Valuation Report

of

G V Electricals Private Limited

Maharashtra

Prepared By:

Maitri Valuation Private Limited

Registered Valuer – Securities or Financial Assets

Ahmedabad

IBBI Reg. No. – IBBI/RV-E/11/2023/184

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1 ENGAGEMENT, CONTEXT AND PURPOSE

As per the terms of engagement dated 15th March 2025, we were required to determine the fair value of Equity Shares of G V Electricals Private Limited (CIN U28920MH1985PTC035529) having registered office at Gala MP/ 207, Hammer Smith Industrial Premises, Chs Narayan Pathare Marg, Sitladevi Temple R, Oad, Mahim, Mumbai City, Mumbai, Maharashtra, India, 400016 (Hereinafter referred to as 'GVEPL' or 'the Company') for issue of equity shares in the Company.

In this connection, we have been requested by GVEPL to carry out a fair valuation of Equity Shares of the Company as at March 20, 2025, being the valuation date. We have adopted International Valuation Standards (herein referred to as "IVS"), 2018 to arrive at valuation of Equity Shares of the Company.

2 SOURCES OF INFORMATION

The Management has provided the following details/ documents and we have relied upon the same:

- Provisional Financial Statements as on 20th March, 2025
- Financial Projections by management for the period FY 2025-26 to FY 2028-29
- Present Status of the Company
- We have also relied upon information, including prospective information, provided to us by the management of GVEPL; a review of financial statements, and other relevant documents; and through outside research

3 BACKGROUND OF THE COMPANY

G V Electricals Private Limited was incorporated as on 28th February 1985 and is registered at Registrar of Companies, Mumbai. Its authorized share capital is Rs. 5,00,000 and its paid-up capital is Rs. 4,02,100. The Company is involved in business of electrical contractor.

G V Electricals Private Limited's Corporate Identification Number is (CIN) U28920MH1985PTC035529 and its registered address is Gala MP/ 207, Hammer Smith Industrial Premises, Chs Narayan Pathare Marg, Sitladevi Temple R, Oad, Mahim, Mumbai City, Mumbai, Maharashtra, India, 400016.

4 CONDITIONS AND MAJOR ASSUMPTIONS

4.1 Conditions

The Financial information of the Company included in this report is solely for the purpose of arriving at a value determined in this report. The information about financials of the Company included in this report has been provided by the Management of the Company. We have not audited or reviewed the financial statements and express no assurance on the same. This report is only to be used for the purpose as stated herein.

4.2 Major Assumptions

The fair value of Equity Shares arrived at in this report is based on the information provided by the Management of the Company. The information as provided are assumed to be accurate and complete. We have relied upon the representations contained in the documents in our possession as well as verbal discussion with the management of the Company.

5 VALUATION DATE

The analysis of the fair value of Equity Shares of the Company have been carried out as on 20th March, 2025 for the purpose of issue of equity shares in the Company.

6 BASES AND PREMISE OF VALUATION

We have followed IVS 104 for Bases and Premise of Valuation.

There are seven Bases of Valuation as under

1. Fair Value

2. Market Value
3. Market Rent
4. Equitable Value
5. Investment Value/Worth
6. Synergistic Value
7. Liquidation Value

We have considered base of fair Value for arriving fair value of equity shares of the Company since the Company is operating business.

There are five Premises of Valuation as under

1. Going Concern
2. Highest and Best Use
3. Current Use/Existing Use
4. Orderly Liquidation
5. Forced Sale

We have considered Going Concern Value as premise for arriving fair valuation of equity shares of the Company since the Company is operating business and have sustainable future growth.

7 VALUATION APPROACH

There are three broad approaches used for business valuation:

1. Asset Approach
2. Market Approach
3. Income Approach

Asset Approach

The Asset approach methods seek to determine the business value based on the value of it's assets. The aim is to determine the business value based on the fair market value of its assets less its liabilities. The asset approach is based on the economic principle of substitution which adopts the approach of cost to create another business similar to one under consideration that will produce the same economic benefits for its owners.

We have not considered this approach since the Company is operating business and asset value doesn’t reflect the fair value of Equity Shares of the Company.

Market Approach

The market approach relies on signs from the real market place to determine what a business is worth. The market approach based valuation methods establish the business value in comparison to similar businesses. The methods rely on the pricing multiples which determine a relationship between the business economic performance, such as its revenues or profits, and its potential selling price.

There is no peer group listed Company in the market. Hence, it is not possible to derive valuation based on market approach.

Income Approach

The Income approach methods determine the value of a business based on its ability to generate desired economic benefit for the owners. The key objective of the income-based methods is to determine the business value as a function of the economic benefit. The income approach takes a look at the core reason for running a business - making money. The business value is sought to be established in the present, the expected income and risk must be translated to today. Discounted Free Cash Flow Method is a popular method to do this translation under income approach:

7.1 Approach for the Proposed Valuation

In our opinion, under the income approach, the discounted free cash flow method would entail a greater scrutiny of the future expected business and earnings and the risks towards achieving the expectations can be appropriately discounted or premium added based on the overall economic conditions prevailing, the industry / sectoral business environment and the liquidity of investment available to the investor.

After considering the limitations of the asset approach and the market approach in relation to deriving fair valuation of Equity Shares of the Company, in our opinion, the discounted free cash flow method (hereinafter referred to as the 'DCF Method') under income approach would be reasonably suited for valuing the shares of the Company. Hence, this method is adopted for valuation purpose under this report.

8 VALUATION METHODOLOGY

8.1 Discounted Free Cash Flow Method:

Discounted Cash Flow model indicates the fair market value of a business based on the value of cash flows that the business is expected to generate in future. This method involves the estimation of post-tax cash flows for the projected period, after taking into account the business's requirement of reinvestment in terms of capital expenditure and incremental working capital. These cash flows are then discounted at a discounting rate that reflects the risks of the business and the capital structure of the entity. The objective is to find the value of an asset, given its cash flow, growth, and risk characteristics i.e. to estimate the intrinsic value of an asset based on its capacity to generate cash flows in the future.

The DCF method values the business by discounting its free cash flow for the explicit forecast period and the perpetuity value thereafter. The free cash flow represents the cash available for distribution to the owners of the business. The perpetuity value of the entity is calculated to fully capture the growth capacity of the Company to infinity, after the explicit period. Valuation takes into consideration the past growth rate of the concern as well as the future projections for the explicit period, while determining the perpetuity growth rate. The free cash flow and perpetuity are discounted. Discount reflects the risk of the business and capital structure of the entity. The objective is to find the value of an asset, given its cash flow, growth, and risk characteristics i.e. to estimate the intrinsic value of an asset based on its capacity to generate cash flows in the future.

9 FAIR VALUE OF EQUITY SHARES

Having regard to all the factors in their totality and after considering appropriate weightage of these factors, we have measured the anticipated fair value per equity share of the Company at **INR 1,51,872**. The working of valuation of equity shares of the Company is provided in Annexure – A.

10 LIMITATIONS AND DISCLAIMER

1. While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the Company. Our 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.
2. Our valuation is based on the information and the explanations furnished to us by the Management which we believe is complete in all material respect. The valuation analysis contained herein represents the value on the date specifically stated in this report.

3. The Enterprise Value method shall not be the absolute value but may be the relative values, which are of relevance. Further, the estimation of Enterprise Value 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 judgement, resulting in disputable value of the Enterprise.
4. The valuation analysis contained herein represents the value on the date specifically stated in this report. This report is issued on the understanding that the Management of the Company has drawn our attention to all matters of which they are aware, which may have impact on our report, for events and circumstances occurring after the date of this report. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.
5. We have relied upon Written/oral representation from the Management of the Company that the information contained in the report is materially accurate and complete, fair in the manner of its portrayal and therefore forms a reliable basis of the valuation.
6. We have no present or planned future interest in the Company and the fees for this report is not contingent upon the values reported herein.
7. Our Valuation Analysis should not be construed as investment advice. We do not express any opinion on the suitability or otherwise of entering into any transaction with the Company on the basis of our report.

11 DISTRIBUTION OF REPORT

Our report is meant for the purpose mentioned in paragraph 1 and should not be used for any purpose other than the purpose mentioned therein. We are aware that the conclusion in this report may be circulated / submitted to the Registrar of Companies or any statutory body and we provide consent for the same. The report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. We will not accept any liability to third parties to whom our Report may be shown or into whose hands it may come without our prior written consent.

For, Maitri Valuation Pvt. Ltd.

Prajapati Hitenkumar Jayantilal

Digitally signed by Prajapati Hitenkumar Jayantilal
Date: 2025.03.21 16:25:30 +05'30'

Hiten Prajapati
Director

Registered Valuer – Securities or Financial Assets
Registration no. IBBI/RV-E/11/2023/184
Date: 21st March, 2025

Annexure – A
Working of Valuation

(INR in Lacs)

Year Ended on March 31,	**2026**	**2027**	**2028**	**2029**	**2030**
Profit Before Tax	1,100.87	1,252.87	1,430.79	1,638.65	1,881.02
Add:					
Depreciation	33.15	29.84	26.85	24.17	21.75
	1,134.02	**1,282.70**	**1,457.65**	**1,662.81**	**1,902.77**
Less:					
Tax	277.09	315.35	360.13	412.45	473.45
Total	**856.93**	**967.36**	**1,097.52**	**1,250.37**	**1,429.32**
Less:					
Change in Fixed Asset	-	-	-	-	-
Change in Working Capital	626.50	589.45	674.89	772.88	885.24
Cash Flow	230.43	377.91	422.62	477.49	544.08
Discounting Factor	0.89	0.79	0.70	0.63	0.56
Discounted Cash Flow	204.43	298.47	297.15	298.89	303.19
Gross Cash for explicit period	**1,402.13**				

Terminal Value

Last Year Cash	303.19
Growth	5%
Cost of equity	12.33%
Terminal Value	**4,344.94**

Enterprise Value

Gross Cash for explicit period	1,402.13
Terminal Value	4,344.94
Enterprise Value as on March 20, 2025	5,747.07
Add:Cash	133.78
Add: Investments	225.93
Business Equity Value	6,106.79
Number of Shares	4,021
Value per Equity Share (Rs.)	**1,51,872**