

Valuation of Equity Shares

of



CEINSYS TECH LIMITED

10/5, IT Park, Nagpur - 440022, Maharashtra, India

As on March 27, 2024 (Valuation Date)

-: REGISTERED VALUER:-

RV SHREYANSH M JAIN

Registered Valuer (S & FA)

R. No.: IBBI/RV/03/2019/12124

2005-A, Rathi Palace, Ring Road, Surat – 395002, Gujarat, India

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RV SHREYANSH M JAIN

Registered Valuer (SFA)

REF: - RV/SMJ/CEINSYS/2023-24

March 30, 2024

To,

The Board of Directors

Ceinsys Tech Limited

10/5, IT Park, Nagpur - 440022,

Maharashtra, India

Dear Sir,

Subject - Valuation of Equity Shares of Ceinsys Tech Limited for the purpose of proposed preferential issue of Share Warrants and Equity Shares in accordance with Regulation 164 and 166A of SEBI (ICDR) Regulation, 2018.

Ceinsys Tech Limited (hereinafter referred to as 'Ceinsys', 'CTL', 'Company', 'you', 'your') has appointed Shreyansh M Jain, Registered Valuer (SFA) registered with IBBI having Registration Number-IBBI/RV/03/2019/12124 (hereinafter referred to as 'Valuer', 'I', 'Me' or 'My') vide engagement letter dated 22 March 2024 to arrive at the fair value of Equity Shares for the purpose of proposed preferential issue of Share Warrants and Equity Shares in accordance with Regulation 164 and 166A of SEBI (ICDR) Regulation, 2018.

Please find enclosed the report (comprising 17 pages) detailing our recommendation of fair value of equity shares for proposed preferential issue of Share Warrants and Equity Shares by the Company, the methodologies employed and the assumptions used in our analysis.

This report sets out our scope of work, background, sources of information, procedures performed by us and our opinion on the value analysis of the Equity Shares for proposed preferential issue of Share Warrants and Equity Shares by the Company.



Shreyansh M Jain

CP No.: ICSIRVO/SFA/38

IBBI R. No.: IBBI/RV/03/2019/12124

Date: March 30, 2024

Place: Surat

RV SHREYANSH M JAIN

Registered Valuer (SFA)

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1. BACKGROUND OF COMPANY

Ceinsys Tech Limited ('Ceinsys' or 'CTL' or 'the Company') is a listed company bearing CIN L72300MH1998PLC114790 and was incorporated on May 05, 1998. The registered office of the company is situated at 10/5, IT Park, Nagpur - 440022, Maharashtra, India. The company is listed with BSE Limited with Scrip Code 538734.

Ceinsys Tech Limited is a technology-driven organization that specializes in offering geospatial solutions and through its wholly owned subsidiaries and joint venture offers Enterprise & Engineering and mobility services for global clientele. Incorporated in 1998, Ceinsys is a CMMI DEV Level 5 organization listed on Bombay Stock Exchange. It forms an integral part of the large conglomerate - Meghe Group.

Ceinsys has two wholly owned subsidiaries viz. ADCC Infocom Private Limited ('ADCC') and Allygrow Technologies Private Limited ('ATPL'). ATPL has five wholly owned subsidiaries viz. Allygrow Engineering Services Private Limited ('AESPL'), Technology Associates Inc, USA ('TA Inc'); Allygrow Technology B.V., Netherlands ('AT BV'), Allygrow Technologies GmbH ('AT GmbH') and Allygrow Technologies UK Ltd ('AT UK') and has a joint venture viz Allygram Systems and Technologies Private Limited ('ASTPL') (hereinafter altogether referred to as Ceinsys and its subsidiaries)

(Source: Management)

The equity shareholding pattern of Ceinsys as at Valuation Date is as under:

Name of shareholder	Number of shares (face value INR 10/- each)	Percentage (%)
Promoter & Promoter Group	90,44,596	55.4%
Public	72,94,801	44.6%
Total	1,63,39,397	100.0%

(Source: BSE)

2. PURPOSE OF THE VALUATION AND APPOINTING AUTHORITY

I have been informed by the Management of Ceinsys that the Company is in the process of a preferential allotment of Share Warrants and Equity Shares to identified persons under Promoter and Promoter Group, Non-Promoter Non-Qualified Institutional Buyers and Non-Promoter Qualified Institutional Buyers. Thus, a valuation report for the same is required from a Registered Valuer in accordance with Regulation 164 read with Regulation 166A of the Securities and Exchange Board of India (ICDR) Regulations, 2018.

I have been appointed by Audit Committee of Ceinsys to provide a valuation report for determining the floor price for proposed preferential issue of Share Warrants and Equity Shares to identified persons under Promoter and Promoter Group, Non-Promoter Non-Qualified Institutional Buyers and Non-Promoter Qualified Institutional Buyers by the Company.

3. IDENTITY OF THE REGISTERED VALUER

Name of the Valuer	RV Shreyansh M Jain
IBBI Registration Number	IBBI/RV/03/2019/12124
ICSI RVO Reg. No.	ICSIRVO/SFA/38
Address	2005-A, Rathi Palace, Ring Road, Surat-395002, Gujarat, India
Contact Email of RV	rvshreyanshmjain@gmail.com

4. DISCLOSURE OF VALUER'S INTEREST OR CONFLICT

I hereby confirm and explicitly declare that I am an independent valuer and do not have any interest, direct or indirect, in the underlying securities being valued.

5. DATE OF APPOINTMENT, VALUATION DATE AND DATE OF THE VALUATION REPORT

Date of appointment	March 22, 2024
Valuation date	March 27, 2024
Date of valuation report	March 30, 2024

6. INSPECTIONS AND/OR INVESTIGATIONS UNDERTAKEN

I have not carried out any inspection or independent verification of the information provided. I have relied on the publicly available information, audited/ unaudited financial statements and other financial and non-financial information made available to me as well as the representations made to by the Management of Ceinsys during the course of this engagement.

7. NATURE AND SOURCES OF THE INFORMATION USED OR RELIED UPON

In the course of my valuation analysis, I have relied on various financial and non-financial information obtained from the Company and from various public, financial and industry sources. I have assumed that all information provided by the Company has been duly approved by the concerned authority to which it pertains to. Our conclusion of value is dependent on such information being complete and accurate in all material respects. I have relied upon the following information (s) as provided by the Management of Ceinsys and information available in public domain:

- Brief history, present activities and business profile etc.;
- Memorandum of Association and Article of Association;
- Latest shareholding pattern of Ceinsys and its subsidiaries as at Valuation Date;
- Audited Financial Statements of Ceinsys, ADCC, ATPL, ASTPL, AESTPL, AT BV, AT GmbH, TA Inc and AT UK for the financial year ended March 31, 2023 and March 31, 2022;
- Limited Reviewed Standalone Financial Statements of Ceinsys for nine months period ended December 31, 2023;
- Management Certified Provisional Financial Statements of ADCC, ATPL, ASTPL, AESTPL, AT BV, AT GmbH, TA Inc and AT UK for nine months period ended December 31, 2023;
- Standalone financial projections comprising of balance sheet and profit & loss statement of Ceinsys, ATPL, ASTPL and TA Inc as certified by the Management of Ceinsys;
- Discussions and correspondence with the Management in connection with the business operations of Ceinsys and its subsidiaries, key developments, past trends, proposed future



business plans and prospects, identification of comparable companies having similar operating and financial parameters as that of Ceinsys etc.;

- i) Information available in public domain and databases such as S&P Capital IQ, NSE, BSE etc.; and

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

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

8. PROCEDURES ADOPTED IN CARRYING OUT VALUATION

My analysis of valuation of Ceinsys is based on the International Valuation Standards and the prescriptions laid down in Companies (Registered Valuer's and Valuation) Rules, 2017. Some of the key procedures used in my value analysis included such substantive steps as I considered necessary under the circumstances, including, but not necessarily limited to the following are:

- a) Discussion with the Management to:
- Understand the business and the fundamental factors that affect its earning generating capability including strength, weakness, opportunity and threat analysis and historical financial performance of Ceinsys and its subsidiaries;
 - Enquire about the current state of affairs, business plans and the future performance estimates;
- b) Reviewed the Memorandum of Association and Article of Association of the Company;
- c) Reviewed the latest shareholding pattern of Ceinsys and its subsidiaries as at Valuation Date;
- d) Reviewed the audited financial statements of Ceinsys, ADCC, ATPL, ASTPL, AESTPL, AT BV, AT GmbH, TA Inc and AT UK for the financial year ended March 31, 2023 and March 31, 2022;
- e) Reviewed the limited reviewed standalone financial statements of Ceinsys for nine months period ended 31 December 2023;
- f) Reviewed the management certified provisional financial statements of ADCC, ATPL, ASTPL, AESTPL, AT BV, AT GmbH, TA Inc and AT UK for nine months period ended 31 December, 2023;
- g) Reviewed the standalone financial projections comprising of balance sheet and profit & loss statement of Ceinsys, ATPL, ASTPL, TA Inc as certified by Management of Ceinsys;
- h) Discussions with the Management to obtain requisite explanation and clarification of data provided;
- i) Selection of appropriate internationally accepted valuation methodology/(ies) after deliberations and consideration to the sector in which the Company and its subsidiaries operate and analysis of their business operations etc.;
- j) Identification of suitable comparable companies in discussion with the Management; and
- k) Arrived at fair value of the equity shares using the method considered appropriate.

9. VALUATION APPROACHES

Basis and Premise of Valuation

Valuation of Equity Shares of Ceinsys as at Valuation Date is carried out in accordance with International Valuation Standards ('IVS'), considering 'Fair Value' base and 'going concern value' premise. Any change in the valuation base, or the valuation premise could have a significant impact on the valuation outcome of the Company.

Basis of Valuation

It means the indication of the type of value being used in an engagement. Fair Value as per IVS is defined as under:

'Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.'

Premise of Value

Premise of Value refers to the conditions and circumstances how an asset is deployed. Valuation of the Company is carried out on a Going Concern Value premise which is defined under IVS as under:

'Going concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, the necessary licenses, systems, and procedures in place, etc.'

It is pertinent to note that the valuation of any business/company or its assets is inherently imprecise and is subject to various uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions considering inter-alia dependency and financial assistance from existing shareholders and general business and economic conditions, many of which are beyond the control of the Company. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the business, and other factors which generally influence the valuation of the Company, its business and 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 purpose, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

In case of companies listed on stock exchanges, the preferential issue of shares shall be undertaken in compliance with the provisions of SEBI ICDR Regulations. In the case of equity shares of the Company, the shares are listed for a period of more than 90 days as on the Relevant Date and are frequently traded as per definition provided under Chapter V - Preferential Issue of Securities and Exchange board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as given below:

'Frequently traded shares' means shares of the issuer, in which the traded turnover on any recognized stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer.

The relevant regulation i.e., 164(1) in case of frequently traded shares listed for more than 90 days provides that the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than the higher of the following:

- the 90 trading days volume weighted average prices of the related equity shares quoted on recognized stock exchange preceding the relevant date; or
- the 10 trading days volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date.

We have also been informed by the Management that the Company is contemplating to issue Equity Shares to Qualified Institutional Buyers (QIB). As per the relevant regulation i.e., 164(4) in case of preferential issue of specified securities to qualified institutional buyers, not exceeding five in number, shall be made at a price not less than the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date.

The Management has represented that the proposed preferential issue of Equity Shares may not tantamount to change of control of the Company. However, the Management has represented that the proposed allotment pursuant to preferential issue of shares shall be more than five percent of the post issue fully diluted share capital of the Company. Accordingly, the provisions of the said regulations are applicable to the Company and the pricing (floor price) of the proposed preferential allotment of Equity Shares is required to be undertaken in the manner prescribed in the said SEBI ICDR regulations.

Further, SEBI ICDR Regulations provides for specified formula to compute the minimum price for the purpose of preferential allotment and Regulation 166A provides that in case of any preferential issue, which may result in a change in control or allotment of more than five percent of the post issue fully diluted share capital of the issuer, shall require a valuation report from an independent registered valuer and consider the same for determining the price, however, the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable. Further, the proposed preferential issue of shares shall not result in change in control, as represented by the management of the Company and hence, it may not be appropriate to consider control premium for the present valuation exercise.

For the purpose of the valuation exercise under Regulation 166A, generally the following valuation approaches are adopted:

- i. **Cost Approach**
 - a. Book Value Method/ Net Asset Value Method
- ii. **Market Approach**
 - a. Market Price Method
 - b. Comparable Companies Multiple Method/ Comparable Transaction Multiples Method
- iii. **Income Approach**
 - a. Discounted Cash Flow (DCF) Method

COST APPROACH

1. Book Value Method/Net Asset Value Method ('NAV)

The asset-based value analysis technique is based on the value of the underlying net assets of the business, either on a book value basis, realizable value basis or replacement cost basis. This value analysis approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the 'going concern' criteria or in case where the assets base dominates earnings capability. It is also used where the main strength of the business is its asset backing rather than its capacity or potential to earn profits.



Ceinsys presently operates as a going concern and would continue to do so for the foreseeable future and NAV does not value the future profit generating ability of the business, I have therefore not used this method to arrive at the equity value of Ceinsys.

I have used NAV method to value subsidiaries of Ceinsys as appropriate.

MARKET APPROACH

1. Market Price Method

Under the Market Price method, a Valuer considers the traded price observed over a reasonable period while valuing assets which are traded in the active market. For this purpose, one considers the market where the trading volume of asset is the highest when such asset is traded in more than one active market. The valuation standards also prescribe that the Valuer should use average price of the asset over a reasonable period and use a weighted average or volume weighted average to reduce the impact of volatility or any one-time event in the asset.

However, as the stock markets and stock prices are subject to volatility, and as the equity shares of the Company has been frequently traded as per the definition provided under Chapter V - Preferential Issue of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and considering the proposed transaction, in my opinion, it is thought appropriate to arrive at the Market Price as per the Pricing Formula provided under Regulation 164(1) and Regulation 164(4) under Chapter V - Preferential Issue of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for frequently traded shares listed on a recognized stock exchange as on the relevant date.

'Frequently traded shares' means shares of the issuer, in which the traded turnover on any recognized stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of the shares of the issuer.

The Regulation 164(1) provides that the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than the higher of the following:

- i) the 90 trading days volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date; or
- ii) the 10 trading days volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date.

In terms of Regulation 164(4) of SEBI (ICDR) Regulation, 2018, in case of preferential issue of specified securities to qualified institutional buyers, not exceeding five in number, shall be made at a price not less than the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date.

Since the 10 trading days' volume weighted average prices of the equity shares quoted on a recognized stock exchange preceding the relevant date is higher than the 90 trading days' volume weighted average price of the equity shares quoted on the recognised stock exchange preceding the relevant date, the prices arrived as per Regulation 164(1) and 164(4) are equal.

The floor price for issue of share warrants and equity shares to identified persons under Promoter and Promoter Group, Non-Promoter Non-Qualified Institutional Buyers and Non-Promoter Qualified Institutional Buyers by the Company on preferential basis in terms of Regulation 164 of SEBI (ICDR) Regulation, 2018 is as detailed in **Annexure - A**.

2. Comparable Companies' Multiple ('CCM')/ Comparable Transactions' Multiple ('CTM') Method

Under CCM the value of shares/ business of a company is determined based on market multiples of publicly traded comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. CCM applies multiples derived from similar or 'comparable' publicly traded companies to a company's operating metrics. Although no two companies are entirely alike, the companies selected as comparable companies should be engaged in the same or a similar line of business as the subject company. The appropriate multiple is generally based on the performance of listed companies with similar business models and size.

*Based on discussion with the Management, I understand that there are comparable companies of similar nature and having similar operating/ financial metrics as that of Ceinsys, I have therefore used CCM method to arrive at the equity value of the Company. I have considered the appropriate Enterprise Value / EBITDA of listed peers engaged in same industry as that of the Company to arrive at fair value of its equity shares. The detailed working is mentioned in **Annexure - B**.*

Under CTM the value of shares/ business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

Based on my discussion with the Management, I understand that there are no recent comparable transactions involving companies of similar nature and having a similar operating/ financial metrics as that of Ceinsys, I have therefore not used the CTM method to arrive at the equity value of the Company

INCOME APPROACH

Discounted Cash Flows ('DCF') Method

Income approach is a valuation approach that converts maintainable or future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted or capitalized) amount.

Under the DCF method the projected free cash flows to the equity are discounted at cost of equity. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. The terminal value represents the total value of the available cash flow for all periods subsequent to the horizon period. The terminal value of the business at the end of the horizon period is estimated, discounted to its present value equivalent and added to the present value of the available cash flow to estimate the value of the business.

Such DCF analysis involves determining the following:

- Free cash flows are the cash flows expected to be generated by the company that are available to equity shareholders of the company.
- Appropriate discount rate to be applied to cash flows i.e. the cost of equity. This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to equity shareholders. The opportunity cost of equity capital providers equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

*The Management of Ceinsys expects the Company to make profits and generate surplus cash for the foreseeable future. I have therefore used DCF method which is one of the most commonly used and internationally accepted pricing methodology for valuing such companies. The detailed working is mentioned in **Annexure - C**.*

I have used DCF method to value subsidiaries of Ceinsys as appropriate.

10. VALUATION CONCLUSION

It is recognized that valuation of any company or assets as a matter is inherently subjective and subject to various factors, which are difficult to predict and beyond control. Valuation exercise involves various assumptions with respect to the specific industry, general business and economic conditions, which are beyond the control of the Companies. The assumptions and analysis of market conditions, comparable, prospects of the industry as a whole and the Company, which influences the valuation of companies are subject to change over a period of time and even differ between the valuers at the given point of time.

In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g., present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share.

I have been given to understand by the management of the Company that the Articles of Association ('AOA') of the Company does not categorically provide for any clause in relation to method of determination which results in a floor price higher than that determined under the SEBI ICDR regulations. The floor price of equity share of a frequently traded listed company should be in accordance with pricing provisions of Chapter V of the SEBI ICDR Regulations, as amended from time to time.

In light of the aforesaid and after taking into consideration the principles of valuation that one would have to consider to value the equity shares of the Company, I have derived value as per 'Market Price Method' and 'Comparable Companies' Multiple Method' under the Market Approach and 'Discounted Cash Flow Method' under Income Approach and considered appropriate equal weights to value arrived under each method to arrive at the fair value of equity shares of the Company.

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Registered Valuer (SFA)

Valuation Approach	Weights (%)	Equity value per share (INR)
MARKET APPROACH		
Market Price Method (MPM)	33.3%	559.9
Comparable Companies Multiple (CCM) Method	33.3%	505.8
INCOME APPROACH		
Discounted Cash Flow (DCF) Method	33.3%	509.4
Value per equity share (INR) (face value of INR 10/- each)		525.0

In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined herein in this report (including scope limitation and exclusions & disclaimers given below), in my opinion, for the purpose of determination of floor price in accordance with relevant regulations of the Chapter V of the SEBI ICDR Regulations, being Regulation 164(1) and 164(4) read with Regulation 166A of the SEBI ICDR Regulations for the Company, Floor Price in terms of first proviso to the sub regulation I of Regulation 166A of the SEBI ICDR Regulations shall be higher of the following:

Particulars	Floor Price per Share of Ceinsys (INR)
Floor Price in terms of the sub regulation 1 and sub regulation 4 of Regulation 164 of the SEBI ICDR Regulations (Working provided in Annexure A of the report) (a)	559.9
Price determined under the valuation report from the independent registered valuer (b)	525.0
Price determined in accordance with the provisions of the Articles of Association of the issuer (c)	Not applicable, as represented by the management of the Company
Floor price per equity share [Higher of (a), (b) and (c)]	559.9

Accordingly, the Floor Price of the Equity Shares of the Company having face value of INR 10/- each in terms of SEBI ICDR Regulations as at Relevant Date is INR 559.90/- (Indian Rupees Five Hundred Fifty Nine and Ninety Paise Only) per Equity Share.

11. RESTRICTIONS ON USE OF THE VALUATION REPORT

This valuation report is meant for use for the limited purpose of issue of Share Warrants and Equity Shares to identified persons under Promoter and Promoter Group, Non-Promoter Non-Qualified Institutional Buyers and Non-Promoter Qualified Institutional Buyers on the Valuation Date. It should not be used for any other purpose and by any other persons. Further, the valuation report is based on the available financial information from the Company and publicly available sources which I believe to be accurate. I accept no responsibility for any errors in the information on which the valuation conclusions are based.

12. LIMITING FACTORS

My report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.



1. This report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. The Company is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. 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. The report is prepared exclusively for the use of the Company solely for the purpose of assisting the Company, under consideration, in recommending the floor price per equity share of the company in accordance with Regulation 164 read with Regulation 166A of the Securities and Exchange Board of India (ICDR) Regulations, 2018.
2. In the course of the valuation, I was provided with both written and verbal information. I have however, evaluated the information provided to me by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. My conclusions are based on the assumptions, forecasts and other information given by/ on behalf of the Company.
3. The valuation report is tempered by the exercise of judicious discretion by the RV, taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which are not evident on the face of financial statement but which will strongly influence the worth of the share of the Company.
4. While my work has involved an analysis of financial information and accounting records, my engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, I express no audit opinion or any other form of assurance on this information.
5. I do not provide assurance on the achievability of the results forecast by the management as events and circumstances do not occur as expected; differences between actual and expected results may be material. I express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.
6. The client and its management/ representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. I have relied upon the representations of the owners/clients, their management and other third parties concerning the financial data except as specifically stated to the contrary in the report. I shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the companies, their directors, employee or agents.
7. I have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, I assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where I have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been extracted from those sources and /or reproduced in its proper form and context.
8. The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the Valuation Date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the Valuation Date.
9. I owe responsibility to only to the authority/ client that has appointed me under the terms of the engagement letter. I will not be liable for any losses, claims, damages or liabilities arising out of



RV SHREYANSH M JAIN

Registered Valuer (SFA)

the actions taken, omissions or advice given by any other person. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the client or companies, their directors, employees or agents.

10. The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the company will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet provided to me.
11. I am independent of the client/company and have no current or expected interest in the Company or its assets. The fee paid for my services in no way influenced the results of my analysis.
12. My report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. 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.



Date: March 30, 2024

Place: Surat

Shreyansh M Jain

CP No.: ICSIRVO/SFA/38

IBBI R. No.: IBBI/RV/03/2019/12124

MARKET PRICE METHOD

The detailed data of trading days for computation of volume weighted average price of equity shares is given as under:

PRICING OF EQUITY SHARES TO BE ISSUED ON PREFERENTIAL BASIS AS PER REGULATION 164 AND 166A OF SEBI (ICDR) REGULATION, 2018				
	Particular	Total No. of Traded Shares	Total Traded Value	Volume Weighted Average Price
A	90 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date i.e., March 28, 2024	61,76,903	2,76,30,49,194	447.3
B	10 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date i.e., March 28, 2024	3,64,967	20,43,46,310	559.9
Minimum Price of Equity Shares (Higher of A and B above)				559.9

#Recognised stock exchange - BSE Ltd"

ANNEXURE - B

COMPARABLE COMPANY MULTIPLE (CCM) METHOD

INR in Million

Particulars	Amount
Adjusted EV/EBITDA multiple of comparable companies (A)	12.7
Adjusted reported EBITDA (Trailing Twelve Months Dec-23 EBITDA) of CTL (B)	472.1
Enterprise value of CTL (C)=(A)*(B)	5,995.5
Adjustments for:	
Less: Debt and Debt like items	(269.2)
Add: Surplus assets (including cash & cash equivalents)	2,529.3
Add: Cash inflow on exercise of ESOPs	9.1
Equity value of CTL as at Valuation Date	8,264.7
Number of shares outstanding as at Valuation Date	1,63,39,397
Value per equity share (INR) (face value of INR 10/- each)	505.8



ANNEXURE - C

DISCOUNTED CASH FLOW METHOD

INR in Million

Particular	PE24*	FY25	FY26	FY27	FY28	FY29	Total
PAT	23.3	415.7	506.6	557.6	630.6	710.4	
Add: Depreciation	16.1	42.0	54.9	63.9	56.3	52.6	
Less: Capital expenditure	(11.7)	(58.5)	(52.2)	(45.1)	(46.9)	(41.7)	
Add / (Less): Increase/decrease in borrowings	56.2	(52.5)	(194.9)	(23.6)	(20.8)	-	
Add / (Less): Changes in working capital	(332.8)	82.6	(15.4)	28.9	(34.5)	(197.9)	
Free cash flows to equity ("FCFE")	(248.9)	429.2	299.1	581.7	584.7	523.4	
Discount factor	0.98	0.91	0.80	0.70	0.62	0.54	
Discounted cash flows	(244.9)	389.5	238.5	407.5	359.9	283.1	1,433.6
Terminal value							4,173.2
Equity value as at 31 December 2023							5,606.8
Roll forward upto Valuation Date							1.03
Equity value (before adjustments) as at Valuation Date							5,784.5
Adjustments:							
Add: Surplus assets (including cash & cash equivalents)							2,529.3
Add: Cash inflow on exercise of ESOPs							9.1
Equity value as at Valuation Date							8,322.8
Number of shares outstanding as at Valuation Date							1,63,39,397
Value per equity share (INR) (face value of INR 10/- each)							509.4

*PE24: 3 months ended 31 March 2024 i.e. from 01 January 2024 to 31 March 2024.

FYXX : 12 months period ended 31 March 20XX

