

ANNEXURE I

The valuation report shall display the workings, relative fair value per share and fair share exchange ratio in the following manner:

Computation of Fair Share Exchange Ratio

Valuation Approach	Ventura Guaranty Limited ("VGL")		Kashmira Investment and Leasing Private Limited ("KILPL")	
	Value per Share	Weight	Value per Share	Weight
Asset Approach	1,334.66	100%	342.00	0%
Income Approach - DCF	(1)	-	1,119.53	25%
Income Approach - PECV	(2)	-	1225.57	25%
Market Approach - Market Price	(3)	-	(5)	-
Market Approach - CCM	(4)	-	1079.95	50%
Relative Value per Share	1334.66		1,126.17	100%
Exchange Ratio (rounded off)			0.84	

RATIO:

84 (eighty-four) equity shares of VGL of INR 10/- each fully paid up for every 100 (one hundred) equity shares of KILPL of INR 10/- each fully paid up.

Note: In case any of the methods mentioned above is not used for arriving at swap ratio, detailed reasons for the same shall be provided by the valuer

Following are the detailed reasons:

(1)/(2) Discounted cash flow method ("DCF") /Price earnings capitalization method ("PECV") under Income Approach could not be used as VGL operates as an Investment Holding Company and as such, does not have any material independent business operations.



VENTURA GUARANTY LIMITED

(3) Market Price method under Market Approach could not be used as VGL's equity shares have not been traded at the exchange for past several years and as such no share price is available.

(4) CCM method under Market Approach could not be used as VGL operates as an Investment Holding Company and as such, does not have any material independent business operations.

(5) Market Price method under Market Approach could not be used as KILPL is a private limited company and as such its equity shares are not listed.

Thanking you,

Yours Faithfully,

For Ventura Guaranty Limited



Sudha Ganapathy

Sudha Ganapathy

Company Secretary and Compliance Officer

VENTURA GUARANTY

Date: 9th July, 2024

To
BSE Limited
Corporate Relationship Department
P J Towers, 1st Floor,
Dalal Street, Fort,
Mumbai-400 001

Scrip Code: 512060

Sub: Confirmation from the Company Secretary & Compliance Officer on Valuation Report - pursuant to Regulation 37 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") for the proposed Scheme of Merger by Absorption of Kashmir Investment and Leasing Private Limited (KILPL) with Ventura Guaranty Limited (VGL) under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions and rules made thereunder

Dear Sir/Madam,

I Sudha Ganapathy Vishwanathan, the Company Secretary and Compliance Officer of the Company hereby state and confirm the following:

- a) No material event impacting the valuation has occurred during the intervening period of filing the scheme documents with Stock Exchange and period under consideration for valuation as no relative valuation was carried out as explained by the registered valuer in its reports dated 29th June, 2024.
- b) There are no debts listed of the Transferor Company and the Transferee Company and hence the question of past defaults of listed debt obligations of the Transferor Company and the Transferee Company does not arise.

Thanking you,

Yours Faithfully,

For Ventura Guaranty Limited



Sudha Ganapathy
Company Secretary and Compliance Officer



VENTURA GUARANTY LIMITED

Valuation Report
on
recommendation of
fair entitlement ratio of equity shares
for the
proposed for Merger by Absorption
of
Kashmira Investment and Leasing
Private Limited("KILPL")
with
Ventura Guaranty Limited("VGL")

Report Date
29th June, 2024

Prepared by
FCA Payal Gada
Registered Valuer (Securities or Financial Assets)

Payal Gada & Co, Chartered Accountants
S-15, 2nd floor, Sej Plaza, Marve Road, Malad (West), Mumbai-400064
E-mail: payal@payalgadaco.in
Tel: (022) 2801 2075
Mobile: (+91) 9820562075

FCA PAYAL GADA
REGISTERED VALUER (SECURITIES or FINANCIAL ASSETS)

S-15, Sej Plaza, Marve Road, Malad(W), Mumbai – 400064
E- Mail: payal@payalgadaco.in | Ph.:022-28012075|Mob:9820562075

PRIVATE & CONFIDENTIAL

29th June, 2024

To,

**The Audit Committee/ Board of Directors,
Ventura Guaranty Limited**
8th Floor, B Wing, Think Techno Campus,
Pokhran Road no.2, Western Express Highway,
Thane(W),
Thane - 400607

**The Board of Directors
Kashmira Investment and Leasing Private Limited**
8th Floor, B Wing, Think Techno Campus,
Pokhran Road no.2, Western Express Highway,
Thane(W),
Thane - 400607

Dear Sirs,

Sub: Valuation report on recommendation of fair entitlement ratio of equity shares under section 230 to 232 of the Companies Act, 2013 for the Proposed merger by Absorption (“Proposed merger”) of Kashmira Investment and Leasing Private Limited(“KILPL”) with Ventura Guaranty Limited (“VGL”)

We understand that Kashmira Investment and Leasing Private Limited(“KILPL” or “Transferor Company”) is proposed to be merged by absorption (“Proposed merger”) with Ventura Guaranty Limited (“VGL” or “Transferee Company”) ; jointly referred to as Subject Companies, pursuant to the Scheme of Merger by Absorption (“Scheme”) as per the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Cos Act”) and the Rules made thereunder.



**FCA PAYAL GADA
REGISTERED VALUER (SFA)**

In this context, the Subject Companies have engaged **FCA Payal Gada**, Proprietor of Payal Gada & Co, Chartered Accountants), ('PGCO' or 'We'), in her capacity as a **Registered Valuer("RV")**, as defined under section 247 of the Cos Act, under the category **Securities or Financial Assets ("SFA")**, registered with the Insolvency and Bankruptcy Board of India ("IBBI"); **IBBI Registration No. IBBI/RV/06/2019/11170**, to recommend the fair entitlement ratio of equity shares, for the Proposed merger , as required under the Companies Act, 2013.

The fair entitlement ratio of equity shares has been arrived at on the basis of a relative equity valuation for each of the Subject Companies based on the various methodologies explained herein.

We have considered the ICAI Valuation Standards 2018 as issued by the Institute of Chartered Accountants of India as well as other International Valuation Standards.

The relative fair valuation is based on the latest available audited financial statements of the Subject Cos as on 31.03.2024 ("Balance sheet date"). Please note that though the report is being issued as on 29th June, 2024, the concluded result represents the valuation done as on 31.03.2024.

The fair equity share entitlement ratio for this report refers to number of equity shares of VGL to be issued to the equity shareholders of KILPL pursuant to the Proposed merger .



**FCA PAYAL GADA
REGISTERED VALUER (SFA)**

Our Valuation results recommending the fair equity share entitlement ratio, is summarized as under-

Valuation Master Summary									
Valuation Approach	Valuation Method	VGL (A)				KILPL (B)			
		Annexure Reference	Value (INR)	Weight	Weighted value	Annexure Reference	Value (INR) per share	Weight	Weighted value
			(i)	(ii)	(iii)		(iv)	(v)	(vi)
Market	Market Price		(i) -	-	-	-	(v) -	-	-
Market	Comparable Companies Multiple		(ii) -	-	-	II	1,079.95	50.00%	539.97
Income	Discounted cash flow		(iii) -	-	-	III	1,119.53	25.00%	279.88
Income	Price Earnings Capitalisation		(iv) -	-	-	IV	1,225.27	25.00%	306.32
Asset	Adjusted Net Asset Value	I	1,334.66	100.0%	1,334.66	V	342.00	-	-
Relative value per share					1,334.66			100.0%	1,126.17
Exchange ratio (B/A)									0.8438
Exchange ratio (Rounded off)(B/A)									0.8400
<i>(i) Market Price method under Market Approach could not be used as VGL's equity shares have not been traded at the exchange for past several years and as such no share price is available</i>									
<i>(ii) CCM method under Market Approach could not be used as VGL operates as an Investment Holding Company and as such, does not have any material independent business operations</i>									
<i>(iii)/(iv) Discounted cash flow method ("DCF") /Price earnings capitalisation method ("PECV") under Income Approach could not be used as VGL operates as an Investment Holding Company and as such, does not have any material independent business operations.</i>									
<i>(v) Market Price method under Market Approach could not be used as KILPL is a private limited company and as such its equity shares are not listed .</i>									

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above, we consider that the fair entitlement ratio is as represented below:

84 (eighty-four) equity shares of VGL of INR 10/- each fully paid up for every 100 (one hundred) equity shares of KILPL of INR 10/- each fully paid up.



**FCA PAYAL GADA
REGISTERED VALUER (SFA)**

Kindly find enclosed a narrative report containing our valuation analysis and recommendation. If you have any questions or seek any clarifications, then please feel free to reach out to us.

Yours sincerely,



FCA Payal Gada
Registered valuer (SFA)
IBBI Registration No.: IBBI/RV/06/2019/11170
ICAI Mem no : 110424
FRN No:148529W
UDIN: 24110424BKBIFC5715

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Abbreviations forming part of the Report

KILPL/Transferor Company	- Kashmira Investment and Leasing Private Limited
VGL/Transferee Company	- Ventura Guaranty Limited
Subject Companies	- KILPL and VGL
INR	- Indian Rupee
INR oo	- INR Hundreds
Cos Act	- Companies Act, 2013
NAV	- Net Asset Value
ANAV	- Adjusted Net Asset Value
CCM	- Comparable Companies Multiple
DCF	- Discounted Cash Flow
FY	- Financial Year
FYE	- Financial Year ended
IBBI	- The Insolvency and Bankruptcy Board of India
ICAI	- The Institute of Chartered Accountants of India
IVS	- ICAI Valuation Standards
RV(SFA)	- Registered Valuer (Securities or Financial Assets)
UDIN	- Unique Document Identification number
PG	- FCA RV Payal Gada
Management	- Management of respective Subject Companies
Balance sheet date	- 31.03.2024
Appointed date	- 1 st April, 2024
9ME	- 9 months ended
PE	- Period ended
PECV	- Earnings capitalization
VSL	- Ventura Securities Limited
VASPL	- Ventura Allied Services Private Limited
VCPL	- Ventura Commodities Ventura Securities Limited
ACOE	- Adjusted Cost of Equity
β	- Beta
BCOE	- Base Cost of Equity
Capex	- Capital Expenditure
CAPM	- Capital Asset Pricing Model
CSRP	- Company Specific Risk Premium
Crs	- Crores



**FCA PAYAL GADA
REGISTERED VALUER (SFA)**

EBITDA	-Earnings before Interest Tax Depreciation
EBIT	- Earnings before Interest and Tax
ERP	- Equity Risk Premium
EV	- Enterprise Value
PAT	- Profit after tax
TTM	- Trailing 12 months
Subsidiary company	- VSL
Step-down subsidiaries	- VASPL and VCPL
Investee Companies	- VSL, VASPL, VCPL



Engagement Background and Purpose of Valuation

We understand that Kashmira Investment and Leasing Private Limited ("KILPL" or "Transferor Company") is proposed to be merged by absorption ("Proposed merger") with Ventura Guaranty Limited ("VGL" or "Transferee Company"); jointly referred to as Subject Companies, pursuant to the Scheme of Merged by Absorption ("Scheme") as per the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Cos Act") and the Rules made thereunder.

For the aforesaid purpose, the Subject Companies have appointed **FCA Payal Gada**, Proprietor of Payal Gada & Co, Chartered Accountants), ('PGCO' or 'We'), in her capacity as a **Registered Valuer ("RV")**, as defined under section 247 of the Cos Act, under the category **Securities or Financial Assets ("SFA")**, registered with the Insolvency and Bankruptcy Board of India ("IBBI"); **IBBI Registration No. IBBI/RV/06/2019/11170**, to recommend the fair entitlement ratio of equity shares, for the Proposed merger, as required under the Companies Act, 2013, governed by Engagement letter dated 14th June, 2024

The appointed date is 1st April, 2024

This valuation report is our deliverable for this engagement.

Bases and premise of Valuation

For the purpose of arriving at the valuation of the each of the Subject Companies, I have considered the valuation base as "Relative Fair Value". My valuation and this report are based on the premise of "Going Concern". Any change in the valuation base or premise could have a significant impact on my valuation exercise and therefore, this valuation report.

Disclosure of Valuer Interest

I have no present or prospective contemplated financial interest in the Subject Companies, and I have no personal interest with respect to the Promoters & Board of Directors of the Subject Companies. I have no bias/prejudice with respect to any matter that is the subject of the valuation report or to the parties involved with this engagement.

Valuation date

The relative fair valuation is based on the latest available audited financial statements of the Subject Cos as on 31.03.2024 ("Balance sheet date"). Please note that though the report is being issued as on 29th June, 2024, the concluded result represents the valuation done as on 31.03.2024. Our analysis does not consider any events, information or circumstances which may have occurred after 31.03.2024 and may have an impact on the valuation. The Valuation takes into account only the information up to 31.03.2024, and does not incorporate any events/ information post the Valuation Date.



Corporate Overview of the Subject Companies

Ventura Guaranty Limited

General overview

VGL having CIN: L65100MH1984PLC034106, was originally incorporated as a Limited Company under the name of "Shyam Commercial Limited" under the provisions the Companies Act, 1956 on 24th September, 1984 issued by the Registrar of Companies, Maharashtra, Mumbai. VGL obtained a Certificate for Commencement of Business dated 22nd October, 1984 from the Registrar of Companies, Maharashtra, Mumbai. The name of the Company has been changed from Shyam Commercial Limited to Phoenix Ventura And Guaranty Limited has been further changed to its present name from Phoenix Ventura And Guaranty Limited to Ventura Guaranty Limited. VGL obtained a fresh Certificate of Incorporation consequent on change of name dated 4th October, 1994 from the Registrar of Companies, Maharashtra Mumbai. The Registered Office of the Company is situated at 8th Floor B - Wing I – Think Techno Campus Pokhran Road No 2 behind TCS Off Eastern Express, Thane - 400607, Maharashtra, India.

VGL is a Non-Banking Finance Company (NBFC) registered as investing and non deposit taking company with Reserve Bank of India ("RBI") having Registration Number 13.00224 dated 4th March, 1998.

VGL operates as a financial holding company with no material standalone business operations. VGL is carrying out its business activities through its subsidiary company; namely Ventura Securities Limited ("VSL") and its step-down subsidiaries namely; Ventura Allied Services Private Limited ("VASPL") and Ventura Commodities Private Limited ("VCPL").

The Company is a Listed Company and its shares are listed on BSE Limited. However there has no trading in the shares of VGL for past few years.

Capital Structure as on date

Particulars	Amount (INR)
Authorised Share Capital	
1,00,00,000 Equity Shares of INR 10/- each	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and Paid-up Capital:	
31,94,800 Equity shares of INR 10/- each fully paid up	3,19,48,000
Total	3,19,48,000



**FCA PAYAL GADA
REGISTERED VALUER (SFA)**

Diluted capital Structure as on date

VGL does not have any warrants, options or other convertible instruments issued and outstanding as of the date of this report as informed to us.

Kashmira Investment and Leasing Private Limited

General overview

KILPL having CIN: U65100MH1986PTC186364 was originally incorporated under the name of "Kashmira Investment And Leasing Private Limited" under the provisions of the Companies Act, 1956 on 3rd July, 1986 issued by the Registrar of Companies, Maharashtra, Mumbai. The Registered office of the company is situated at 8th Floor B - Wing I – Think Techno Campus Pokhran Road No 2 behind TCS Off Eastern Express, Thane - 400607, Maharashtra, India.

KILPL is a non-systematically important, non-deposit taking Non-Banking Finance Company (NBFC) registered with Reserve Bank of India having Registration Number 13.00742 dated 20th April, 1998. KILPL is inter-alia engaged in the business of Lending against the securities as collateral, which are mostly shares of listed companies. The Company also trades and invests in securities and carries out all the objectives of a NBFC Company.

KILPL is an unlisted Company and its shares are not listed on any stock Exchanges.

Capital Structure as on date

Particulars	Amount INR
Authorised Share Capital	
20,00,000 Equity Shares of INR 10/- each	2,00,00,000
Total	2,00,00,000
Issued, Subscribed and paid-up Capital:	
8,71,918 Equity shares of INR 10/- each fully paid up	87,19,180
Total	87,19,180

Diluted capital Structure as on date

KILPL does not have any warrants, options or other convertible instruments issued and outstanding as of the date of this report as informed to us.



**FCA PAYAL GADA
REGISTERED VALUER (SFA)**

Intercorporate (cross-holding) investments of Subject Companies

Ventura Guaranty Limited ("VGL" or "the Transferee Company") holds 87,698 Equity Shares (10.06%) of the share capital of Kashmira Investment And Leasing Private Limited (KILPL) the Transferor Company.

Basis of merger

Arriving at the fair entitlement ratio for the Proposed merger of KILPL with VGL would require determining the relative values of each company. These values are to be determined independently but on a relative basis and without considering the effect of the Proposed merger .



Valuation Approaches and methodologies and its applicability

While no specific methodology has been prescribed as per Company Law Regulations, the shares of the Company should be valued as per commonly used and internationally accepted methods of valuation to determine fair price of such shares. We have considered the ICAI Valuation Standards 2018 as issued by the Institute of Chartered Accountants of India as well as other International Valuation Standards.

For valuation of the Subject Companies, we have considered the following commonly used and accepted methods for determining the values of the Companies, to the extent relevant and applicable:

1. Market Price method under the Market approach
2. Comparable Companies' Multiples method / Guideline Company method under the Market approach
3. Discounted Cash Flows method/Earnings Capitalisation method under Income approach
4. Net Asset Value method under Asset approach

It should be understood that the valuation of any company or its assets is inherently imprecise 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 industry performance and general business and economic condition, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market condition, the condition and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their 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 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 a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.



Market Price Method (Market Approach)

Under Market Price method, the equity value of a company is computed with reference to stock market quotations of equity shares of the Company. This method presumes that if the equity shares of a company are frequently traded on stock exchanges, then the price at which the equity shares are traded, represents the fair value of equity shares of such company.

VGL

In past few years, the Company's equity shares have not been traded at the exchange and as such no share price is available. Hence we could not use the market price method for valuation of VGL.

VGL operates through its subsidiary company VSL, which is a public limited unlisted company and as such its are not listed on stock exchange. Hence we could not use the market price method for valuation of VSL.

KILPL

KILPL is a private limited unlisted company and as such its are not listed on stock exchange. Hence we could not use the market price method for valuation of KILPL.

Comparable Companies' Multiple (CCM) / Guideline Company method (Market approach)

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies or comparable transactions, as manifest through stock market valuations of listed companies and the transaction valuation. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

VGL

VGL operates as a financial holding Company and does not have any independent business operations and derives its value predominantly from the value of its underlying investments . As such, we have not used CCM method for valuation of VGL.

VGL operates through its subsidiary company VSL. VSL is an unlisted Company engaged in the business of share broking As such, we have used the P/E multiple under the CCM method for valuation of VSL. Relevant workings are detailed in **Annexure I(ii)(a)**.

KILPL

KILPL is an unlisted Company engaged engaged in the business of Lending and Borrowing against the securities. As such, we have used the P/E multiple under the CCM method for valuation of KILPL. Relevant workings are detailed in **Annexure II**.



Discounted Cash Flows (DCF) Method (Income Approach)

Under the DCF method, the projected free cash flows of the business are discounted at the appropriate cost of capital. The sum of the discounted value of such free cash flows is the value of the firm. The value so derived is not impacted by accounting practices (which are many a times non-uniform across companies/ time), as it is based on cash flows and not book profits. The method incorporates all factors relevant to business (e.g. tangible and intangible assets, current and future competitive position, financial and business risks, etc.). To estimate the cash flows available to stakeholders, projected income statement and balance sheet of the entity are prepared for certain future years (explicit forecast period). These estimates are based on financial assumptions that are derived by the management of the Company from the integrated results of the economic outlook, industry outlook, corporate analysis, historical financial analysis and management's expectations. The cash flows are then discounted using an appropriate discount rate. Perpetuity value or Terminal Value also is considered.

VGL

VGL operates as a financial holding company and does not have any independent business operations and derives its value predominantly from the value of its underlying investments . As such, we have not used DCF method for valuation of VGL.

VGL operates through its subsidiary company VSL . As such, we have determined the value of VSL using the DCF method based on the projected free cash flows to equity, as provided to us by the Management, to capture the future earnings potential of the Company,. Relevant workings are detailed in **Annexure I(ii)(b)**.

KILPL

We have have determined the value of KILPL using DCF method, based on the projected cash flows to equity , as provided to us by the Management, to capture the future earnings potential of the Company .Relevant workings are detailed in **Annexure III**.



Capitalisation of Earnings Method (“PECV”) (Income Approach)

This method is used while valuing a going concern business with a good profitability history. It involves determining the future maintainable earning level of the entity from its normal operations. This maintainable profit, considered on a post-tax basis, is then capitalised at a rate which in the opinion of the valuer, combines an adequate expectation of reward from enterprise and risk, to arrive at the business value.

VGL

VGL operates as a financial holding company and does not have any independent business operations and derives its value predominantly from the value of its underlying investments . As such, we have not used PECV method for valuation of VGL.

VGL operates through its subsidiary company VSL. As such, we have have determined the value of VSL using PECV method by applying a capitalization rate as detailed in **Annexure I(ii)(c)(i)** to the maintainbale PAT as detailed in **Annexure I(ii)(c)(ii)** . Relevant workings are detailed in **Annexure I(ii)(c)**.

KILPL

We have have determined the value of KILPL using PECV method by applying a capitalization rate as detailed in **Annexure IV(a)** to the maintainbale PAT as detailed in **Annexure IV(b)**. Relevant workings are detailed in **Annexure IV**.



Net Asset Value (NAV) Methodology (Cost Approach or Asset Approach)

The asset-based valuation technique is based on the value of the underlying net assets of the business. The value arrived at under this approach is based on the latest available audited/ provisional financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. Under this method, the net assets as per the financial statements are adjusted for market value of surplus / non-operating assets, potential and contingent liabilities if any.

VGL

VGL operates as a financial holding company and derives its value predominantly from the value of its underlying investments . As such, we have used Adjusted NAV ("ANAV") for valuation of VGL by pulling up the fair value of the underlying investments of the Investee Companies to arrive at the value of VGL, based on the Standalone audited financial statements of the Company for the period ended 31.03.2024.Relevant workings are detailed in **Annexure I**

KILPL

KILPL has net assets and as such the Net Asset Value method we have used Adjusted NAV ("ANAV") for valuation of KILPL based on the Standalone audited financial statements of the Company for the period ended 31.03.2024.Relevant workings are detailed in **Annexure V**



Valuation Analysis

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion and judgment taking with account all the relevant factors. There will always be several factors, e.g., quality and integrity of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

"If the asset takes the form of fully paid shares, the valuation will take with account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible."

The basis of merger of KILPL with VGL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending a fair entitlement ratio of equity shares it is necessary to arrive at a single value for the equity shares of VGL and KILPL. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of VGL and KILPL but at their relative values to facilitate the determination of a fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

We have considered the methods as deemed appropriate, and as detailed, in "Valuation Approaches and Methodologies" section of our Report and applied weights, as deemed appropriate and as detailed below, to the equity values computed using each of those methods to arrive at our value recommendation.



**FCA PAYAL GADA
REGISTERED VALUER (SFA)**

VGL

We have applied 100% weight to the value estimated using the ANAV method under the Asset approach, as VGL operates as an financial holding company and predominantly derives its value from its underlying investments.

KILPL

We have applied 50% weight to the value(s) estimated using the CCM method under the Market approach, to capture the market perspective, which is based on external factors such as industry trends and market orientations in the industry in which the Company operates.

We have applied an aggregate weight of 50% , .i.e. 25% each to the value(s) estimated using the DCF and PECV methods, under the Income approach, to capture the earnings potential of the Company which is based on internal factors such as the future economic benefits that the company can generate for a business owner (or investor).

We have applied 0% weight to the value computed using the NAV method under the Asset approach, as the asset values reflected in books of accounts do not represent value of earnings potential of the Company's business and also that the Company's assets base does not exceed its earnings capability.

Our Valuation results recommending the fair equity share entitlement ratio, is summarized as under-

Valuation Master Summary										
Valuation Approach	Valuation Method	VGL (A)				KILPL (B)				
		Annexure Reference	Value (INR)	Weight	Weighted value	Annexure Reference	Value (INR)	Weight	Weighted value	
			per share	(i)			(ii)	per share		(v)
Market	Market Price		(i) -	-	-	(v) -	-	-	-	
Market	Comparable Companies Multiple		(ii) -	-	-	II	1,079.95	50.00%	539.97	
Income	Discounted cash flow		(iii) -	-	-	III	1,119.53	25.00%	279.88	
Income	Price Earnings Capitalisation		(iv) -	-	-	IV	1,225.27	25.00%	306.32	
Asset	Adjusted Net Asset Value	I	1,334.66	100.0%	1,334.66	V	342.00	-	-	
Relative value per share					1,334.66			100.0%	1,126.17	
Exchange ratio (B/A)									0.8438	
Exchange ratio (Rounded off)(B/A)									0.8400	
<i>(i) Market Price method under Market Approach could not be used as VGL's equity shares have not been traded at the exchange for past several years and as such no share price is available</i>										
<i>(ii) CCM method under Market Approach could not be used as VGL operates as an Investment Holding Company and as such, does not have any material independent business operations</i>										
<i>(iii)/(iv) Discounted cash flow method ("DCF") /Price earnings capitalisation method ("PECV") under Income Approach could not be used as VGL operates as an Investment Holding Company and as such, does not have any material independent business operations.</i>										
<i>(v) Market Price method under Market Approach could not be used as KILPL is a private limited company and as such its equity shares are not listed .</i>										



Value recommendation

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above, we consider that the fair entitlement ratio is as represented below:

84 (eighty-four) equity shares of VGL of INR 10/- each fully paid up for every 100 (one hundred) equity shares of KILPL of INR 10/- each fully paid up.

It should be noted that we have examined the fair and equitable share entitlement ratio for the Proposed merger and not examined any other matter including economic rationale for the Proposed merger per se or accounting, legal or tax matters involved in the proposed transaction.



Scope limitations, assumptions, qualifications, exclusions and disclaimers

1. The valuation is based on historical financials and other information provided to us by the Companies.
2. Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.
3. This report, its contents and the results herein (i) are specific to the purpose of valuation agreed as per the terms of our engagement; (ii) are specific to the date of this report, (iii) are based on the latest financials of the Subject Companies. A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other condition 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 this date 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.
4. The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Subject Companies (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).
5. In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data.
6. In accordance with the terms of our respective engagements, we have assumed and relied upon, without independently verifying, (i) the accuracy of the information that was publicly available and (ii) the accuracy of information made available to us by the Companies. In accordance with our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Subject Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The respective Managements of the Companies have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report. Also, we assume no responsibility for technical information (if any) furnished by the Companies.



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7. The report assumes that the Subject Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited financial statements of the Companies.
8. This report does not look into the business/ commercial reasons behind the Proposed Amalgamation nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This report is restricted to valuation and computation of fair exchange ratio only as consideration for the merger
9. No investigation of the Subject Companies' claims to title of assets has been made for the purpose of this report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
10. The fee for the Engagement is not contingent upon the results reported.
11. We owe responsibility only to the Board of Directors of the Subject Companies, under the terms of our engagement, and nobody else. We do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion. This valuation report is subject to the laws of India.
12. Neither the valuation 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 proposed Scheme of Amalgamation, without our prior written consent. In addition, we express no opinion or recommendation as to how the shareholders of Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed merger



Sources of information

In connection with preparing this report, we have received the following information from the Management of the Companies:

- Audited financial statements of the Transferor Company and the Transferee Company for the year(s) ended 31.03.23, 31.03.22 and 31.03.21.
- Audited annual Financial results of of the Transferor Company and the Transferee Company for the year ended 31.03.24.
- Audited annual Financial results of Investee Companies for the year ended 31.03.24.
- Draft Scheme of Merger by Absorption of KILPL with VGL
- Capital Structure of the Subject Companies as of the date of this Report.
- Business profile of the Subject Companies.
- Shareholding pattern of the Subject Companies.
- Projected net free cash flows of the VSL and KILPL.
- Other information of the Investee Companies.
- Immovable Property valuation report from Independent valuer Pravin Kulkarni & Associates for VASPL

Besides the above listing, we have also undertaken discussions with the Management of the Companies in connection with the operations of the respective Companies, past trends and future plans and prospects, etc. We have also obtained explanations and information considered reasonably necessary for our exercise, from the executives and representatives of the Subject Companies. The Subject Companies have been provided with the opportunity to review the draft report (excluding the recommended share exchange ratio) for this engagement to make sure that factual inaccuracies are avoided in our final report.

Procedures conducted

The Procedures conducted by us are:

1. Considered the key items of the historical financial statements of each of the Subject Companies.
2. Discussed the profile and operations of each of the Subject Companies with the respective Management of each of the Subject Companies.
3. Considered the various valuation methods that were applicable and computed the relative fair equity value of each of the Subject Companies based on the most appropriate and applicable methods by assigning appropriate weights to each of the methods
4. Computed share entitlement ratio based on the fair values of equity as deemed appropriate and applicable.
5. Prepared and issued draft report (excluding the recommended share exchange ratio) to the Management for confirmation of facts.
6. Issued final report.



Annexures forming part of the Report

Annexure I – Valuation of VGL based on ANAV method

Annexure	I	Valuation of VGL using the Net Asset Value ("NAV") Method (Cost Approach)			
Particulars		Unit	Reference	Value	Annexure reference
Total Assets as of	31/03/2024 (##)	INR Lacs	A	1,262.41	
Total Liabilities as of	31/03/2024 (##)	INR Lacs	B	24.57	
Net Asset Value as of	31/03/2024 (##)	INR Lacs	C=A-B	1,237.84	
Less : Book Value of Investments	31/03/2024 (##)	INR Lacs	D	801.99	
Add : Fair Value of Investments		INR Lacs	E	70,630.52	I(i)
Adjusted NAV		INR Lacs	F	71,066.37	
Number of equity shares outstanding		Number in Lacs	G	31.948	
Equity Value per share		INR per share	H=F/G	2,224.44	
Less : Holding Company discount		%	H	-40%	
Adjusted equity value		INR per share	I=G*(1+H)	1,334.66	

(##) Based on Standalone Financial statements/Published Quarterly Results

We have applied a Holding Co discount of 40% to the equity value per share of VGL to capture in, the markdown in value of underlying assets owned (in other investee companies), drawing inference from listed Investment Holding companies in India, whose market price is normally at a discount to its adjusted Net Asset value.

The Holding Company discount of 40% applied for valuation of VGL, is based on the average of holding company discount of comparable listed Investment Holding companies in India ("average Hold Co discount") and adjustments, as deemed appropriate to the average Hold Co discount, to capture in the non-conglomerate (supplemental - one sector specific) nature of business of the investee Cos of VGL coupled with holding controlling stake in an investee company and non-controlling stake in another investee company, which is proposed to be merged), as well as the illiquidity discount on account of investment holding in unlisted investee cos by VGL.



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Annexure Particulars	I(i) No of shares held as on valuation date	% stake held	Fair Valuation of Investments of VGL			Remarks
			Book Value INR lacs	Fair value per share INR	Fair Value INR lacs	
Ventura Securities Limited ("VSL")	48,99,160	88.29%	489.92	1,421.28	69,630.75	Refer Annexure I(ii)
Kashmira Investments and Leasing Private Limited	87,698	10.06%	299.93	1,126.17	987.63	Refer Master Summary
Associated Hotels Private Limited	17,550		5.09	29.00	5.09	Book value considered as Fair Value
Nivi Trading Limited	50,000		7.05	14.10	7.05	Book value considered as Fair Value
Multiflex Lamiprint Limited	6,00,000		-	-	-	Impaired in books , as such Fair value considered as Nil
Total			801.99		70,630.52	



Annexure I(ii) – Valuation of VSL

Annexure Valuation Mehtod	I(ii) Annexure Reference	Fair Valuation of VSL		Weighted value INR per share
		Value	Weight	
		INR per	%	
CCM	I(ii)(a)	1,596.40	50.00%	798.20
DCF	I(ii)(b)	1,234.86	25.00%	308.71
PECV	I(ii)(c)	1,257.46	25.00%	314.36
ANAV	I(ii)(d)	613.51	-	-
Total			100%	1,421.28
Fair Value				1,421.28

Annexure	I(ii)(a)	Valuation of VSL using the Price to Earnings ("P/E") Multiple under the Comparable Companies Multiple Method (Market Approach)		
Particulars	Unit	Reference	Value	Annexure Reference
Median Multiple	Number	(i)	14.57	I(ii)(a)(i)
Add: Premium(Discount) on size and margin of operations	%	(ii)	-	
Adjusted Multiple used for valuation	Number	$A=(i)*(1+(ii))$	14.57	
PAT considered for valuation	INR lacs	B	5,690.04	I(ii)(a)(ii)
Equity value	INR lacs	$C=A*B$	82,903.88	
Add : Fair Value of Investments	INR lacs	D	5,683.02	I(b)
Adjusted Equity Value	INR lacs	$E=C+D$	88,586.90	
Number of equity shares outstanding	Number in lacs	F	55.492	
Adjusted Equity Value per share	INR per share	$G=E/F$	1,596.40	



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<u>Annexure</u>	<u>I(ii)(a)(i)</u>	<u>Computation of Price-to Earnings Multiple</u>	
<u>Guideline Companies</u>		<u>Remarks</u>	<u>Price-to Earnings Multiple (##)</u>
Geojit Financial Services Ltd		Inlier, hence considered	16.38
ICICI Securities Ltd		Inlier, hence considered	14.08
Share India Securities Ltd		Inlier, hence considered	14.31
IIFL securities Ltd		Inlier, hence considered	11.89
Angel One Ltd		Inlier, hence considered	20.51
Monarch Network Capital Ltd		Inlier, hence considered	14.83
Median Multiple			14.57

(##) Source : Moneycontrol.com

<u>Annexure</u>	<u>I(ii)(a)(ii)</u>	<u>Computation of PAT considered for valuation (##)</u>			
<u>Particulars</u>		<u>Unit</u>	<u>Reference</u>	<u>Value</u>	<u>Remarks</u>
Profit (loss) after tax ("PAT") for 9M ended 31.12.23 (#)		INR Lacs	A	3,896.82	Considered
PAT for quarter ended ("QE") 31.03.24 (#)		INR Lacs	B	1,793.22	Considered
Trailing Twelve months ("TTM") PAT (#)		INR Lacs	C=A+B	5,690.04	Computed
PAT considered for valuation		INR Lacs	D=C	5,690.04	Computed

(#) Excluding comprehensive income(loss)
(##) Based on Standalone Financial statements/Published Quarterly Results



**FCA PAYAL GADA
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Annexure Particulars	I(b) No of shares held as on valuation date	Value of non-current investments of VSL			Remarks	Annex ure
		Book Value (#)	Fair value per share	Fair Value		
		INR lacs	INR	INR lacs		
Ventura Allied Services Private Limited ("VASPL")	10,10,000	101.00	546.02	5,514.76	Adjusted NAV	I(b)(i)
Ventura Commodities Private Limited ("VCPL")	3,98,000	100.25	42.28	168.26	Adjusted NAV	I(b)(i)
Total		201.25		5,683.02		

(##) Based on Standalone Financial statements/Published Quarterly Results

Annexure Particulars	I(b)(i)	Valuation of Investments of VSL using the Net Asset Value ("NAV") Method (Cost Approach)			
		Unit	Reference	Value VASPL	Value VCPL
Total Assets as of	31/03/2024 (#)	INR Lacs	A	2,204.02	171.79
Total Liabilities as of	31/03/2024 (#)	INR Lacs	B	455.06	3.53
Net Asset Value as of	31/03/2024 (#)	INR Lacs	C=A-B	1,748.96	168.26
Less : Book Value of Investments / Investments Property	31/03/2024 (#)	INR Lacs	D	1,986.20	-
Add : Fair Value of Investments / Investments Property (##)		INR Lacs	E	5,752.00	-
Adjusted NAV		INR Lacs	F=C-D+E	5,514.76	168.26
Number of equity shares outstanding		Number in	G	10.10	3.98
Equity Value per share		INR per	H=F/G	546.02	42.28

(#) Based on Standalone Financial statements/Quarterly Results

(##) Based on valuation report dated 8.2.24 from Independent valuer Pravin Kulkarni & Associates



**FCA PAYAL GADA
REGISTERED VALUER (SFA)**

Annexure Particulars	I(ii)(b) Unit	Valuation of VSL using the Discounted Cash Flow method							
		Reference	Value	FYE 25	FYE 26	FYE 27	FYE 28	FYE 29	Perpetuity
Number of months				12.0	12.0	12.0	12.0		
Cash Inflows	INR lacs	(i)		7,424.97	8,827.12	10,504.96	12,011.11	13,739.95	14,426.95
Cash outflow	INR lacs	(ii)		6,720.46	8,122.61	9,800.45	11,307.47	13,036.45	3,859.05
Free Cash Flows to equity ("FCFE")	INR lacs	(i) - (ii)		704.50	704.50	704.51	703.64	703.51	10,567.90
Discounting rate / Discounting factor			14.52%	93.4%	81.6%	71.2%	62.2%	54.3%	
Present Value	INR lacs			658.32	574.84	501.94	437.75	382.17	
Sum of Present Value for explicit period	INR lacs	A	2,555.03						
Present Value of Terminal Value	INR lacs	B	60,286.18						
Value of operating assets	INR lacs	C = A+B	62,841.20						
Add : Fair Value of Investments	INR lacs	D	5,683.02						
Equity Value	INR lacs	E=C+D	68,524.22						
No. of equity shares	Number in lacs	F	55.492						
Equity Value	INR per share	G=E/F	1,234.86						



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- Discount Rate – 14.52%
Weighted Average cost of capital (“WACC”) of 14.52% is used as the Discounting rate, to discount the free cash flows to equity, based on mid-point discounting convention and adjusted cost of equity (“Ke”) of 14.52%
- ⇒ The Capital asset pricing model (“CAPM”) is applied to calculate Ke. According to the CAPM, cost of equity consists of a risk-free interest rate and a risk premium. The risk premium is calculated by multiplying the market risk premium by the beta-factor. The various components of cost of equity calculation are as below:

Risk-free Rate (Rf)	6.96.0%	Risk-free rate is the minimum return that an investor can expect from an investment without risk. Generally, the rate of return derived on a high-quality government bond can be considered as risk-free rate for cost of equity computation purposes. The risk-free rate (rounded off) is based on 10 year - Government of India bond Yield rate.
Equity market risk premium (MRP)	7.81 %	Based on expected equity market risk premium in India (Rounded off). Source: Damodaran Online updated as on January 2024.
Beta (β)	0.97	Beta measures the market risk of equity securities and portfolio of equity securities. Beta (Rounded off) is computed based on unlevered beta of Comps relevered to the targeted debt equity ratio of the Company.
Cost of equity (Ke) – Rounded off	14.52%	$R_f + (MRP * \beta) + CSR_P$

- Perpetuity growth rate - 5%
For the terminal period, we have considered the growth rate of 5%, considering the long-term sustainable industry growth and the expected growth rate of the economy in which the Company operates.
- Tax Rates – 25.17%
Tax rates are based on the effective tax rate as applicable, as confirmed by the Management. It is assumed that the losses can be carried forward and set-off against future profits. Therefore, tax rates have been applied for those years in which tax-outflow would be probable. Tax Rate = 22% [Base rate] + 10% [Surcharge, if applicable] + 4% [Cess].



**FCA PAYAL GADA
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<u>Annexure</u>	<u>I(ii)(c)</u>	<u>Valuation of VSL using the Capitalisation of earnings ("PECV") method (Income Approach)</u>			
<u>Particulars</u>	<u>Unit</u>	<u>Reference</u>	<u>Value</u>	<u>Annexure Reference</u>	
Median Multiple		(i)	14.57	I(ii)(c)(i)	
Add: Premium(Discount) on size and margin of operations	%	(ii)	-		
Adjusted Multiple used for valuation		$A=(i)*[1+(ii)]$	14.57		
Capitalisation rate	Number	$B=1/A$	6.86%		
Maintainable PAT considered for valuation	INR lacs	C	4,399.12	I(ii)(c)(ii)	
Equity value	INR lacs	$D=C/B$	64,095.23		
Add : Fair Value of Investments	INR lacs	E	5,683.02	I(b)	
Adjusted Equity Value	INR lacs	$F=D+E$	69,778.25		
Number of equity shares outstanding	Number in Lacs	G	55.49		
Equity Value pr share	INR per share	$H=F/G$	1,257.46		

<u>Annexure</u>	<u>I(ii)(c)(i)</u>	<u>Computation of Price-to Earnings Multiple</u>	
<u>Guideline Companies</u>		<u>Remarks</u>	<u>Price-to Earnings Multiple (##)</u>
Geojit Financial Services Ltd		Inlier, hence considered	16.38
ICICI Securities Ltd		Inlier, hence considered	14.08
Share India Securities Ltd		Inlier, hence considered	14.31
IIFL securities Ltd		Inlier, hence considered	11.89
Angel One Ltd		Inlier, hence considered	20.51
Monarch Network Capital Ltd		Inlier, hence considered	14.83
Median Multiple			14.57

(##) Source : Moneycontrol.com



**FCA PAYAL GADA
REGISTERED VALUER (SFA)**

<u>Annexure</u>	<u>I(ii)(c)(ii)</u>	<u>Computation of Maintainable Profit after tax ("PAT") (##)</u>		
<u>Particulars</u>	<u>Unit</u>	<u>Reference</u>	<u>Value</u>	
Profit (loss) after tax for the year ended 31.3.22 (#)	INR lacs	A	4,301.91	
Profit (loss) after tax for the year ended 31.3.23 (#)	INR lacs	B	3,205.42	
Profit (loss) after tax for the year ended 31.3.24 (#)	INR lacs	C	5,690.04	
Average PAT	INR lacs	D=Average(A,B, C)	4,399.12	
Maintainable PAT considered for valuation	INR lacs	E=D	4,399.12	
<i>(#) Excluding comprehensive income(loss)</i>				
<i>(##) Based on Standalone Financial statements/Published Quarterly Results</i>				



**FCA PAYAL GADA
REGISTERED VALUER (SFA)**

Annexure	I(d)	Valuation of VSL using the Net Asset Value ("NAV") Method (Cost Approach)		
		Unit	Reference	Value
Particulars				
Total Assets as of	31/03/2024 (##)	INR Lacs	A	1,07,131.84
Total Liabilities as of	31/03/2024 (##)	INR Lacs	B	78,569.02
Net Asset Value as of	31/03/2024 (##)	INR Lacs	C=A-B	28,562.82
Less : Book Value of Investments	31/03/2024 (##)	INR Lacs	D	2 01.25
Add : Fair Value of of Investments		INR Lacs	E	5,683.02
Adjusted NAV		INR Lacs	F=C-D+E	34,044.59
Number of equity shares outstanding		Number in Lacs	F	55.492
Equity Value per share		INR per share	G=E/F	613.51

(##) Based on Standalone Financial statements/Published Quarterly Results



**FCA PAYAL GADA
REGISTERED VALUER (SFA)**

Annexure II- Valuation of KILPL based on CCM method

<u>Annexure</u>	<u>II</u>	<u>Valuation of KILPL using the Price to Earnings ("P/E") Multiple under the Comparable Companies Multiple Method (Market Approach)</u>			
<u>Particulars</u>	<u>Unit</u>	<u>Reference</u>	<u>Value</u>	<u>Annexure Reference</u>	
Median Multiple	Number	(i)	17.78	II(a)	
Add: Premium(Discount) on size and margin of operations	%	(ii)	-5%		
Adjusted Multiple used for valuation	Number	$A=(i)*(1+(ii))$	16.89		
PAT considered for valuation	INR lacs	B	557.46	II(a)(i)	
Equity value	INR lacs	$C=A*B$	9,416.06		
Add : Fair Value of Investments	INR lacs	D	0.19		
Adjusted Equity Value	INR lacs	$E=C+D$	9,416.25		
Number of equity shares outstanding	Number in lacs	F	8.719		
Adjusted Equity Value per share	INR per share	$G=E/F$	1,079.95		

<u>Annexure</u>	<u>II(a)</u>	<u>Computation of Price-to Earnings Multiple</u>	
<u>Guideline Companies</u>	<u>Remarks</u>	<u>Price-to Earnings Multiple (##)</u>	
Shriram Finance Ltd	Inlier, hence considered	12.88	
Indiabulls Housing Finance Co Ltd	Outlier, hence ignored	7.63	
Mahindra and Mahindra Financial Services Ltd	Inlier, hence considered	17.43	
Muthoot Finance Ltd	Inlier, hence considered	15.93	
Coral India Finance & Housing Ltd	Inlier, hence considered	9.31	
Star Housing Finance Ltd	Outlier, hence ignored	48.68	
Sahara Housing Finance Corporation Ltd	Inlier, hence considered	20.08	
SRG Housing Finance Ltd	Inlier, hence considered	18.27	
KIFS Financial Services Ltd	Inlier, hence considered	22.64	
Kalyan Capitals Ltd	Inlier, hence considered	14.96	
Odyssey Corporation Ltd	Inlier, hence considered	18.13	
Baid Finserv Ltd	Inlier, hence considered	18.79	
Median Multiple		17.78	

(##) Source : Moneycontrol.com



**FCA PAYAL GADA
REGISTERED VALUER (SFA)**

<u>Annexure</u>	<u>II(a)(i)</u>	<u>Computation of PAT considered for valuation (##)</u>				
		<u>Particulars</u>	<u>Unit</u>	<u>Reference</u>	<u>Value</u>	<u>Remarks</u>
		Profit (loss) after tax ("PAT") for 9M ended 31.12.23 (#)	INR Lacs	A	407.64	Considered
		PAT for quarter ended ("QE") 31.03.24 (#)	INR Lacs	B	149.82	Considered
		Trailing Twelve months ("TTM") PAT (#)	INR Lacs	C=A+B	557.46	Computed
		PAT considered for valuation	INR Lacs	D=C	557.46	Computed
<i>(#) Excluding comprehensive income(loss)</i>						
<i>(##) Based on Standalone Financial statements/Published Quarterly Results</i>						



Annexure III- Valuation of KILPL based on DCF method

Annexure	III	Valuation of KILPL using the Discounted Cash Flow method								
		Unit	Reference	Value	FYE 25	FYE 26	FYE 27	FYE 28	FYE 29	Perpetuity
Number of months					12.0	12.0	12.0	12.0	12.0	
Cash Inflows			(i)		735.44	919.32	1,140.53	1,373.41	1,647.59	1,721.73
Cash outflow	INR lacs		(ii)		710.27	889.12	1,104.29	1,330.83	1,597.56	385.49
Free Cash Flows to equity ("FCFE")	INR lacs		(i) - (ii)		25.16	30.20	36.24	42.58	50.03	1,336.33
Discounting rate / Discounting factor	%			12.63%	94.2%	83.7%	74.3%	66.0%	58.6%	
Present Value	INR lacs				23.71	25.26	26.92	28.08	29.30	
Value for explicit period	INR lacs		A	133.27						
Present Value of Terminal Value	INR lacs		B	9,627.97						
Value of operating assets	INR lacs		C = A+B	9,761.24						
Add: Value of Investments	INR lacs		D	0.19						
Equity Value	INR lacs		E=C+D	9,761.43						
Number of equity shares	Number in lacs		F	8.719						
Equity Value	INR per share		G=E/F	1,119.53						



- Discount Rate – 12.63%
Weighted Average cost of capital (“WACC”) of 13.60% is used as the Discounting rate, to discount the free cash flows to equity, based on mid-point discounting convention and adjusted cost of equity (“Ke”) of 14.34%
- ⇒ The Capital asset pricing model (“CAPM”) is applied to calculate Ke. According to the CAPM, cost of equity consists of a risk-free interest rate and a risk premium. The risk premium is calculated by multiplying the market risk premium by the beta-factor. The various components of cost of equity calculation are as below:

Risk-free Rate (Rf)	6.96.0%	Risk-free rate is the minimum return that an investor can expect from an investment without risk. Generally, the rate of return derived on a high-quality government bond can be considered as risk-free rate for cost of equity computation purposes. The risk-free rate (rounded off) is based on 10 year - Government of India bond Yield rate.
Equity market risk premium (MRP)	7.81 %	Based on expected equity market risk premium in India (Rounded off). Source: Damodaran Online updated as on January 2024.
Beta (β)	0.73	Beta measures the market risk of equity securities and portfolio of equity securities. Beta (Rounded off) is computed based on unlevered beta of Comps relevered to the targeted debt equity ratio of the Company.
Cost of equity (Ke) – Rounded off	12.63%	$R_f + (MRP * \beta) + CSR_P$

- Perpetuity growth rate - 5%
For the terminal period, we have considered the growth rate of 5%, considering the long-term sustainable industry growth and the expected growth rate of the economy in which the Company operates.
- Tax Rates – 25.17%
Tax rates are based on the effective tax rate as applicable, as confirmed by the Management. It is assumed that the losses can be carried forward and set-off against future profits. Therefore, tax rates have been applied for those years in which tax-outflow would be probable. Tax Rate = 22% [Base rate] + 10% [Surcharge, if applicable] + 4% [Cess].



Annexure IV- Valuation of KILPL based on PECV method

<u>Annexure</u>	<u>IV</u>	<u>Valuation of KILPL using the Capitalisation of earnings ("PECV") method (Income Approach)</u>		
<u>Particulars</u>	<u>Unit</u>	<u>Reference</u>	<u>Value</u>	<u>Annexure Reference</u>
Median Multiple	Number	A	17.78	IV(a)
Add: Premium(Discount) on size and margin of operations	%	(ii)	-5%	
Adjusted Multiple used for valuation	Number	$A=(i)*[1+(ii)]$	16.89	
Capitalisation rate	Number	$B=1/A$	5.92%	
Maintainable PAT considered for valuation	INR lacs	C	632.51	IV(b)
Equity value	INR lacs	$D=C/B$	10,683.15	
Add : Value of Non-current Investments in	INR lacs	E	0.19	
Adjusted Equity Value	INR lacs	$F=D+E$	10,683.34	
Number of equity shares outstanding	Number in Laacs	G	8.719	
Equity Value pr share	INR per share	$H=F/G$	1,225.27	

<u>Annexure</u>	<u>IV(a)</u>	<u>Computation of Price-to Earnings Multiple</u>	
<u>Guideline Companies</u>	<u>Remarks</u>	<u>Price-to Earnings Multiple (##)</u>	
Shriram Finance Ltd	Inlier, hence considered	12.88	
Indiabulls Housing Finance Co Ltd	Outlier, hence ignored	7.63	
Mahindra and Mahindra Financial Sevices Ltd	Inlier, hence considered	17.43	
Muthoot Finance Ltd	Inlier, hence considered	15.93	
Coral India Finance & Housing Ltd	Inlier, hence considered	9.31	
Star Housing Finance Ltd	Outlier, hence ignored	48.68	
Sahara Housingfina Corporation Ltd	Inlier, hence considered	20.08	
SRG Housing Finance Ltd	Inlier, hence considered	18.27	
KIFS Financial Services Ltd	Inlier, hence considered	22.64	
Kalyan Capitals Ltd	Inlier, hence considered	14.96	
Odyssey Corporation Ltd	Inlier, hence considered	18.13	
Baid Finserv Ltd	Inlier, hence considered	18.79	
Median Multiple		17.78	

(##) Source : Moneycontrol.com



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<u>Annexure</u>	<u>IV(b)</u>	<u>Computation of Maintainable Profit after tax ("PAT") (##)</u>		
Particulars	Unit	Reference	Value	
Profit (loss) after tax for the year ended 31.3.22 (#)	INR lacs	A	721.13	
Profit (loss) after tax for the year ended 31.3.23 (#)	INR lacs	B	618.95	
Profit (loss) after tax for the year ended 31.3.24 (#)	INR lacs	C	557.46	
Average PAT	INR lacs	D=Average (A,B,C)	632.51	
Maintainable PAT considered for valuation	INR lacs	E=D	632.51	
<i>(#) Excluding comprehensive income(loss)</i>				
<i>(##) Based on Standalone Financial statements/Published Quarterly Results</i>				



Annexure V- Valuation of KILPL based on ANAV method

Annexure	V	Valuation of KILPL using the Net Asset Value ("NAV") Method (Cost Approach)		
<u>Particulars</u>		<u>Unit</u>	<u>Reference</u>	<u>Value</u>
Total Assets as of	31/03/2024	INR Lacs	A	6,233.92
Total Liabilities as of	31/03/2024	INR Lacs	B	3,251.92
Equity Value as of	31/03/2024 (##)	INR Lacs	C=A-B	2,982.00
Number of equity shares outstanding		Number in Lacs	F	8.719
Equity Value per share		INR per share	G=E/F	342.00

(##) Based on Standalone Financial statements/Published Quarterly Results

