

**REPORT ON  
FAIR SHARE EXCHANGE RATIO**

For

Scheme of amalgamation of Avikal Tradelink Private  
Limited and Perfect Connections Limited with Equinox  
Solutions Limited

• REGISTERED VALUER •

**MOHIT JAYESHBHAI SOLANKI**

*Chartered Accountant & IBBI Registered Valuer*

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**MOHIT JAYESHBHAI SOLANKI**  
**CHARTERED ACCOUNTANT & IBBI REGISTERED VALUER**

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To,

<b>Board of Directors,</b> <b>Avikal Tradelink Pvt. Ltd.</b> 41, 3rd floor, Nobles, Opp. Nehru Bridge, Ashram Road, Ahmedabad - 380 009	<b>Board of Directors,</b> <b>Perfect Connections Ltd.</b> 41-A, Nobles Commercial Centre, 3rd Floor, Rightwing, Ashram Road Ahmedabad - 380 009	<b>Board of Directors,</b> <b>Equinox Solutions Ltd.</b> 41, Nobles A building, Ashram road, Ahmedabad - 380 006
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**Subject:** Recommendation of fair share exchange ratio for the proposed amalgamation

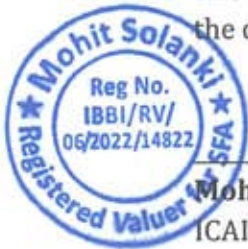
Dear Sir / Madam,

Based on our discussion and engagement terms agreed, I have performed engagement for recommendation of fair equity share exchange ratio for the proposed amalgamation of Avikal Tradelink Private Limited and Perfect Connections Limited with Equinox Solutions Limited.

The resulting estimate of value should not be used for any purpose or by any other party for any purpose other than purpose cited in the report.

Based on my analysis, I recommend share exchange ratio of **1083 equity shares of Equinox Solutions Limited (having face value of 10 per share) for 1000 shares of Avikal Tradelink Private Limited held and 475 equity shares of Equinox Solutions Limited (having face value of 10 per share) for 1000 shares of Perfect Connections Limited held.** This report should be read along with brief note on scope and purpose of work, information sources, background of company, experts involved, valuation methodology and detailed working given with this letter.

My recommendation is subject to the statement of caveat, assumptions & limitation other disclosures set part in the later part of this report. I have no obligation to update this report or my conclusion of value for information that comes to my attention after the date of this report.



**Mohit Jayeshbhai Solanki**

ICAI Membership No.: 164148

IBBI Registration No.: IBBI/RV/06/2022/14822

**Date:** 18<sup>th</sup> November, 2022

**Place:** Ahmedabad

**UDIN:** 22164148BDMSDK8678

**STRICT AND CONFIDENTIAL**

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## 1. SCOPE AND PURPOSE OF THIS REPORT

- 1.1 Based on discussion, I understand that scheme of arrangement in the nature of amalgamation of Avikal Tradelink Private Limited (hereinafter referred to as "Avikal" or "transferor company 1) and Perfect Connections Limited (hereinafter referred to as "PCL" or "transferor company 2") with Equinox Solutions Limited (hereinafter referred to as "ESL" or transferee company") along with restructure of share capital of ESL is proposed under sections 230 to 232 and other applicable provisions of the companies act, 2013.
- 1.2 In this regards, I have been appointed by the board of directors of Avikal, PCL and ESL jointly to provide a report on recommendation of fair equity share exchange ratio for said scheme of amalgamation and engagement letter dated 14<sup>th</sup> November, 2022 signed by all three companies has been received for the same.
- 1.3 As per information available, basis of valuation is considered on fair value basis and valuation is based on going concern premise.
- 1.4 1<sup>st</sup> April, 2022 being appointed date is considered as "Valuation date". Date of report is mentioned in first and last page of the report.

## 2. INFORMATION SOURCES

- 2.1 For the purpose of valuation exercise, I have relied on below mentioned financial and non financial source of information:
- First draft of proposed scheme of arrangement in nature of amalgamation
  - Audited financials statement and income tax return for the financial year 2021-22.
  - Projected balance sheet and profit & loss account for five financial years from F.Y. 2022-23 to F.Y. 2026-27.
  - Discussion with management and authorized representative of the company.
  - Information and representation in written form or oral form or in soft copy provided by management of the company with respect to their historical financial statement, future plans, assets, liabilities, revenue, profitability and other relevant information.
  - Such other analysis, reviews, enquiries, as I considered relevant during course of assignment.
  - Research and information available in market.



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- 2.2 I have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, I assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis.
- 2.3 Where I have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

### **3. BACKGROUND INFORMATION AND SCHEME OF MERGER**

#### **3.1 Avikal Tradelink Private Limited (Transferor Company 1)**

Avikal Tradelink Private Limited (CIN: U74110GJ1983PTC006639) is a private limited company incorporated under the Companies Act, 1956 having its registered office at 41, 3<sup>rd</sup> floor, Nobles, Opp. Nehru Bridge, Ashram Road, Ahmedabad – 380 009 in the state of Gujarat.

It is the Holding Company of Perfect Connections Limited as well as Equinox Solutions Limited, the other two companies under the Present Scheme.

Company is engaged in the business as general merchants, buying, selling, importing, exporting and also acting as distributor, brokers, commission agents, franchiser, stockiest for variety of goods and equipment. These include amongst others, commercial and domestic kitchen equipment, cold rooms, cold storage, all types of refrigeration equipment, hot and cold temperature-controlled machines, air conditioners, compressors etc and all parts or accessories for all types of equipment. It is also involved in designing, fabricating, manufacturing and promoting all the above equipment. It also provides services related to installation, commissioning and maintenance of all equipment.

#### **3.2 Perfect Connections Limited (Transferor Company 2)**

Perfect Connections Limited (CIN: U74140GJ1994PLC023765) is a limited company incorporated under the Companies Act, 1956 having its registered office at 41-A, Nobles Commercial Centre, 3rd Floor, Rightwing, Ashram Road Ahmedabad – 380 009 in the state of Gujarat.

It is a subsidiary of Avikal Tradelink Private Limited, the Transferor Company 1 as 80% of its shares are held by Avikal Tradelink Private Limited.



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Company is a leading provider of travel management services with partner offices through Uniglobe in more than 60 countries across six continents. Through its network, the company specializes in managing the diverse and changing travel needs of companies and travelers in more than 20 cities across India with "hands-on" owner driven, responsive service.

### 3.3 Equinox Solutions Limited (Transferee Company)

Equinox Solutions Limited (CIN: U29190GJ1984PLC007317) is a limited company incorporated under the Companies Act, 1956 having its registered office at 41, Nobles A building, Ashram road, Ahmedabad - 380 006 in the state of Gujarat.

It is a subsidiary of Avikal Tradelink Private Limited, the Transferor Company-1 as 93.19% of its shares are held by Avikal Tradelink Private Limited.

Company specializes in turnkey commercial kitchen projects and solutions for refrigeration equipment for storage and dispensing of food and beverages. Company's business can be looked at as having verticals:

- a) EPC (engineering, procurement & commissioning) / Contracting business with focus on 5 star and premium hotels, corporates, clubs and restaurant/bar chains.
- b) Solutions Business: ESL provides customized solutions to QSR chains like Pizza Hut, Dominoes, KFC, Starbucks, BWW, McDonalds etc. Here company provides specialized equipment as well as takes up AMC for the chain.

### 3.4 Scheme of Arrangement

All the three companies belong to the same management group. As indicated earlier, Avikal is the Holding Company for both PCL and ESL. Although the current commercial activities of these three companies are different in nature, it has been realised by the Board of Directors of these companies that the amalgamation of these companies shall be helpful to achieve the following objectives;

- a) The amalgamation will result in business and operational synergies in terms of complete integration of facilitates which would result in optimum utilization of capital and resources and reduction in overall operating and maintenance cost and benefits of economies of scale.



- b) Simplify management structure, leading to better administration and a reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;
- c) The amalgamation will result in reduction in the multiplicity of legal and regulatory compliances and reduced costs.
- d) Simplify shareholding structure and reduce shareholding tiers;

In view of the aforesaid, the Board of Directors of these companies have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Companies with the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the said act and other applicable laws.

#### **4. IDENTITY OF REGISTERED VALUER**

- 4.1 I am fellow member of The Institute of Chartered Accountants of India (ICAI), currently practicing as proprietor of M/s Mohit Solanki & Co, Chartered Accountant, Ahmedabad (Firm Registration No. : 157339W)
- 4.2 I am also registered with Insolvency and Bankruptcy Board of India (IBBI) as a registered valuer for asset class "Securities or Financial Asset Class" with registration no. IBBI/RV/06/2022/14822.
- 4.3 No other experts were involved during this valuation exercise.

#### **5. OVERVIEW OF VALUATION APPROACHES & METHODOLOGY**

- 5.1 It should be understood that the valuation of any company or its business 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 my analysis, Assumptions with respect to industry performance and general business and economic conditions, many of which are beyond control of the company. Further, this valuation will fluctuate with lapse of time, changes in prevailing market conditions and prospects, financial and otherwise, of the company or its business or its assets and other factors which generally influence the valuation of the companies, its businesses and assets.



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5.2 There are three generally accepted approaches to valuation:

**(A) ASSET OR COST APPROACH**

This approach considers the Net Asset Value or Replacement value or Realizable value as an indication of the fair market value of the asset. This methodology is most applicable for the business where the value lies in the underlying assets and not the ongoing operations of the business. This method does not consider future earning capacity of business and is used generally for non going concern valuation.

In the current case, the proposed amalgamation of the companies is proposed with assumption that the companies would merge as going concern (subject to implementation of the composite scheme of amalgamation) and the actual realization of the operating assets is not contemplated. In such going concern scenario, relative earning power is of greater importance to the basis of amalgamation. Hence, considering the fact that asset or cost method ignores future earning capability of the company, we have not used this method in our working.

**(B) INCOME APPROACH**

This approach focuses on the profit or earning potential of the asset being valued and considers price earnings capitalization value (PECV) or discounted cash flow as an indication of the fair value of the asset. The Income approach focuses on the income already generated by the company as well as its future earning capability. Discounted cash flow method uses present value technique and it captures all the following elements from the perspective of market participants at the measurement date:

- (a) An estimate of future cash flows for the asset or liability being measured.
- (b) Expectations about possible variations in the amount and timing of the cash flows representing the uncertainty inherent in the cash flows.
- (c) The time value of money.
- (d) The price for bearing the uncertainty inherent in the cash flows
- (e) Other factors that market participants would take into account in the circumstances.

All three companies have provided projected financial figures for five financial years from F.Y. 2022-23 to F.Y. 2026-27 considering its potential business capability and accordingly we have considered discounted cash flow method to derive at valuation of the company.



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**(C) MARKET APPROACH**

Under the market approach, the valuation is based on either the market value of the company in case of listed companies or based on comparable companies or transaction multiples in case of unlisted companies.

As per the information received from management and as per our preliminary research, I could not find any market data which represents similarity to the current scheme of arrangement. Hence, this method of valuation cannot be used for this valuation assignment.

**6. VALUATION PROCEDURE & METHODOLOGY ADOPTED**

- 6.1 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 arriving at the value from amongst the generally accepted valuation methodologies, I have applied methodologies most relevant, applicable and appropriate to the circumstances.
- 6.2 It may be noted that I am enrolled with ICAI Registered Valuer Organizations which has issued its own valuation standards for undertaking valuation and accordingly I have considered this valuation standards for carrying valuation exercise.
- 6.3 Some of the key procedures in carrying out the valuation engagement are:
- Understanding the nature and purpose of the transaction.
  - Analysis of information provided by management or their authorized representatives and discussion with them.
  - Selection of the most appropriate valuation base.
  - Identifying the premise of value which refers to the conditions and circumstances how asset is deployed.
  - Selection of the valuation approach and the corresponding valuation methodology and arriving at final value.
- 6.4 Based on the facts and circumstances of particular case, availability of information and limitations highlighted in Para 5, I have decided to determine final value based on discounted cash flow method. Determination of value using discount cash flow method involves following steps;





**Step 1:** Forecast the unlevered cash flows a company generates from its core operations for few years. Determine cash flow available to both equity as well as lenders which is company knows as free cash flow to the firm (FCFF).

$$FCFF = PAT + Depreciation / Amortization + Post tax interest expense - CAPEX - increase in working$$

**Step 2:** Estimates cash flows beyond the explicit forecast year by estimating a lump-sum value of the business past the explicit forecast period. This is called as terminal value.

$$Terminal Value using Gordon's Constant Growth Model = \frac{D1}{r - g}$$

Where:

D1 : Free cash flow to firm in next year

g : Constant growth rate expected for in perpetuity

r : Weighed average cost of capital - WACC

**Step 3:** Discounting the cash flows to the present by applying weighted average cost of capital.

$$Weighted Average Cost of Capital = (Kd * debt ratio) + (Ke * equity ratio)$$

Where:

Kd = Post tax cost of debt

Ke = Cost of equity (Formula given below)

Debt ratio = Debt / (Equity + debt)

Equity ratio = Equity / (Equity + debt)

$$Cost of Equity (Ke) = Rf + (Rm - Rf) * b$$

Where:

Rf = Risk free return

Rm = Market Return

Rm - Rf = Risk premium

b = Beta

**Step 4:** Add the value of non-operating assets to the present value of unlevered free cash flows.

Non-operating assets are items of balance sheet which does not contribute to operating cash flow projected earlier. This includes cash and cash equivalents along with interest accrued on it, Investment in securities, investment in equity instruments, etc.

**Step 5: Subtract debt and non-equity claim**

In order to arrive at equity valuation, we need to subtract all forms of debts, capital leases, non convertible preferred stocks and non controlling interest in investment.

**Step 6: Divide value arrived with shares outstanding.**

Exercise price payable by equity option holder in exercise of option is to be added to the above value to arrive final equity value.

Any potential dilution in shareholding due to any convertible instrument outstanding or option given to purchase equity shares should be added in share outstanding.

Detailed working is given in Para 7

**7. VALUATION OF SHARES OF AVIKAL TRADELINK PVT. LTD.**

**7.1 Assumptions and key elements used in working:**

Particular	Value
Cost of debt (Post tax) - Kd	8.23%
Risk free Return - Rf	6.98%
Market Return - Rm	15.13%
Beta - b	0.51
Cost of equity - Ke	11.14%
Equity to total capital ratio	0.95
Debt to total capital ratio	0.05
Weight average cost of capital - WACC	10.99%
Perpetual growth rate	5%



7.2 Calculation of free cash flow to the firm:

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Particular	31-03-2023	31-03-2024	31-03-2025	31-03-2026	31-03-2027	Terminal Value#
<b>Profit after tax</b>	<b>44.37</b>	<b>37.48</b>	<b>46.94</b>	<b>52.48</b>	<b>57.95</b>	
Add: Depreciation / Amortization	-	-	-	-	-	
Add: Post tax interest expense	4.84	2.15	-	-	-	
Less: Capex expense	-	-	-	-	-	
Less: Increase in working capital	- 53.25	- 17.16	- 26.90	- 52.48	- 57.95	
<b>Free cash flow to firm</b>	<b>- 4.04</b>	<b>22.48</b>	<b>20.04</b>	<b>0.00</b>	<b>0.00</b>	<b>0.02</b>

# This represents terminal value at the end of explicit period i.e. as on 31<sup>st</sup> March, 2027 using Gordon's constant growth model considering constant growth rate of 5% and WACC of 10.99%.

7.3 Calculation of enterprise value, equity value and final value of share:

Particular	Note	Amount
Present value of explicit period	1	29.27
Present value of terminal value	2	0.01
<b>Enterprise Value</b>		<b>29.28</b>
Add: Cash & cash equivalent	3	34.02
Add : Non operating Investment	4	5,383.68
Less: Long term debt	5	- 59.73
<b>Equity Value</b>		<b>5,387.25</b>
Equity shares outstanding	6	10.19
<b>Equity Value/Share</b>	7	<b>528.81</b>

**Note 1:** Present value of cash flow from explicit period (2023 to 2027) discounted at weight average cost of capital (WACC) of 10.99%.

**Note 2:** Terminal value at the end of explicit period that is value as on 31<sup>st</sup> March, 2027 is discounted at WACC of 10.99%.

**Note 3:** This represents cash and cash equivalent as on 31<sup>st</sup> March, 2022 taken from audited financial statement.





**Note 4:** As represented by management, Non-current investments mentioned in audited financial statement for F.Y. 2021-22 does not contributes to the business cash flows. Investment in quotes shares is taken as per BSE market value, unquoted shares are taken at fair value and bond investment is taken as per NSE market value as on 31<sup>st</sup> March, 2022.

**Note 5:** This represents long term borrowing outstanding as on 31<sup>st</sup> March, 2022 taken from audited financial statement.

**Note 6:** Company has issued 1018751 equity shares having face value of Rs. 10 each and same is outstanding as on 31<sup>st</sup> March, 2022.

**Note 7:** This represents value of equity shares of the company as on 31<sup>st</sup> March, 2022 using discounted cash flow method.

## **8. VALUATION OF SHARES OF PERFECT CONNECTIONS LTD.**

### 8.1 Assumptions and key elements used in working:

Particular	Value
Cost of debt (Post tax) - Kd	7.48%
Risk free Return - Rf	6.98%
Market Return - Rm	15.13%
Beta - b	0.67
Cost of equity - Ke	12.44%
Equity to total capital ratio	0.77
Debt to total capital ratio	0.23
Weight average cost of capital - WACC	11.30%
Perpetual growth rate	5%

### 8.2 Calculation of free cash flow to the firm:

Particular	31-03-2023	31-03-2024	31-03-2025	31-03-2026	31-03-2027	Terminal Value#
<b>Profit after tax</b>	16.30	18.40	20.48	23.03	26.42	
Add : Depreciation / Amortization	1.60	1.44	1.58	1.48	0.36	
Add : Post tax interest expense	7.10	6.35	5.45	4.33	3.21	
Less : Capex expense	-	-	-	-	-	
Less : Increase in working capital	-12.16	-7.84	-7.06	-8.03	-11.78	
<b>Free cash flow to firm</b>	<b>12.84</b>	<b>18.35</b>	<b>20.45</b>	<b>20.81</b>	<b>18.21</b>	<b>303.46</b>

# This represents terminal value at the end of explicit period i.e. as on 31<sup>st</sup> March, 2027 using Gordon's constant growth model considering constant growth rate of 5% and WACC of 11.30%.

### 8.3 Calculation of enterprise value, equity value and final value of share:

Particular	Note	Amount
Present value of explicit period	1	65.40
Present value of terminal value	2	177.67
<b>Enterprise Value</b>		<b>243.08</b>
Add: Cash & cash equivalent	3	49.76
Add : Non operating Investment	4	150.20
Less: Loan against non operating investment	5	-94.86
<b>Equity Value</b>		<b>348.17</b>
Equity shares outstanding	6	1.50
<b>Equity Value/Share</b>	<b>7</b>	<b>232.11</b>

**Note 1:** Present value of cash flow from explicit period (2023 to 2027) discounted at weight average cost of capital (WACC) of 11.30%.

**Note 2:** Terminal value at the end of explicit period that is value as on 31<sup>st</sup> March, 2027 is discounted at WACC of 11.30%.

**Note 3:** This represents cash and cash equivalent reduced by temporary credit balance of current account as on 31<sup>st</sup> March, 2022 taken from audited financial statement.

**Note 4:** As represented by management, Non-current investments mentioned in audited financial statement for F.Y. 2021-22 does not contributes to the business cash flows. Investment in mutual funds is taken as per market value as on 31<sup>st</sup> March, 2022 mentioned in audited financial statement.

**Note 5:** This represents loan taken against non operating mutual funds and is taken from audited financial statement.

**Note 6:** Company has issued 150000 equity shares having face value of Rs. 10 each and same is outstanding as on 31<sup>st</sup> March, 2022.

**Note 7:** This represents value of equity shares of the company as on 31<sup>st</sup> March, 2022 using discounted cash flow method.



## 9. VALUATION OF SHARES OF EQUINOX SOLUTIONS LTD.

### 9.1 Assumptions and key elements used in working:

Particular	Value
Cost of debt (Post tax) - Kd	8.37%
Risk free Return - Rf	6.98%
Market Return - Rm	15.13%
Beta - b	0.79
Cost of equity - Ke	13.42%
Equity to total capital ratio	0.47
Debt to total capital ratio	0.53
Weight average cost of capital - WACC	10.74%
Perpetual growth rate	5%

### 9.2 Calculation of free cash flow to the firm:

Particular	31-03-2023	31-03-2024	31-03-2025	31-03-2026	31-03-2027	Terminal Value#
<b>Profit after tax</b>	<b>182.95</b>	<b>309.09</b>	<b>392.60</b>	<b>445.59</b>	<b>545.10</b>	
Add : Depreciation / Amortization	13.19	11.47	6.07	5.88	5.79	
Add : Post tax interest expense	334.03	345.14	252.68	206.47	174.86	
Less : Capex expense	-	-	-	-	-	
Less : Increase in working capital	-821.54	-120.56	-226.34	-184.71	-200.89	
<b>Free cash flow to firm</b>	<b>-291.39</b>	<b>545.15</b>	<b>425.01</b>	<b>473.22</b>	<b>524.86</b>	<b>9,601.13</b>

# This represents terminal value at the end of explicit period i.e. as on 31<sup>st</sup> March, 2027 using Gordon's constant growth model considering constant growth rate of 5% and WACC of 10.74%.

### 9.3 Calculation of enterprise value, equity value and final value of share:

Intrinsic Value	Note	Amount
Present value of explicit period	1	1,124.18
Present value of terminal value	2	5,765.01
<b>Enterprise Value</b>		<b>6,889.19</b>
Add: Cash & cash equivalent	3	12.02
Add : Non operating Investment	4	40.95
Less: Loan against non operating investment	5	-1,596.82
<b>Equity Value</b>		<b>5,345.34</b>
Equity shares outstanding	6	10.95
<b>Equity Value/Share</b>	7	<b>488.38</b>



**Note 1:** Present value of cash flow from explicit period (2023 to 2027) discounted at weight average cost of capital (WACC) of 10.74%.

**Note 2:** Terminal value at the end of explicit period that is value as on 31<sup>st</sup> March, 2027 is discounted at WACC of 10.74%.

**Note 3:** This represents cash and cash equivalent as on 31<sup>st</sup> March, 2022 taken from audited financial statement.

**Note 4:** As represented by management, Non-current investments and current investment mentioned in audited financial statement for F.Y. 2021-22 does not contributes to the business cash flows. Investment in unquoted equity shares is taken at their fair value as on 31<sup>st</sup> March, 2022. Investment in mutual funds is taken as per market value as on 31<sup>st</sup> March, 2022 as mentioned in audited financial statement.

**Note 5:** This represents long term borrowing outstanding as on 31<sup>st</sup> March, 2022 taken from audited financial statement.

**Note 6:** Company has issued 1094500 equity shares having face value of Rs. 10 each and same is outstanding as on 31<sup>st</sup> March, 2022.

**Note 7:** This represents value of equity shares of the company as on 31<sup>st</sup> March, 2022 using discounted cash flow method.

## 10. RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO

10.1 Fair value of shares derived using discounted cash flow in Para 7, Para 8 and Para 9 respectively is reproduced in below table;

Name of Company	Value per share
Avikal Tradelink Private Limited	528.81
Perfect Connections Limited	232.11
Equinox Solutions Limited	488.38

10.2 Based on fair value per shares as mentioned above, we recommend fair equity share exchange ratio as under;

- 1083 shares having face value of Rs. 10 per shares of Equinox Solutions Limited as against 1000 shares having face value of Rs. 10 per share of Avikal Tradelink Private Limited (1082.78 is rounded off to 1083).
- 475 shares having face value of Rs. 10 per shares of Equinox Solutions Limited as against 1000 shares having face value of Rs. 10 per share of Perfect Connections Limited (475.27 is rounded off to 475).

**11. CAVEAT, LIMITATIONS & DISCLAIMERS AND OTHER RELEVANT DISCLOSURES**

- 11.1 My report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- 11.2 Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While I have provided an assessment of the value based on the information available, application of certain formulae and within the scope and constraints of our engagement, others may place a different value to the same.
- 11.3 My valuation is based on information and representation furnished to us being complete and accurate in all material respects. I have relied on representation from the management that information contained in this report is materially accurate and complete in the manner of its portrayal and therefore forms a reliable basis for the valuation. I assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise.
- 11.4 My scope of work does not enable me to accept responsibility for the accuracy and completeness of the information provided to us. I have, therefore, not performed any audit, review, due diligence or examination of any of the historical or prospective information used and therefore, does not express any opinion with regards to the same.
- 11.5 I have relied on the judgment and assumptions of the management. My valuation does not consider any judgments or assumptions other than those given to us and likely to be crystallized based on cross inquiries with the management. If there were any omissions, inaccuracy or misrepresentation of the information provided to me, it may have the effect on my valuation computations.
- 11.6 I have made certain assumptions in relation to facts, conditions or situations affecting the subject of, or approach to, this exercise that has not been verified as part of the engagement rather, treated as "a supposition taken to be true". If any of these assumptions prove to be incorrect then my estimate on value will need to be reviewed.





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- 11.7 The information presented in my report does not reflect the outcome of any financial due diligence procedures. The reader is cautioned that the outcome of that process could change the information herein and therefore may change valuation materially.
- 11.8 No investigation on the Company's claim to title of assets has been made for the purpose of this valuation and their 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.
- 11.9 A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the management has drawn My attention to all the matters, which they are aware of concerning the financial position of the Company and any other matter, which may have an impact on My opinion, on the valuation including any significant changes that have taken place or are likely to take place in the financial position of the Company. I have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 11.10 The report assumes that the companies comply fully with relevant laws and regulations applicable in all their areas of operations unless otherwise stated and the company will be managed in competent and responsible manner.
- 11.11 The report is not, nor should it be construed, as my opining or certifying the compliance with the provisions of any law including company and taxation laws or as regards to any legal, accounting or implications or issues.
- 11.12 Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report and as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity. The report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared and for any regulatory or legal purpose.
- 11.13 My Valuation analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any transaction with the Company. Any person/party intending to provide finance/invest in the company or its shares or any other securities or asset shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making and informed decision.






- 11.14 Decision to carry out the transaction (including payment or consideration thereof) lied entirely with the management and my work or findings shall not constitute a recommendation as to whether or not management should carry out the transaction.
- 11.15 **Valuation has been performed based on projection given for the period from F.Y. 2022-23 to F.Y. 2026-27 and considering growth of 5% after explicit period as given by management.** We have relied on projected financial statements provided by management which is based on certain judgments and estimates which is beyond my control. Value may change if due to any circumstances, judgments and estimates of management go wrong which is base of projected financials being provided to me.
- 11.16 Provisional financial statement from date of incorporation till report date is not provided to us and management represented that there is no material changes in respective of business plan financial position between valuation date and report date.
- 11.17 I owe responsibility to only the management of the company that has appointed me. I will not be liable for any losses, claims, damages or liabilities arising out of the action taken, omission of or advice given by any other party to the company. In no event shall I be liable for any loss, claims damages, liabilities, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the company, their directors, employees or authorized representative. In the particular circumstances of this case, my liability, if any (In contract or under statute or otherwise) for any economic loss, claims, damages shall be limited to the amount of fees actually received by us from the client as laid out in the engagement letter for this valuation assignment.
- 11.18 Myself, nor my chartered accountancy practicing firm or my employees makes any representation or warrant, expressed or implied, as to accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for/or based on or relating to any such information contained in the valuation report.
- 11.19 The draft of the present report was circulated to the management for confirming the facts stated in the report and to confirm that information or facts stated are not erroneous and the assumptions used are reasonable.



11.20 I am fully aware that based on the opinion of value expressed in this report, I may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking my evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my tendering evidence before such authority shall be under the applicable laws. This report is subject to laws of India.

11.21 I have acted as an independent third party and, as such, shall not be considered an advocate for any concerned party for any dispute. The valuation has been carried out independently to assess the valuation services. I have no present or planned future interest in the client company or any of its group companies and the fee for this report is not contingent upon outcome of the transaction.



  
Mohit Jayeshbhai Solanki

ICAI Membership No.: 164148

IBBI Registration No.: IBBI/RV/06/2022/14822

Date: 18<sup>th</sup> November, 2022

Place: Ahmedabad

UDIN: 22164148BDMSDK8678

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