

VALUATION REPORT

on

Fair Value of Equity Shares/Warrants

Relic Technologies Limited

Valuation Date – 14th February 2025

Report Date – 14th February 2025

Bhavesh M Rathod

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Valuation Analysis

We refer to our Engagement Letter as independent valuers of **Relic Technologies Limited** (the “Company”). In the following paragraphs, we have summarized our valuation Analysis (the “Analysis”) of the business of the Company as informed by the management and detailed herein, together with the description of the methodologies used and limitation on our scope of work.

1 Context and Purpose

Based on discussion with the management, we understand that the Company is evaluating the possibility of **Fair Value of Equity Shares/Warrants under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018**. In the context of the proposed transaction, the management requires our assistance in determining the **Fair Value of Equity Shares/Warrants** of the Company.

Proposed Transaction:

During the Financial Year 2024-25, the Company is evaluating the possibility of issuing further securities comprising of Equity Shares and Fully Convertible Warrants to prospective investors under Preferential issue under Chapter V of SEBI (ICDR) Regulation, 2018. In this context, the management of **Relic Technologies Limited** (the “Management”) has requested us to estimate the fair value of the Equity Shares/Warrants. - “Proposed Transaction”.

2 Conditions and Major Assumptions

Conditions

The historical financial information about the Company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report and it should not be used by anyone to obtain credit or for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country. We have not audited, reviewed or compiled the financial statements and express no assurance on them.

Readers of this report should be aware that a business valuation is based on future earnings potential that may or may not be materialised. Any financial projection e.g. projected balance sheet, projected profit & loss account, projected cash flow statements as presented in this report are included solely to assist in the development of the value conclusion. The actual results may vary from the projections given, and the variations may be material, which may change the overall value.

This report is only to be used in its 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.

We acknowledge that we have no present or contemplated financial interest in the Company. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

We have, however, used conceptually sound and generally accepted methods, principles, and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not required to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.

Assumptions

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.

We have relied upon the representations contained in the public and other documents in our possession and any other assets or liabilities except as specifically stated to the contrary in this report.

We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.

We have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry. This report presumes that the management of the Company will maintain the character and integrity of the Company through sale, reorganization or reduction of any owner's/manager's participation in the existing activities of the Company.

We have been informed by the 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. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

We have been provided with, in place of details provisional financial statement, a key financials numbers as on valuation date for our analysis.

The Management has represented that the business activities have been carried out in the normal and ordinary course as on the Valuation Date and no material adverse change has occurred in their respective operations and financial position which impact the value.

3 Background of the Company

The Company is engaged in the business of broking of shares with relation to the capital markets and Equity investments.

CIN	L65910MH1991PLC064323
Company Name	RELIC TECHNOLOGIES LIMITED
ROC Name	ROC Mumbai
Registration Number	064323
Date of Incorporation	06/12/1991
Email Id	relictechnologies@gmail.com
Registered Address	J-BLOCK BHANGWADISHOPPING CENTRE KALBADEVI ROAD, Mumbai City, MUMBAI, Maharashtra, India, 400002
Address at which the books of account are to be maintained	-
Listed in Stock Exchange(s) (Y/N)	Yes
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Public
ACTIVE compliance	ACTIVE Compliant
Authorised Capital (Rs)	5,00,00,000
Paid up Capital (Rs)	3,60,00,000
Date of last AGM	30/09/2024
Date of Balance Sheet	31/03/2024
Company Status	Active

Directors and Key Managerial Persons (*):

DIN/PAN	Name	Begin date	Designation
00429398	Baijoo Madhusudan Raval	01/07/2009	Whole-time director
00075718	Mukesh Jugaldas Desai	25/01/2006	Director
01516156	Kunal Narendra Gandhi	12/02/2025	Additional Director
07530998	Dhara Pratik Shah	12/02/2025	Additional Director
*****6395J	Nehal Vijaykumar Mishra	01/09/2024	Company Secretary

(* Details taken as per BSE Intimations which reflects appointment of Mr. Kunal Narendra Gandhi (DIN: 01516156) as Additional (Non-Executive Non- Independent) Director and Mrs. Dhara Pratik Shah (DIN: 07530998) as Additional (Non-Executive, Independent) Director of the Company w.e.f. February 12, 2025 and resignation of Mr. Uday Madhusudan Raval (DIN: 00727294), Mrs. Niti Baijoo Raval (DIN: 06895548), Mr. Rakeshkumar Umiyashankar Raval (DIN: 07616411) and Mr. Hemant Kantilal Choksey (DIN: 00396961) as Directors of the Company w.e.f. February 12, 2025.

Shareholding Details as on the date of report (*):

Particulars	No. of shares	% Holding
Promoter & Promoter Group		
Nehal Narendra Gandhi	6,09,500	16.93%
Kunal Narendra Gandhi	13,88,720	38.58%

Enai Trading And Investment Pvt. Ltd.	3,85,616	10.71%
Public	12,16,164	33.78%
Total	36,00,000	100.00%

Face Value per Share is Rs. 10.00/-

(*) Details taken as per BSE Intimations which reflects the inter-se transfers done between the promoters and promoters' group.

4 Valuation Premise

The premise of value for our analyses is Going Concern value as there is neither a planned or contemplated discontinuance of any line of business nor any liquidation of the Company.

5 Valuation Date

The Analysis of the Fair Value of Equity Shares/Warrants of the **Relic Technologies Limited** has been carried out as on **14th February 2025** based on the financials as on **31st December 2024**.

6 Valuation Standards

The Report has been prepared in compliance with the internationally accepted valuation standards and valuation standard adopted by ICAI Registered Valuers Organisation.

7 Valuation Methodology and Approach

The standard of value used in the Analysis is "Fair Value", which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for sale on the open market for a reasonable period of time, with both buyer and seller being In possession of the pertinent facts and neither being under any compulsion to act.

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. 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 cash flows to perpetuity can be estimated.
- Extent to which industry and comparable Company information is available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorised as follows:

1. Asset Approach

Net Asset Value Method ("NAV")

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

The Net Asset Value is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern.

2. Market Approach

Market Price Method

Under this method, the market price of an Equity Shares of the company as quoted on a recognized stock exchange is normally considered as the fair value of the Equity Shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company. Regulation 164(1) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 prescribes the method for calculating pricing of frequently traded shares. If the Equity Shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the Equity Shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

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

3. Income Approach

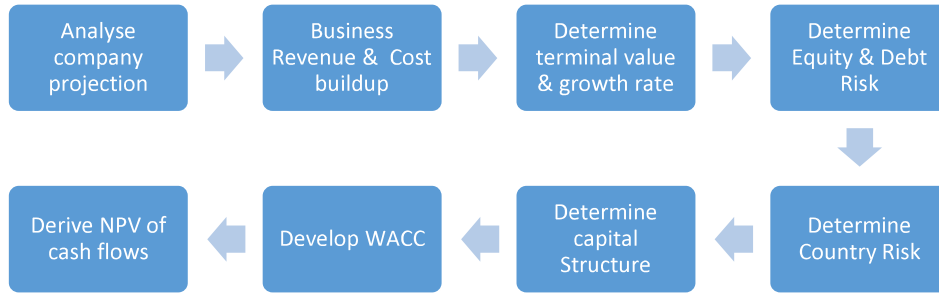
Discounted Cash Flows - "DCF"

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

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

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows in the future. The free cash flows are projected for a certain number of years and then discounted at a discount rate that reflects a Company's cost of capital and the risk associated with the cash flows it generates. DCF analysis is based mainly on the following elements:

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



Valuation Methodology

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 emphasized that a valuer can only arrive at one value for one purpose.

In this case, the Company being a listed Company, we have considered valuation regulations applicable to preferential issue of Equity Shares as defined in Securities and Exchange Board of India (Issue of Capital & Disclosure) Regulations, 2018, the requirements of the Articles of Association of the Company and the provisions of the Companies (Share Capital and Debentures) Rules, 2014 (as amended).

SEBI Regulations for requirement of Valuation:

SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED

The relevant Regulations under SEBI (ICDR) are reproduced as under:

Regulation 164(1) - Pricing of frequently traded shares

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

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

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

....

Regulation 166A (1): Other conditions for pricing

Any preferential issue, which may result in a change in control or allotment of more than five per cent. of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price:

Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer, or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable.

Provided further that if any proposed preferential issue is likely to result in a change in control of the issuer, the valuation report from the registered valuer shall also cover guidance on control premium, which shall be computed over and above the price determined in terms of the first provision.

....

Regulation 161: "relevant date" means: a) in case of preferential issue of Equity Shares, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue:

Explanation: Where the relevant date falls on a weekend or a holiday, the day preceding the weekend, or the holiday will be reckoned to be the relevant date.

Our choice of methodology and valuation has been arrived using usual and conventional methodologies adopted for purposes of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of similar nature.

8 Source of Information

The Analysis is based on trading prices and volumes as available in the public domain. Specifically, the sources of information include:

- Historical Data of Trading Price and Volume traded of the stock on BSE Limited

Further, we have also been informed by the Company that

1. The Equity Shares of the Company are listed on the BSE Limited.
2. The Equity Shares are frequently traded on the BSE Limited and meet the definition of Frequently traded shares as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
3. The Company is proposing to hold Extraordinary General Meeting of Members on 18th March 2025 to approve the proposed preferential issue and hence, the relevant date is 14th February 2025.
4. The present issue of Equity Shares/Warrants shall not result in change in control of the Company.
5. Management certified projected financial statements for period of 6 years for the year ending FY25 to FY30.

The Management has been provided with the opportunity to review the Draft Report (excluding the recommended Fair Value per share) as a part of our standard practice to make sure that factual inaccuracies/omissions are avoided in the final report.

9 Caveats

Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice. The services do not represent accounting, assurance,

financial due diligence review, consulting, transfer pricing or domestic/international tax-related services that may otherwise be provided by us.

Our review of the affairs of the Company and their books and account does not constitute an audit in accordance with Auditing Standards. We have relied on explanations and information provided by the Management of the Company and accepted the information provided to us as accurate and complete in all respects. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided. Nothing has come to our attention to indicate that the information provided had material mis-statements or would not afford reasonable grounds upon which to base the Report.

The report is based on the financial projections provided to us by the Management of the company and thus the responsibility for forecasts and the assumptions on which they are based is solely that of the Management of the Company and we do not provide any confirmation or assurance on the achievability of these projections. It must be emphasized that profit forecasts necessarily depend upon subjective judgement. Similarly we have relied on data from external sources. These sources are considered to be reliable and therefore, we assume no liability for the accuracy of the data. We have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences.

The valuation worksheets prepared for the exercise are proprietary to the Valuer and cannot be shared. Any clarifications on the workings will be provided on request, prior to finalizing the Report, as per the terms of our engagement.

The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them.

The Valuation Analysis contained herein represents the value only on the date that is specifically Stated in this Report. This Report is issued on the understanding that the Management of the Company has drawn our attention to all matters of which they are aware, which have an impact on our Report up to the date of signature. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

We have no present or planned future interest in the Company and the fee for this Report is not contingent upon the values reported herein.

A draft of the report was shared with the Company, prior to finalisation of report, for confirmation of facts, key assumptions and other Company representations.

Our Report is not nor should it be construed as our opining or certifying the compliance with the provisions of any law / standards including company, foreign exchange regulatory, accounting and taxation (including transfer pricing) laws / standards or as regards any legal, accounting or taxation implications or issues.

Our Report and the opinion / valuation analysis contained herein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities. This report does not in any manner address, opine on or recommend the prices at which the securities of the Company could or should transact.

10 Distribution of Report

The Analysis is confidential and has been prepared exclusively for **Relic Technologies Limited**. 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 the valuer. Such consent will only be given after full consideration of the circumstances at the time. However, we do understand that the report will be shared with the investors/buyers of the Company/submitted to government authorities and regulators for statutory compliance.

11 Opinion on Fair Value of Equity Shares/Warrants

Based on our valuation exercise Fair Value of the Equity Shares/Warrants as on 14th February 2025 is as under:

Method	in INR		
Price determined from the independent registered valuer			75.14

Method	Value per share	Weight	Product
Asset Approach – NAV Method	11.47	0%	0.00
Market Approach – Market Price Method	37.19	0%	0.00
Income Approach – DCF Method	75.14	100%	75.14
	Weighted Average Value per Share/Warrant		75.14

(* Refer Annexures for working

Approach	Method	Selection	Rationale for selection
Asset Approach	NAV Method	-	The usage of cost method is of more predominance in valuation of non-financial assets. It serves as a valuation floor since most companies have a greater value as a going concern than they would if they were liquidated. Since the business of Relic Technologies Limited is intended to be continued on a 'going concern basis', therefore no weightage is considered for the Cost Approach for the present valuation exercise.
Market Approach	Market Price	-	As the company is frequently traded on the BSE (BSE Limited), the Market Price is calculated as Regulation 164 of SEBI, ICDR. However, the price as per the Market Approach does not reflect the true growth of the company. Considering this, no weightage is considered for the Market Price Method for the current valuation exercise of the company.
Income Approach	DCF Method	Selected	The DCF method is considered as the most scientific method as it considers the time value of money, and the cash outflows required for increased levels of business forecast. It is considered relevant and appropriate in the case of companies which are in the growth phase of the business cycle, as in the present case. Hence, we have relied on the DCF method for our valuation analysis and considered 100% weightage.

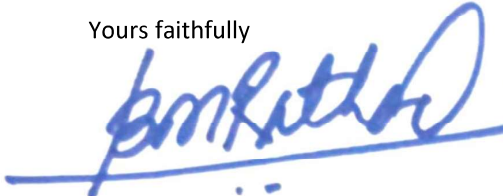


Control Premium

The present issue of Equity Shares/Warrants shall not result in change in control of the Company. Hence guidance on control premium is not considered under Regulation 166A.

We trust the above meets your requirements. Please feel free to contact us in case you require any additional information or clarifications.

Yours faithfully



Bhavesh M Rathod
Chartered Accountants
M No: 119158
Registered Valuer - Securities or Financial Assets
(Reg No: IBBI/RV/06/2019/10708)

Date: 14th February 2025
Place: Mumbai

UDIN: **25119158BMGXV65306**

12 Annexure 1

Asset Approach – Net Asset Value Method as on 31st December 2024

(INR Lakhs)

Particulars	Amount
Assets	
Non-current assets	
Fixed Assets	
-Tangible Assets	50.99
Deferred tax assets (net)	7.98
Non-Current Investment	1.55
Current assets	
Trade receivables	0.60
Cash and bank balances	288.44
Other Current Assets	97.05
Total Assets	A 446.61
Liabilities	
Non-Current Liabilities	
Long Term Borrowings	29.55
Current liabilities	
Other current liabilities	3.32
Short-term provisions	0.99
Total Liabilities	B 33.86
Net Worth	(A – B) 412.75
No. of Shares	C 36,00,000
Value Per Share	(A – B) / C 11.47

13 Annexure 2

Market Approach – Market Price Method

As per Regulation 164 SEBI, ICDR

Method	in INR	
90 trading days' volume weighted average price (*)	A	21.42
10 trading days' volume weighted average price (*)	B	37.19
Higher of A & B	C	37.19

Volume Weighted Average Price for 90 trading Days.

Date	No. of Shares Traded	Total Turnover (Rs.)
13-Feb-25	1,325	53,596
12-Feb-25	1,764	69,960
11-Feb-25	2,453	95,397
10-Feb-25	992	37,824
07-Feb-25	101	3,776
06-Feb-25	688	25,222
05-Feb-25	561	20,167
04-Feb-25	2,504	88,266
03-Feb-25	973	33,626
01-Feb-25	1,619	54,867
31-Jan-25	601	19,971
30-Jan-25	1,720	56,037
29-Jan-25	922	29,457
28-Jan-25	4,946	1,54,958
27-Jan-25	1,126	34,601
24-Jan-25	3,641	1,09,703
23-Jan-25	13	384
22-Jan-25	226	6,547
21-Jan-25	3,618	1,02,787
20-Jan-25	768	21,396
17-Jan-25	30,848	8,32,119
16-Jan-25	4,629	1,24,010
15-Jan-25	4,534	1,15,485
14-Jan-25	5,815	1,40,821
13-Jan-25	4,869	1,11,822
10-Jan-25	1,533	34,542
09-Jan-25	13,068	2,93,369
08-Jan-25	2,267	49,092
07-Jan-25	580	12,727
06-Jan-25	1,454	31,879
03-Jan-25	5,819	1,26,453

02-Jan-25	5,479	1,20,359
01-Jan-25	3,329	74,028
31-Dec-24	27	622
30-Dec-24	2,808	62,021
27-Dec-24	759	16,891
26-Dec-24	1,497	34,597
24-Dec-24	13,051	3,10,416
23-Dec-24	6,588	1,49,965
20-Dec-24	1,117	23,885
19-Dec-24	835	18,099
18-Dec-24	3,355	72,234
17-Dec-24	1,885	35,930
16-Dec-24	1,398	29,275
13-Dec-24	4,271	90,176
12-Dec-24	4,219	86,958
11-Dec-24	8,822	1,79,797
10-Dec-24	2,823	56,228
09-Dec-24	2,542	47,921
06-Dec-24	1,136	20,565
05-Dec-24	1,058	18,515
04-Dec-24	412	7,259
03-Dec-24	335	6,083
02-Dec-24	660	12,021
29-Nov-24	5,074	98,189
28-Nov-24	1,454	28,487
27-Nov-24	4,869	1,01,621
26-Nov-24	3,249	66,666
25-Nov-24	22,317	4,53,869
22-Nov-24	14,207	2,65,638
21-Nov-24	23,025	4,08,255
19-Nov-24	22,574	3,65,871
18-Nov-24	24,779	3,58,433
14-Nov-24	1,786	26,964
13-Nov-24	1,179	16,932
12-Nov-24	237	3,552
11-Nov-24	324	5,075
08-Nov-24	263	3,813
07-Nov-24	1,315	19,317
06-Nov-24	725	10,555
05-Nov-24	585	8,916
04-Nov-24	770	11,777
01-Nov-24	-	-
31-Oct-24	3	44
30-Oct-24	52	796
29-Oct-24	2,027	24,553
28-Oct-24	1,208	18,664

25-Oct-24	252	3,836
24-Oct-24	2,441	35,520
23-Oct-24	1,002	14,278
22-Oct-24	4,433	63,185
21-Oct-24	92	1,366
18-Oct-24	225	3,607
17-Oct-24	1,025	15,631
16-Oct-24	816	12,249
15-Oct-24	991	15,348
14-Oct-24	1,209	18,775
11-Oct-24	512	7,266
10-Oct-24	1,218	19,266
09-Oct-24	739	11,116
Total	3,21,360	68,84,136

Traded Turnover	68,84,136
No. of Share Traded	3,21,360
Volume Weighted Average Price for 90 Trading Days	21.42

Volume Weighted Average Price for 10 trading Days.

Date	No. of Trades	Total Turnover (Rs.)
13-Feb-25	1,325	53,596
12-Feb-25	1,764	69,960
11-Feb-25	2,453	95,397
10-Feb-25	992	37,824
07-Feb-25	101	3,776
06-Feb-25	688	25,222
05-Feb-25	561	20,167
04-Feb-25	2,504	88,266
03-Feb-25	973	33,626
01-Feb-25	1,619	54,867
Total	12,980	4,82,701

Traded Turnover	4,82,701
No. of Share Traded	12,980
Volume Weighted Average Price for 10 Trading Days	37.19

14 Annexure 3

Income Approach - Discounted Cash Flows Method

We have been provided with the business projection of the Company for **Six years** by the Management, which we have considered for our Analysis. Accordingly, the projected free cash flows to Firm ("FCFF") based on these financial statements is set out below:

(INR Lakhs)

Number of Months		3	12	12	12	12	12
Particulars		FY25	FY26	FY27	FY28	FY29	FY30
EBITDA		31.22	72.51	104.14	140.81	183.29	232.45
Less: Depreciation		-5.41	-9.12	-7.29	-5.83	-4.67	-3.73
EBIT		25.81	63.39	96.84	134.98	178.62	228.72
Less: Tax on EBIT	25.17%	0.00	0.00	-12.72	-33.97	-44.96	-57.57
NOPAT		25.81	63.39	84.12	101.00	133.66	171.15
Add: Depreciation		5.41	9.12	7.29	5.83	4.67	3.73
Less: Capex		0.00	0.00	0.00	0.00	0.00	0.00
(Increase)/ decrease in working capital		18.46	-0.03	12.63	21.14	10.86	12.47
Free cash flow to firm ('FCFF')		49.68	72.48	104.04	127.98	149.19	187.35
Annual factor		0.25	1.00	1.00	1.00	1.00	1.00
Discounting period (mid-year)		0.13	1.25	2.25	3.25	4.25	5.25
PV factor	10.86%	0.99	0.88	0.79	0.72	0.65	0.58
PV of FCFF		49.04	63.72	82.50	91.54	96.25	109.02

PV of FCFF for the horizon period	492.07	A
FCFF for terminal year	196.72	
WACC	10.86%	
Perpetuity Growth	5.00%	
Capitalisation Rate	5.86%	
Gross terminal value	3,355.23	
PV factor	0.58	
PV of terminal value	1,952.50	B
Enterprise value	2,444.57	A+B
Less: Long Term Debt	- 29.55	
Add: Cash & Bank	288.44	
Add: Non-Current Investment (*)	1.55	
Fair Value of Equity	2,705.01	
No of Shares	36,00,000	
Value Per Share (in INR)	75.14	

(*) As per management representation.

Assumptions

WACC	10.86 %
Market Return (Rm)	13.21 %
Long Term Growth Rate	5.00 %

Terminal Value

The terminal value refers to the present value of the business as a going concern beyond the period of projections up to infinity. This value is estimated by taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimates growth rate of the industry and economy. Based on dynamics of the sector and discussions with the management we have assumed a terminal growth rate of **5.00 %** for the Company beyond the projections periods. The cash flows of **Rs. 196.72 Lakhs** have been used to determine the terminal value. Based on these assumptions the terminal value has been calculated at **Rs. 3,355.23 Lakhs**.

Using these cash flows and a discount rate of **10.86 %** we estimate the equity value of the Company **Rs. 2,705.01 Lakhs**.

Discount Factor

Discount Factor considered for arriving at the present value of the Free Cash Flows to the Firm (“FCFF”) is the WACC.

The Weighted Average Cost of Capital (“WACC”) is based on the proportionate weights of each component of the source of capital, i.e. weighted average of The Cost of Equity (“COE”) & The Cost of Debt (“COD”) wherein the ratio of Equity/Debt on total capital is the proportionate weights

WACC: COE * Equity Weightage of total Capital + COD * Debt Weightage of total Capital

Note 1: Calculations of WACC

Particulars	Note	%
Base Cost of equity		9.86%
Company specific risk premium		1.00%
Adjusted CoE	Note 2	10.86%
- Equity Weightage (*)		100.00%
Weighted CoE (A)		10.86%
Post tax cost of debt		0.00%
- Debt Weightage (*)		0.00%
Weighted CoD (B)		0.00%
WACC (A + B)		10.86%

(*) As per management representation, the debt held by the company as on the valuation date will be repaid by the company in the projected years. Accordingly, 100% Weightage is considered for Equity.

Note 2:

Discount Factor

Discount Factor considered for arriving at the present value of the free cash flows to the Equity Shares of the Company is the cost of equity. The cost of equity is computed using the capital asset pricing model (CAPM) using the formula shown below.

$$rE = rf + B (rM - rf) + CSP$$

Where,

rf = Risk free rate;

rM =Market return;

B = sensitivity of the index to the market / measure of market risk

CSP – Company Specific Risk

	Rate	Source
Risk free return (rf)	6.75%	5-year average bond yield
Market Return (Rm)	13.21%	Average of 5 Year Return of BSE Sensex & Nifty 50.
Measure of market risk(B)	0.48	Beta based on the Aswath Damodaran database dated Jan25 for the sector Brokerage & Investment Banking
Company Specific Risk	1.00 %	Contingency of revenues, projected high profitability, achievability of projections

Based on the above parameters, the cost of Equity has been calculated at **10.86 %**.