed issue is Rs. 69.34/- as on 08/07/2022.

*Vidhi Chandak*

**Vidhi Chandak**

Registered Valuer

Regn. No.: IBBI/RV/06/2019/11186

Enrollment No.: ICAIRVO/RV-P000183/2018-19

UDIN: 22057114AMVRFY7888



Place: Kolkata

Date: 14/07/2022

## ANNEXURE

Valuation Approach	Value per Equity Share (INR)	Weight	Weighted Average - Equity Value (INR)
<b>Market Approach</b>			
- Market Price Method	69.34	100.0%	69.34
- Comparable Companies Multiple Method	51.69	0.0%	-
<b>Income Approach – Discounted Cash Flow</b>	65.17	0.0%	-
<b>Asset Approach – Net Asset Value Method</b>	44.32	0.0%	-
<b>Value Per Share (INR)</b> (Face Value of INR 1/- each)			<b>69.34</b>

I would like to emphasize that equity value per share under CCM method, NAV Method and DCF Method is lower than the Market price method and as per SEBI ICDR regulations any listed company issuing Convertible warrants cannot issue below the floor price determined as per Regulation 164. Hence for the purpose of arriving at the fair value of equity shares for the purpose of proposed preferential allotment, I have not given any weightage to value under CCM method, NAV Method and DCF Method.

