VALUATION REPORT

CRG SOLUTIONS PRIVATE LIMITED

(For the purpose of transfer of equity shares)

EXPERITY ADVISORS LLP

IBBI Registered Valuers Entity

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To
The Board of Directors
CRG SOLUTIONS PRIVATE LIMITED
Plot No.29, Sr. No.692, Durve House,
Adarsh Nagar HSG Society, Market Yard Road,
Maharshi Nagar, Bibvewadi, Pune – 411037

Dear Sirs,

Sub.: Report on fair valuation of equity shares of **CRG SOLUTIONS PRIVATE LIMITED**, as on January 31, 2025 for proposed transfer of shares as per Regulation 164(3) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

This has reference to our engagement letter dated February 21, 2025, the various discussions that we had and the information that we have received from the management and key executives of **CRG SOLUTIONS PRIVATE LIMITED** (hereinafter referred to as the "CSPL" or "the Company") from time to time in connection with the valuation analysis of equity shares.

SCOPE AND PURPOSE OF THIS REPORT

CRG Solutions Private Limited is engaged in the business of providing software services. It is part of CR Group. The company's services include Microsoft business solutions, enterprise resource planning, CPM, business consulting services, and customer- related management services.

We have been explained that the promoters of company have entered into a definitive agreement for the sale of equity stake to GTT Data Solutions Limited (formerly known as Cinerad Communications Limited) ('GTT'). The proposed leg of the transaction shall be undertaken by way of swap of shares wherein the selling shareholders of the Company shall receive listed equity shares of GTT. This will be governed by the provisions of regulation 164(3) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations'). Accordingly, we have been requested to undertake an exercise for valuation of equity shares of the company which will help the management of the Company decide the price for swap of the equity shares.

The Company has requested us M/s Experity Advisors LLP, Valuers Entity registered with the Insolvency and Bankruptcy Board of India (referred as 'valuer' / 'we' / 'us') to carry out valuation analysis of equity shares of the Company on a going concern basis as at January 31, 2025 (the "Valuation Date") for the purpose of transfer of shares by way of swap.

The valuation of shares is undertaken based on the valuation standards issued by ICAI Registered Valuers Organization including ICAI Valuation Standard 103 – Valuation Approaches and Methods and has been undertaken based on discounted cash flow method of valuation under Income approach.

It should also be understood that the values at which investments are made / price paid in a transaction may differ from the values computed in this report due to factors such as the objective of the parties, negotiation skills of the parties, the structure of the transaction (i.e. financial structure, transition of control, etc.) or other factors unique to the transaction.

In the course of the valuation, we were provided with both written and verbal information, including financial and operating data. We have evaluated the information provided to us by the Company through broad inquiry and analysis but have not carried out a due diligence or audit or review of the Company for the purpose of this engagement. We had relied on the business projections shared by the management

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This report and the information contained herein are confidential. It is intended for sole use and information of the Board of Directors and for the purpose of submissions to the Registrar of Companies and / or Securities and Exchange Board of India / Stock Exchange. We understand that the Company is not required to submit this report to any other regulatory authorities, under applicable laws, in connection with transfer of shares. We hereby consent to such disclosure of this report, on the basis that we owe responsibility to only the Company that has engaged us and no other person; and that, to the fullest extent permitted by law, we accept no responsibility or liability to the shareholders of the Company or any other party, in connection with this report.

The results of our valuation and our report will not be permitted to be used or relied by the Company for any other purpose or any other party for any purpose whatsoever. We are not responsible to any other person (party for any decision of such person / party based on our report. It is hereby notified that reproduction, copying or otherwise quoting of our report or any part thereof, except for the purpose as set out earlier in this report, is not permitted.

During the course of this engagement, we have provided draft copies of this Valuation Report to management for comment on factual accuracy of the contents of our report. Management has confirmed that they have reviewed report in detail and have also confirmed to us the factual accuracy of contents in report. It may kindly be noted that the current report being issued and signed by us represents the final assessment and supersedes all draft versions that may have been shared by us in the past.

We have obtained representation letter from the management confirming that it has provided us with all the relevant information, knowledge and confirmations completely and correctly and that there has been no significant change in business operations since the date of valuation until the date of report, that could have any impact on the valuation exercise.

DISCLOSURE

It is hereby declared that neither the valuer nor any of its partners are interested in the business of the company directly or indirectly. It is further declared that the remuneration under this assignment is not contingent on the findings / outcome of this exercise.

If you have any questions or require additional information, please do feel free to contact us.

Thanking you

Yours faithfully

For **Experity Advisors LLP**
[IBBI Registration No.: IBBI/RV-E/06/2020/119]

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Aalhad Deshmukh
Partner
[IBBI Registration No.: IBBI/RV/06/2019/10941]

Date: March 03, 2025
Place: Pune

UDIN: 25140158BMKVAT2103

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Executive Summary

Please note that this section is a summary and does not include all of our findings / observations arising from the valuation of the shares of the Company as on the Valuation Date. Accordingly, this report must be read in full to understand the basis of our conclusion, the assumptions used and other relevant aspects with respect to our valuation approach.

Purpose of Valuation	The promoters / existing shareholders are transferring the existing equity shares of the company to GTT Data Solutions Limited (formerly known as Cinerad Communications Limited) by way of swap of shares. The purpose of valuation is to help the company decide the price at which equity shares are proposed to be transferred.
Valuation Approach	To estimate the fair value of the shares of the company, we have used the Discounted Cash Flow ("DCF") method.
Premise of Value	The premise of value for our analysis is Going Concern value as there is neither a planned or contemplated discontinuance of any line of business nor any liquidation of the company.
Fair Value Conclusion	Based on our analysis and as per the valuation methods applied, the fair value of the equity shares has been estimated to be **₹ 59,839/-** per share.

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Glossary and Terms of Abbreviation

Terms	Definition
BPS	Basis Points
CAGR	Compounded Annual Growth Rate
Capex / CapEx	Capital Expenditure
CAPM	Capital Asset Pricing Model
COE / K_e	Cost of Equity
COD / K_d	Cost of Debt
EBITDA	Earnings Before Interest, Tax, Depreciation, Amortization
EV	Enterprise Value
FCF	Free Cash Flow
FY	Financial Year (From April 01 to March 31)
FYE	Financial Year Ending
ICAI	The Institute of Chartered Accountants of India
INR / Rs. / ₹	Indian National Rupee
IVS	ICAI Valuation Standards / Valuation Standards issued by the Institute of Chartered Accountants of India
Management	Management of the company
NWC	Net Working Capital
PBT	Profit Before Tax
PAT	Profit After Tax
Projection Forecast Period	FY 2024-25 to FY 2028-29
Valuation Date	January 31, 2025
Valuer	Experity Advisors LLP
WACC	Weighted Average Cost of capital

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Background[1]

Company Information

M/s CRG Solutions Private Limited is a private limited company; registered under the Companies Act, 2013 with the Registrar of Companies, Pune vide CIN – U72200PN2001PTC016125. The company is registered as a private Company. The company is engaged in the business of providing software services. It is part of CR Group. The company's services include Microsoft business solutions, enterprise resource planning, CPM, business consulting services, and customer- related management services. The company has entered into a definitive agreement with GTT Data Solutions Limited for the purpose of proposed acquisition of 100% equity stake of the Company by GTT. The ensuing transaction is a part of the said acquisition wherein the selling shareholders shall be entering into a share swap.

Capital Structure

The authorised capital of the company is Rs. 10,00,000/- divided into 1,00,000 equity shares of Rs. 10/- each. The paid-up capital of the company is Rs. 1,00,000/- divided into 10,000 equity shares of Rs. 10/- each as on the valuation date. The shareholding pattern as on the valuation date was as under:

Sl. No.	Name of shareholder	No. of shares	Percentage
1	Vijay Mukund Jog	4,888	48.88%
2	Lisa Yuki Jog	2,543	25.43%
3	Sonia Aki Jog	2,544	25.44%
4	Dhananjay Datar	15	0.15%
5	Rohini Datar	10	0.10%
	Total	10,000	100.00%

Historical Financials

We have analysed the financial statements for last three years and following are our key observations. The extract of historical financials have been provided only for reference purpose and this may not be construed as certification of the historical financial statements of the Company.

- Declining Revenue Trend
  The company's net revenue has been consistently declining from ₹9,466.15 lakhs in FY 2022 to ₹9,047.92 lakhs in FY 2023 and further to ₹8,536.89 lakhs in FY 2024, indicating a potential challenge in sales growth or market demand.
- Cost Efficiency and Profitability Improvement
  Despite declining revenue, the total operating cost has reduced significantly from ₹9,422.71 lakhs in FY 2022 to ₹8,143.83 lakhs in FY 2024. This reduction in costs has contributed to an improvement in operating profit (EBITDA), which increased from ₹43.44 lakhs in FY 2022 to ₹393.07 lakhs in FY 2024.
- Increase in Profit Before Tax and Net Profit
  Profit before tax has shown significant improvement, rising from ₹30.02 lakhs in FY 2022 to ₹347.20 lakhs in FY 2024. Similarly, the profit for the period has increased from ₹26.39 lakhs in FY 2022 to ₹251.34 lakhs in FY 2024, indicating enhanced profitability.

[1] Information obtained from the management of the company; not derived, reviewed or verified independently.

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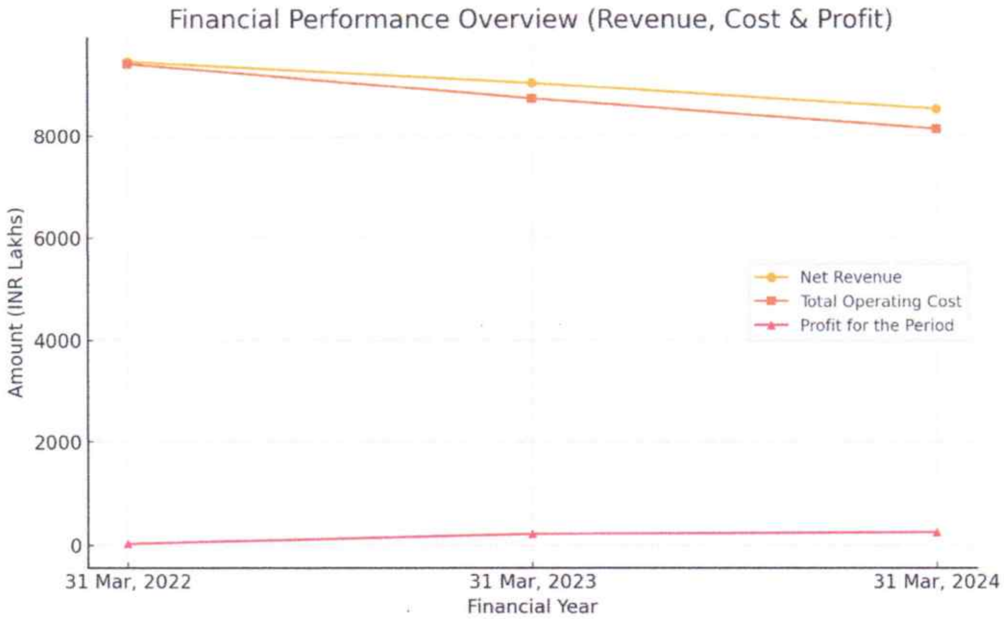
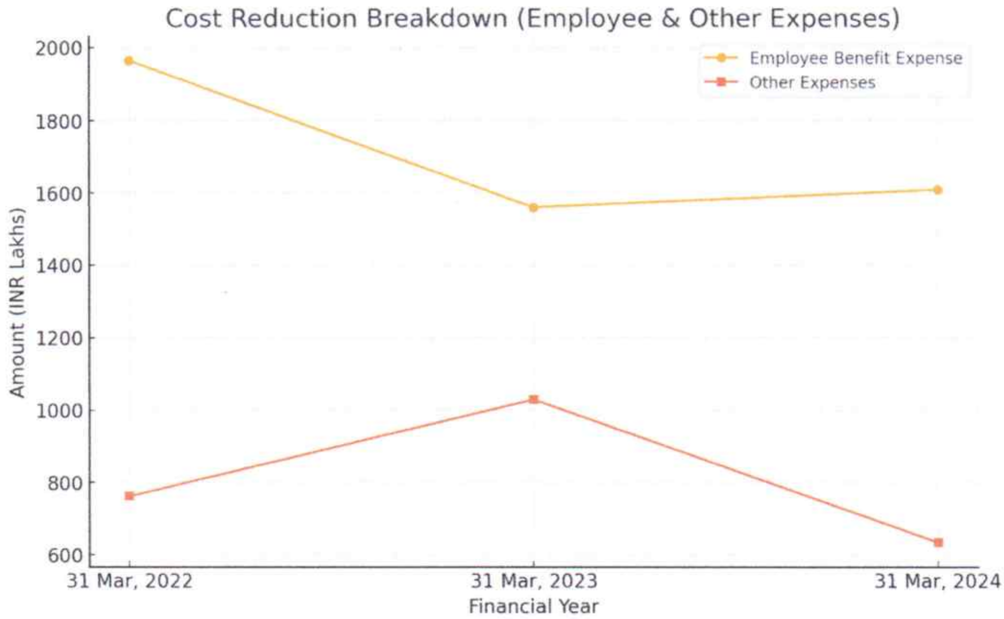
- Reduction in Employee and Other Expenses
  Employee benefit expenses and other expenses have been managed effectively over the years. Employee benefit expenses decreased from ₹1,964.75 lakhs in FY 2022 to ₹1,608.65 lakhs in FY 2024, while other expenses dropped from ₹761.47 lakhs in FY 2022 to ₹633.53 lakhs in FY 2024, contributing to improved overall cost efficiency.
- Increased Finance and Tax Expenses
  Finance costs have increased from ₹7.24 lakhs in FY 2022 to ₹51.68 lakhs in FY 2024, suggesting a possible rise in borrowings or interest-bearing liabilities. Income tax expenses have also increased from ₹3.63 lakhs in FY 2022 to ₹95.86 lakhs in FY 2024, indicating higher taxable profits.





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Statement of Profit and Loss	31 Mar, 2022	31 Mar, 2023	31 Mar, 2024
Net Revenue	9,466.15	9,047.92	8,536.89
Operating Cost			
Cost of Materials Consumed	6,696.49	6,152.77	5,901.65
Purchases of Stock-in-trade	0.00	0.00	0.00
Changes in Inventories / Finished Goods	0.00	0.00	0.00
Employee Benefit Expense	1,964.75	1,559.78	1,608.65
Other Expenses	761.47	1,029.73	633.53
Total Operating Cost	**9,422.71**	**8,742.28**	**8,143.83**
Operating Profit (EBITDA)	43.44	305.64	393.07
Other Income	27.71	48.37	24.61
Depreciation and Amortization Expense	33.90	23.68	18.79
Profit Before Interest and Tax	37.26	330.33	398.88
Finance Costs	7.24	41.84	51.68
Profit Before Tax and Exceptional Items Before Tax	30.02	288.49	347.20
Exceptional Items Before Tax	0.00	0.00	0.00
Profit Before Tax	30.02	288.49	347.20
Income Tax	3.63	73.86	95.86
Profit for the Period from Continuing Operations	26.39	214.64	251.34
Profit from Discontinuing Operations After Tax	0.00	0.00	0.00
Profit for the Period	**26.39**	**214.64**	**251.34**

In respect of the balance sheet:

- Stable Equity Position
  The total equity has remained stable over the last three years, indicating that the company has maintained its capital structure. This suggests that there have been no significant withdrawals or losses that impact shareholder value.
- Fluctuating Liabilities and Debt Position
  The company's total liabilities have decreased significantly from FY 2022 to FY 2023, but increased slightly in FY 2024. This could indicate strategic debt repayment followed by a possible reinvestment or operational funding in the latest year.
- Declining Asset Base
  The company's total assets have reduced from ₹3,765.93 lakhs in FY 2022 to ₹2,704.02 lakhs in FY 2024, reflecting a downsizing or asset optimization strategy. This might be due to asset sales, depreciation, or a shift towards a leaner operational model.
- Improvement in FY 2024 Compared to FY 2023
  While the balance sheet size reduced significantly from FY 2022 to FY 2023, there is a marginal recovery in FY 2024, suggesting possible stabilization after previous declines.
- Focus on Financial Efficiency
  The company may be optimizing its resources by maintaining a consistent equity base while adjusting liabilities and assets. This points towards a strategic restructuring rather than financial distress.

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Balane Sheet

	31 Mar, 2022	31 Mar, 2023	31 Mar, 2024
Equity and Liabilities			
Equity			
Share Capital	1.00	1.00	1.00
Reserves and Surplus	896.04	1,110.68	1,362.02
Total Equity	**897.04**	**1,111.68**	**1,363.02**
Liabilities			
Non-current Liabilities			
Long Term Borrowings	0.00	0.00	0.00
Long Term Provisions	0.00	0.00	0.00
Total Non-current Liabilities	**0.00**	**0.00**	**0.00**
Current Liabilities			
Short Term Borrowings	0.00	539.94	0.00
Trade Payables	1,955.14	446.19	151.19
Other Current Liabilities	185.86	87.09	760.77
Short Term Provisions	727.89	352.16	429.05
Total Current Liabilities	**2,868.89**	**1,425.38**	**1,341.00**
Total Equity and Liabilities	**3,765.93**	**2,537.06**	**2,704.02**
Assets			
Net Fixed Assets			
Tangible Assets	45.79	29.55	22.61
Intangible Assets	0.00	0.00	0.00
Total Net Fixed Assets	**45.79**	**29.55**	**22.61**
Other Non-current Assets			
Non-current Investments	4.44	5.65	7.59
Net Deferred Tax Assets	7.49	5.80	6.17
Long Term Loans and Advances	0.00	0.00	0.00
Other Non-current Assets	21.31	21.49	36.65
Total Other Non-current Assets	**33.25**	**32.94**	**50.41**
Current Assets			
Inventories	51.55	153.60	89.07
Trade Receivables	1,923.89	1,366.85	1,323.43
Cash and Bank Balances	810.29	163.63	603.47
Short Term Loans and Advances	901.16	790.50	615.04
Total Current Assets	**3,686.90**	**2,474.57**	**2,631.00**
Total Assets	**3,765.93**	**2,537.06**	**2,704.02**

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Overview of the Engagement

Scope:

The Board of Directors of the Company have engaged us to prepare an independent valuation report on the fair value of equity shares of the Company for the purpose of proposed transfer of equity shares to GTT Data Solutions Limited (formerly known as Cinerad Communications Limited). We have been explained that the proposed transfer of shares will be done by way of swap of shares where the selling shareholders of the Company shall receive equity shares of GTT as consideration.

In this context, the purpose of our work is to determine the value of the Company by applying generally accepted valuation methodologies including Discounted Cash Flow method, analysis of comparable listed companies and comparable transactions, as well as also considering the criteria laid down by ICAI Valuation Standards, 2018.

Purpose:

The Company has requested us to carry out valuation analysis of shares of the Company on a going concern basis as at the valuation date for the purpose of deciding the price for proposed transfer of the shares.

Identity of the Valuer:

M/s Experity Advisors LLP is a Limited Liability Partnership, registered with the Registrar of Companies, Pune. Experity Advisors LLP is registered as a Valuers Entity with the Insolvency and Bankruptcy Board of India. Following are the credentials of the valuer:

Name	Experity Advisors LLP
LLP Identification Number	AAQ-9132
IBBI Registration Number	IBBI/RV-E/06/2020/119
Asset Class	Securities or Financial Assets
Name of the Signing Partner	Aalhad Deshmukh
IBBI Registration Number of the Signing Partner	IBBI/RV/06/2019/10941
ICAI Membership No. of the signing partner	140158

Valuation Base and Premise of Value:

We have used fair value Base of Valuation and Going Concern Premise for the valuation of shares as stated in ICAI Valuation Standard 102 – Valuation Bases.

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 al the valuation date.

Going concern value is the value of a business enterprise that is expected to continue to operate in the future.

Valuation Date:

The reference date for the purposes of this valuation exercise is March 31, 2024. The latest audited financial statements provided by the Company's Management are till March 31, 2024.

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According to the Company's management, there have been no major events or occurrences after the date of valuation liable to have a significant impact on our valuation and which have not been considered for the purposes of this report.

Date of Appointment:

We have been appointed by the Board of Directors of the Company vide engagement letter dated February 21, 2025.

Source of Information:

For the purpose of arriving at the fair value, we have essentially relied on the information provided to us by the management, which we believe to be reliable, and our conclusions are dependent on and subject to such information being complete and accurate in all material respects.

The principal sources of information used in undertaking our assessment include:

- Audited financial statements for the year ended March 31, 2024 and March 31, 2023
- Management certified unaudited financial statements for the period ended January 31, 2025
- Management Certified Financial Projections of the company from FYE 2025 to FYE 2029
- Other relevant details relating to the Company such as shareholding pattern and other data, including information in the public domain.
- Shareholding pattern of the company
- Such other information and explanations as were required by us and were furnished by the management.

We have also undertaken analysis of other facts and data considered pertinent to this valuation analysis.

Valuation Standards:

Our valuation methodologies and approaches are in conformity with Valuation Standard issued by the ICAI. The Valuation Standards issued by ICAI set out concepts, principles and procedures which are generally accepted internationally having regard to legal framework and practices prevalent in India.

Restriction for use of report:

Our report is issued for limited purposes of proposed transfer of shares to GTT and undertake filing with regulatory authorities. We give our consent to share the report with the auditor of the Company in relation to their attestation function.

Inspection / Investigation Undertaken:

- We have tried to understand the business model of the Company and key factors affecting the business model.
- We have reviewed the provisional financial statement as on valuation date.
- We have undertaken high level review of the business plan provided to us by the Company.
- We have further enquired the assumptions considered for revenue, cost, capex and working capital forecasting.
- We have further discussed contingent liabilities with management and understood their assessment of the contingent liabilities.
- We have conducted enquiries and discussions on information received from the management of the Company.

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Procedures adopted in carrying out the valuation:

- Execution of valuation engagement letter.
- Requested and received financial and qualitative information.
- Obtained data available in public domain.
- Discussed (in-person / over call) with management to understand the business fundamental factors that affect its earning or income generating capacity including strengths, weakness opportunity and threats and historic financial performance.
- Undertook Industry analysis.
- Research publicly available (market data including the economic factors and industry trends that may impact valuation.
- Analysis of key trends and valuation multiples of comparable companies / comparable transaction using:
  - ✓ Proprietary databases subscribed by us or by our associates or by our network firm.
- Selection of generally accepted valuation methodology/(ies) as considered appropriate by us.

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Valuation Approach and Methodology

In terms of and as required under the Company Act Regulations read with ICAI Valuation Standard 103 – Valuation Approaches and methods and ICAI Valuation Standard 301 – Business Valuation, we are required to arrive at the fair valuation of shares of the Company as per any internationally accepted valuation methodology for valuation of shares on arm's length basis.

There are three broad approaches to valuation – Cost / Asset Approach, Market Approach and Income Approach. There are several generally accepted and commonly used valuation methodologies for determining the fair value of the shares of a company, whose shares are not listed on a stock exchange. These methods fall under following approaches:

APPROACHES TO VALUATION

COST APPROACH

>> REPLACEMENT COST METHOD
>> REALISABLE VALUE METHOD
>> NET ASSETS VALUE METHOD

INCOME APPROACH

>> DISCOUNTED CASH FLOW METHOD
>> PROFIT EARNINGS CAPACITY VALUE METHOD

MARKET APPROACH

>> MARKET VALUE METHOD
>> COMPARABLE COMPANY MULTIPLE METHOD
>> COMPARABLE TRANSACTION MULTIPLE METHOD

We are discussing following major valuation methods which are broadly used in any valuation assignment.

1. Net Asset value ("NAV") methodology.
2. Comparable Companies Multiples ("CCM") methodology.
3. Discounted Cash Flow ("DCF") methodology.

NAV methodology:

The asset-based valuation method is based on the value per share of the underlying net assets and liabilities of the Company, either on a book value basis or replacement cost basis. This valuation approach is used in cases where the firm is to be liquidated i.e. it does not meet the going concern" criterion or is used in case where the asset base dominates earnings capacity.

In the circumstances and keeping in mind that the present valuation of the Company is on a going concern basis, and the value of the Company is driven more by the potential to generate cash flows in the future than its underlying assets, therefore, the value arrived at under this method is of little relevance as compared to the value under the other methods discussed below.

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CCM / CTM Methodology:

Under this method, one attempts to measure the value of the shares' business by applying an appropriate capitalisation rate / multiple (the EV / Revenue multiple, the EV / EBITDA multiple, etc.), for which one may also consider the market quotations of comparable public listed companies possessing attributes similar to the business - to the future maintainable profits of the business (based on past and / or projected working results adjusted to reflect the future earnings potential) after making adjustments to the capitalisation rate/ multiple on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. CTM Method is similar to CCM method except for the fact that a valuer needs to identify a similar transaction rather than a comparable company for understanding comparable attributes and valuation multiples.

Consequently, identifying comparable listed companies and / or comparable transaction to the company being valued, both in business and financial terms is highly important.

DCF Methodology:

Under this technique, either:

1. the projected free cash flows from business operations available to all providers of capital are discounted at the weighted average cost of capital to such capital providers, from a market participant basis, and the sum of such discounted cash flows is the value of the business, from which value of debt and other capital is deducted, and other adjustments made to arrive at the value of the equity - Free Cash Flows to Firm ("FCFF") technique; or
2. the projected free cash flows from business operations available to equity shareholders (after deducting cash flows attributable to the debt and other capital providers) are discounted at the cost of equity, from a market participant basis, and the sum of such discounted free cash flows, after making other relevant adjustments, is the value of the equity – Free Cash Flows to Equity ("FCFE") technique.

Selected Approach:

The specific valuation techniques used in a valuation engagement depend on the facts and circumstances specific to each case, including the nature and characteristics of the business enterprise being valued, and the purpose of the business appraisal. The valuer's choice of methods is determined by the characteristics of the business to be appraised, the availability of reliable information requisite to the various methods, the function and use of the appraisal, applicable statutory law, case law, and administrative rulings.

In addition to these fundamental considerations, "a sound valuation will be based upon all the relevant facts, but the elements of common sense, informed judgment and reasonableness must enter into the process of weighing those facts and determining their aggregate significance".

Considering the above analysis of each method, nature of the industry and stage of the business, we have considered the DCF Method for the company as the most appropriate one.

The discounted cash flow is considered appropriate as it serves as an indicator of the prospective that the business is able to generate in the future. The discounted cash flow method is very effective because it allows values to be determined even when cash flows are fluctuating. The DCF method uses the future free cash flows of the firm / equity holders discounted by the cost of capital to arrive at the present value. In general. the DCF method is a strong and widely accepted valuation tool, as it concentrates on cash generation potential of a business. This method is based on future potential and is widely accepted.

Rationale behind selection of DCF Method

The Discounted Cash Flow (DCF) method has been chosen as the most appropriate valuation approach for the company due to its operational nature, financial performance, and industry dynamics. As a small to mid-sized entity engaged in the software reselling business, the company operates in a sector where value creation is primarily driven by intellectual capital, customer relationships, and operational efficiency, rather than a heavy asset base. The company does not own significant immovable properties or other tangible assets, making asset-based valuation methods unsuitable. Instead, its value is fundamentally linked to its ability to generate and sustain future cash flows, making the DCF approach a logical choice.

Moreover, the company has demonstrated consistent positive financial performance over several years, with stable revenues, controlled costs, and growing profitability. This financial consistency provides a solid foundation for forecasting future cash flows, a key requirement for the DCF method. In contrast, applying market-based valuation approaches such as the Comparable Companies Multiple or Comparable Transactions Multiple proves challenging due to the difficulty in identifying directly comparable businesses. The software reselling industry is characterized by diverse business models, varying margins, and differences in scale, making it hard to find peer companies with similar operational structures, revenue streams, and cost dynamics. Additionally, transaction data for similar-sized companies in the industry may be limited or unavailable, reducing the reliability of multiple-based valuation.

The DCF method allows for a forward-looking, intrinsic valuation, capturing the true economic worth of the company based on its projected financial performance. By discounting future cash flows to their present value, this method accounts for the time value of money and provides a comprehensive assessment of the company's potential growth and risk profile. Furthermore, it enables scenario analysis and stress testing, offering flexibility in evaluating various business conditions and strategic initiatives. Given these factors, the DCF approach provides a more accurate and tailored valuation, ensuring that the company's value is determined based on its unique financial trajectory and operational strengths rather than broad market assumptions.

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Valuation Working

Income Approach – Discounted Cash Flow Method

Components of DCF Method

While using the DCF method, major consideration must be given to the following factors:

COMPONENTS OF DCF METHOD

FREE CASH FLOWS	DISCOUNT RATE	TERMINAL VALUE
Calculated on the basis of financial projections certified by the management of the company	Estimated by the valuer usually on the basis of instant market returns, risk free rate, applicable interest rates and overall capital structure of the company	Expected long-term growth rate beyond explicit forecast period

Calculation of Free Cash Flows

Financial Projections have been provided by the management of the Company. Based on these financial projections, Free Cash Flows to the Firm have been arrived by making appropriate adjustments on account of Depreciation, Non-cash Expenditures and Projected Capital Expenses.

Calculation of Discount Rate

Discount Rate is supposed to be the expected rate of return from the point of view of stakeholders. As such, on the basis of Weighted Average Cost of Capital, year-wise discounting factors have been assumed for arriving at the Discounted Free Cash Flows.

For the purpose of calculation of Weighted Average Cost of Capital, we have used corresponding weights of Debt and Equity Capital as per the Capital Structure of the company.

Cost of Debt is taken as the effective rate of interest / coupon on the debts outstanding adjusted for effective tax rate.

Cost of Equity has been calculated in accordance with the Capital Asset Pricing Model. The Capital Asset Pricing Model (CAPM) describes the relationship between systematic risk and expected return for assets. The formula used for CAPM is as under:

$$Re = Rf + \beta \times (Rm - Rf) + \alpha$$

Where, $\mathbf{R_e}$ refers to cost of equity; $\mathbf{R_f}$ refers to the risk free rate; $\boldsymbol{\beta}$ is the measure of risk and $\mathbf{R_m}$ refers to the market rate of return.

Investors expect to be compensated for risk and the time value of money. The risk-free rate in the CAPM formula accounts for the time value of money. The other components of the CAPM formula account for the investor taking on additional risk.

The beta of a potential investment is a measure of how much risk the investment will add to a portfolio that looks like the market. If a stock is riskier than the market, it will have a beta greater than one. If a stock has a beta of less than one, the formula assumes it will reduce the risk of a portfolio.

A stock's beta is then multiplied by the market risk premium, which is the return expected from the market above the risk-free rate. The risk-free rate is then added to the product of the stock's beta and the market risk premium. The result should give an investor the required return or discount rate they can use to find the value of an asset.

Please refer **Annexure – 1** for calculation of Discounting Rate.

Calculation of Discounted Free Cash Flows and Fair Value per share

Using the Discount Rate calculated as above, discounted factors are calculated for the corresponding periods. The future cash flows are discounted accordingly to arrive at the present value of such cash flows. Furthermore, using the terminal growth rate and consequent capitalisation rate, we arrived at terminal value which was again discounted to arrive at the discounted terminal value. Cumulative total of discounted free cash flows and discounted terminal value resulted into overall enterprise value. We further made an adjustment on account of following to arrive at the equity value.

- Total debts o/s as on the reference date
- Total cash and cash equivalents o/s as on the reference date
- Contingent Liabilities if any

Please refer **Annexure – 2** for calculation of Discounted Free Cash Flows and Fair Value per shareholder

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Fair Value Conclusion

With reference to the foregoing discussion, the fair value per equity share of the company is **₹ 59,839/- (Rupees Fifty-Nine Thousand Eight Hundred and Thirty-Nine only)** subject to assumptions, caveats, disclaimers and limiting conditions as mentioned in this report.

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Caveats and Statement of Limiting Conditions

All opinions and estimates in this publication or report are, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report and are subject to change without notice.

The party to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential later variations in value due to factors that are unforeseen at the date of valuation.

The recommendation/(s) rendered in this Report only represent our recommendation/(s) based upon information furnished by the Company and their representatives and the said recommendation/(s) shall be in the nature of non-binding advice. We have no obligation to update this Report.

We have provided our recommendation of the Valuation based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for value at which the proposed transaction shall take place will be with the Board of Directors of the Company / investors, who should take into account other factors such as their own assessment of the proposed transaction and input of other advisors.

Valuation is based on estimates of future financial performance or opinions that represent reasonable expectations at a particular point, but such information, estimates or opinions are not offered as or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by prospective financial analysis will vary from these estimates, and the variations may be material.

We have relied on the written representations from the management that the 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. In accordance with our engagement letter and the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. We have not, independently investigated or otherwise verified the data provided by the company. 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. Accordingly, we assume no responsibility for any errors in the information furnished by the company and their impact on the Report. We have performed reasonability tests on information provided by the Company.

The Report assumes that the company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated and 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, issues of legal title and companies with local laws, and litigation and other contingent liabilities that are recorded in the audited / unaudited carved out balance sheets.

Our scope of work did not include checking the adequacy of the carved out financial statements of the company and the specified projects and this is the responsibility of the Management and we have assumed these to be correct.

We are not advisors with respect to accounting, legal, tax and regulatory matters for the proposed transaction. This Report does not look into the business / commercial reasons behind the proposed transaction nor the likely benefits arising out of it. Similarly, it does not address the relative merits of the proposed transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

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We have relied on the judgment of the management as regards contingent and other liabilities. Accordingly, our valuation does not consider the assumption of contingent liabilities other than those given to us as likely to crystalize. If there were any omissions, inaccuracies or misrepresentations of the information provided to us, it may have the effect on our valuation computations. The valuation and result are governed by concept of materiality.

The information and material presented in the report are provided for informational purposes only and are not to be used considered as an offer or solicitation to sell or buy or subscribe for securities or other financial instruments to any advice or recommendation with respect to such securities or other financial instruments. Neither the valuer nor any of its affiliates makes any representation or warranty or guarantee as to the completeness, accuracy, timeliness or suitability of any information contained within any pan of the Report nor that it is free form error. The valuer does not accept any liability (whether in contract, tort or otherwise howsoever and whether or not they have been negligent) for any loss or damage (including, without limitation, loss of profit), which may arise directly or indirectly from use of or reliance on such information.

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The risk of investing in certain financial instruments is generally high as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized.

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Annexure – 1
Calculation of Discount Rate

Particulars	Connotation	Amount	Remarks
Risk Free Rate of Return[2]	R_f	6.83%	Adopted from the return on Zero Coupon Government of India Bond for residual period of 10 years
Beta[3]	β	0.76	Adjusted Average Beta of comparable listed companies after assuming company specific risk
Equity Risk Premium[4]	$R_m - R_f$	7.68%	Excess Return on Market Portfolio over and above Risk-Free Rate of Return
Weighted Average Cost of Capital	WACC	21.64%	Weighted Average Cost calculated based on Target Debt – Equity structure of the company and making adjustment for illiquidity, lack of control and Company Specific Risk Premium
Terminal Growth Rate	G	4.00%	Growth rate in perpetuity after explicit period of projections

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[2] From the database of FIMMDA / FBIL
[3] Average of the calculated Beta of the comparable listed companies, reconciled with the Beta obtained from the database of Stern Business School of New York University (Prof. Aswath Damodaran) adjusted as required
[4] Average return on BSE 500 up to the date of valuation

Annexure – 2

Calculation of Discounted Free Cash Flows and Fair Value per share

[Amount: INR in Lakhs][5]

Period Ending	**31-03-2025**	**31-03-2026**	**31-03-2027**	**31-03-2028**	**31-03-2029**
No. of months from the ref. date	**2**	**14**	**26**	**38**	**50**
EBITDA	392.69	589.02	1,126.14	1,303.07	1,709.19
Less: Non-operating Income	(47.90)	(60.00)	(80.00)	(100.00)	(120.00)
Adjusted EBITDA	344.79	529.02	1,046.14	1,203.07	1,589.19
Less: Tax	(100.86)	(120.75)	(249.73)	(289.19)	(385.70)
Less: Capex	(18.69)	(23.56)	(28.27)	(35.77)	(41.13)
Less: Working Capital Changes	327.32	(15.72)	(116.32)	(154.05)	(142.58)
Free Cash Flows to Firm	552.57	368.99	651.82	724.06	1,019.78
Less: Interest	-	-	-	-	-
Less: Change in borrowings	-	-	-	-	-
Free Cash Flows to Equity	552.57	368.99	651.82	724.06	1,019.78
Annual Factor	0.17	1.00	1.00	1.00	1.00
Mid-Year Factor	0.08	0.67	1.67	2.67	3.67
Discounting Factor	0.9838	0.8776	0.7215	0.5932	0.4877
Discounted Free Cash Flows	543.62	323.82	470.29	429.49	497.31

Cumulative Discounted Free Cash Flows	2,264.53
Terminal Growth Rate	4.00%
Terminal Value	6,516.93
Discounted Terminal Value	3,178.06
Total Enterprise Value	5,442.59
Less: Debt o/s	-
Add: Cash and Cash Equivalents	541.29
Add: Other Surplus Assets	-
Equity Value	5,983.88
No. of equity shares o/s	10,000.00
Fair value per equity share	59,838.78
Fair value per equity share (rounded off)	59,839.00

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[5] Except no. of shares and fair value per share