BHAVIN PATEL
B.E. (Mech),
Cost Accountant
MIE, IBBI Regd Valuer
Chartered Engineer (I)

CMA
CEng
VALUER

BHAVIN R. PATEL & ASSOCIATES
Cost Accountant,
Valuer (Plant & Machinery),
Valuer (Land & Building),
Valuer (Securities & Financial Assets),
Chartered Engineer.

Date: February 03, 2020

To
The Board of Directors
G V Electricals Private Limited
Gala MP/ 207, Hammer Smith Industrial Premises,
CHS Ltd., Narayan Pathare Marg,
Sitladevi Temple Road, Mahim,
Mumbai, Maharashtra – 400016

Subject: **Recommendation of price of Equity Shares for the purpose of Transfer of Equity Shares.**

Dear Sir/Madam,

We have performed a valuation engagement in respect of "G V Electricals Private Limited" (referred hereinafter as "the Company") vide letter dated January 27, 2020. This valuation was performed on fair value based solely to assist in the matter of Transfer of equity shares of the Company.

The resulting estimate of value should not be used for any purpose or by any other party for any purpose other than the one identified above.

Based on our analysis, as described in this valuation report, the estimate of value of G V Electricals Private Limited as at March 31, 2019 was **INR 18,760.92/- per share** for Equity Shares.

This conclusion is subject to the Statement of Assumptions and Limiting Conditions found in the later part of this report. A detailed working of the valuation can be found in **Annexure-A** of this report. We have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of this report.

A. Background information of the asset being valued

G V Electricals Private Limited is a private company limited by shares. It was incorporated on February 28, 1985 under the provisions of the Companies Act, 1956. Its Corporate Identity number is U28920MH1985PLC035529. The registered office of the company is situated at Gala MP/ 207, Hammer Smith Industrial Premises CHS Ltd., Narayan Pathare Marg, Sitladevi Temple Road, Mahim, Mumbai, Maharashtra – 400016.

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The Board of Directors as on March 31, 2019 were as follows:

Name of Directors	**Designation**
Jawed Akhtar	Director
Sunil Lakshman Vatsa	Director
Anil Sadashiv Rajwade	Director

List of shareholdings as on March 31, 2019 were as follows:

S.No.	**Name of Shareholders**	**No. of equity shares**
1.	Jawed Akhtar	1981
2.	Sunil Lakshman Vatsa	2000
3.	Anil Rajwade	40
	Total	**4021**

B. Purpose of the Valuation and appointing authority

To arrive at the value of equity shares for the purpose of Transfer of equity Shares.

C. Identity of the Registered Valuer and any other expert involved in the Valuations:

Name of the Valuer	Bhavin R Patel
IBBI Registration Number	IBBI/RV/05/2019/11668

D. Identity of the Registered Valuer and any other expert involved in the Valuations:

We have not used the work of any other experts in the valuation assignment. We hereby confirm and explicitly declare that we do not have any interest, direct or indirect, in the underlying business being valued.

E. Date of appointment, valuation date and date of the valuation report:

Date of appointment	January 27, 2020
Valuation date	March 31, 2019
Date of valuation report	February 03, 2020

F. Inspections and / or investigations undertaken:

We have not carried out any inspection or independent verification of the information provided. We have relied on the publicly available information, board approved

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audited financial statements and other financial and non-financial information made available to us as well as the representations made to us during this engagement.

G. Nature and sources of the information used or relied upon:

In the course of our valuation analysis, we have relied on various financial and non-financial information obtained from the Company and from various public, financial and industry sources. We 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 authority and accurate in all material respects.

The principal sources of Information used in the course of our valuation include, inter alia:

1. Company specific information

a) Audited financial statement as on March 31, 2019;
b) Management Representation Letter;
c) Discussions with the Management;
d) In addition to the above, we have also obtained such other information and explanations which were considered relevant for the purpose of the Analysis.

It is important to note that we have relied upon the information provided to us and referred to above. We have not endeavored to seek an independent confirmation of its reliability, accuracy or completeness beyond what is reasonably necessary and prudent in the circumstances. We have not performed any form of audit or verification of the information that we have relied upon. Accordingly, the Valuer accepts no responsibility for any errors in the information on which the valuation conclusions are based.

H. Procedures adopted in carrying out valuation and valuation standards followed:

Our analysis of value of G V Electricals Private Limited is based on the International Valuation Standards and the prescriptions laid down in Companies (Registered Valuers and Valuation) Rules, 2017.

Some of the key procedures in carrying out the valuation engagement are:

a. Understanding the nature and purpose of the transaction.
b. Selection of the most appropriate valuation base.
c. Identifying the premise of value which refers to the conditions and circumstances how asset is deployed.
d. Selection of the valuation approach and the corresponding valuation methodology. The standard valuation approaches and methodologies are as below:

    i. Market Approach
        a. Market Price Method
        b. Comparable Companies Multiple Method
        c. Comparable Transaction Multiple Method

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ii. <u>Income Approach</u>
   a. Discounted Cash Flow (DCF) Method
   b. Relief from Royalty (RFR) Method
   c. Multi-Period Excess Earnings Method
   d. With and Without Method (WWM)

iii. <u>Cost Approach</u>
   a. Replacement Cost Method
   b. Reproduction Cost Method

e. Performing the valuation engagement and arriving at the valuation conclusion

I. Valuation methodology used:

Asset approach –Net Asset Value Method (NAV)

Net Book value represents equity value which is after reducing all external liabilities and preference shareholders claim, if any, from the aggregate value of all assets, as valued and stated in the balance sheet

The fair market value (FMV) of unquoted equity shares = (A+B+C+D –L) * (PV)/ (PE),

Where,

A = BV of all the assets (other than jewellery, artistic work, shares, securities and immovable property) in the balance- sheet as reduced by –

1. Any amount of income – tax paid, if any, less the amount of income – tax refund claimed, if any; and
2. Any amount shown as asset including the unamortized amount of deferred expenditure which does not represent the value of any asset;

B = The price which the jewellery and artistic work would fetch if sold in the open market on the basis of the valuation report obtained from a registered valuer;

C = FMV of shares and securities as determined in the manner provided in this rule;

D = the value adopted or assessed or assessable by any authority of the Government for the
purpose of payment of stamp duty in respect of the immovable property;

L = Book value of liabilities shown in the balance sheet, but not including the following and amounts, namely : -

1. The paid-up capital in respect of equity share;

2. The amount set apart for payment of dividend on preference shares and equity shares where such dividend have not been declared before the date of transfer at a General Body Meeting of the Company;

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3. Reserve and surplus by whatever name called even if the resulting figure is negative, other than those set apart towards depreciation;

4. Any amount representing provision for taxation, other than amount of income tax paid, if any, less the amount of income tax claimed as refund, if any, to the extent of the excess over the tax payable with reference to the book profits in accordance with the law applicable thereto;

5. Any amount representing provision made for meeting liabilities, other than ascertained liabilities;

6. Any amount representing contingent liability other than arrears of dividend payable in respect of cumulative preference shares;

PV = the paid-up value of such equity share;
PE = total amount of equity share capital as shown in the balance sheet

The valuation analysis has been conducted in accordance with method prescribed above. Detail of Calculation is attached herewith as **Annexure -A**

J. <u>Restrictions on use of the valuation report, if any:</u>

This valuation report is meant for use for the limited purpose of Transfer of equity shares as on the valuation date or on a date close to 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 we believe to be accurate. We accept no responsibility for any errors in the information on which the valuation conclusions are based.

K. <u>Major factors that were taken into account during the valuation:</u>

Based on discussion with the Management, we understand that the company wants to Transfer of equity shares. Hence the management of the company wants to know the fair value of its Equity shares for the purpose of Transfer of Shares.

L. <u>Conclusion:</u>

Based on the valuation exercise carried out by us in terms of the methodology identified above, our estimate of fair value of the equity shares for G V Electricals Private Limited is **INR 18,760.92/-**. A detailed working of the value is presented in **Annexure-A** to this report.

M. <u>Caveats, limitation and disclaimers to the extent they explain or elucidate the limitations faced by Valuer:</u>

1. The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation and may not be used out of the context presented herein.

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2. Public information, estimates, industry and statistical information contained in this report have been obtained from sources considered to be reliable. However, we independently did not verify such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.

3. The company and its representatives warranted to us that the information supplied to us was complete and accurate to the best of their knowledge and that the financial information properly reflects the business conditions and operating results for the respective periods in accordance with generally accepted accounting principles. Information supplied to us has been accepted as correct without any further verification. In the course of performance of this valuation engagement, we have not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information in this report.

4. Our engagement for this valuation consulting work does not include any procedures designed to discover any defalcations or other irregularities, should any exist.

5. Financial information of the subject company is included solely to assist in the development of a value conclusion presented in this report and should not be used to obtain credit or for other purpose. Because of the limited purpose of the information presented, it may be incomplete and contain departures from generally accepted accounting principles. We have not audited, reviewed or compiled this information and express no assurance on it as a part of this report.

6. Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it nor may it be used for any purpose by anyone other than those enumerated in this report without the written consent of the Valuer. This report and the conclusion of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein.

7. The report and conclusion of value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The conclusion of value represents the considered opinion of the Valuer, based on information furnished to them by the client and other sources.

8. This valuation reflects facts and conditions existing or reasonably foreseeable at the valuation date. Subsequent events have not been considered, and we have no obligation to update our report for such events and conditions.

9. The Valuer, by reason of this valuation, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

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10. No change of any item in this valuation/conclusion report shall be made by anyone other than the Valuer, and we shall have no responsibility for any such unauthorized change.

Yours faithfully,

Bhavin R Patel
IBBI Registered Valuer
Securities and Financial Assets
Regn No: IBBI/RV/05/2019/11668

Annexure -A

G V Electricals Private Limited

(Basis Audited financial statements as on March 31, 2019)

Amount in INR

		Description	Amounts	Total
A		Book value of all the assets (other than jewellery, artistic work, shares, securities and immovable property) in the balance-sheet as reduced by	26,45,32,422.00	
Less	(i)	any amount of income-tax paid, if any, less the amount of income-tax refund claimed, if any		
	(ii)	any amount shown as asset including the unamortised amount of deferred expenditure which does not represent the value of any asset	-	
Sub Total (A)				26,45,32,422.00
B		The price which the jewellery and artistic work would fetch if sold in the open market on the basis of the valuation report obtained from a registered valuer	-	
Sub Total (B)				-
C		Fair market value of shares and securities as determined in the manner provided in this rule		
	(i)	Investments in subsidiaries, joint ventures and associates		
	(ii)	Investments in mutual funds and commercial papers		
Sub Total (C)				-
D		The value adopted or assessed or assessable by any authority of the Government for the purpose of payment of stamp duty in respect of the immovable property		
	(i)	Leasehold Land and Freehold Land	-	
	(ii)	Building	-	

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Sub Total (D)		-

L		**Book value of liabilities shown in the balance-sheet, but not including the following amounts, namely**	26,45,32,422.00	
Less	(i)	the paid-up capital in respect of equity shares	4,02,100.00	
	(ii)	the amount set apart for payment of dividends on preference shares and equity shares where such dividends have not been declared before the date of transfer at a general body meeting of the company		
	(iii)	reserves and surplus, by whatever name called, even if the resulting figure is negative, other than those set apart towards depreciation	7,50,35,578.00	
	(iv)	any amount representing provision for taxation, other than amount of income-tax paid, if any, less the amount of income-tax claimed as refund, if any, to the extent of the excess over the tax payable with reference to the book profits in accordance with the law applicable thereto	-	
	(v)	any amount representing provisions made for meeting liabilities, other than ascertained liabilities		
	(vi)	any amount representing contingent liabilities other than arrears of dividends payable in respect of cumulative preference shares	-	
Sub Total (L)				18,90,94,744.00
E	**Total Fair market value of shares (A+B+C+D-L)**			**7,54,37,678.00**
PV	Paid up value per equity share			100
PE	Total amount of paid up equity share capital			4,02,100.00
Value per share of unquoted equity shares (E*PV/PE)			In INR	**18,760.92**

Notes:	
1	If there is any change in the numbers / information provided, the workings are subject to change. We do not assume any responsibility for the change in these workings, or their up-dation
2.	We have relied on the financial statements provided by the Management, and have not inde-pendently verified the correctness of the same
3.	We have assumed that the advance tax paid / tax deducted at source has been appropriately recorded in the financial statements. Further, we assume that the entire amount of advance tax paid / tax deducted at source, net of any tax liability, shall be claimed as refund from the income-tax authorities.
4.	We have assumed that the non-current and current provisions forming part of the financial statements as on March 31, 2019 are ascertained provisions and there are no unascertained provisions included

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