

Valuation of equity shares for compliance with  
Regulation 164 read with Regulation 166A of Securities  
and Exchange Board of India (Issue of capital and  
Disclosure requirements) Regulation 2018 as amended  
by Securities and Exchange Board of India (Issue of  
capital and Disclosure requirements) (Amendments)  
Regulation, 2023

**Purpose: Preferential Allotment of Equity Shares & Warrants**

For

**TruCap Finance Limited**  
**CIN: L64920MH1994PLC334457**

**Report Date: 26<sup>th</sup> May 2025**

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Strictly private and confidential

**Date: 26<sup>th</sup> May 2025**

To,  
The Board of Directors  
TruCap Finance Limited (TCFL)  
4<sup>th</sup> Floor, A – Wing D.J. House, Old Nagardas Road,  
Andheri East , Mumbai, Maharashtra, India - 400069.

**SUBJECT: VALUATION OF EQUITY SHARES OF TRUCAP FINANCE LIMITED (TCFL).**

Dear Sir/Madam,

This valuation report is prepared to value the equity shares of TCFL for a preferential issue of shares under the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR 2018).

In this connection, TCFL has requested Deepanjan Periwai, Registered Valuer, to carry out the valuation of equity shares based for compliance with Regulation 164 read with Regulation 166A of the Securities and Exchange Board of India (Issue of capital and Disclosure requirements) Regulation 2018 as amended by Securities and Exchange Board of India (Issue of capital and Disclosure requirements) (Amendments) Regulation, 2023.

The valuation workings are detailed in **Annexure I** below. As per the attached annexure, in accordance with SEBI guidelines, the issue price **must be equivalent to or higher** than the Floor Price under Reg 164 or Fair Value under Reg 166A (including control premium). Hence, the issue price is recommended at **Rs. 9.88 (Indian Rupee Nine and Eighty Eight Paise Only)**.

This certificate has been prepared by Deepanjan Periwai and has been prepared solely for the purpose as stated above and has to be read along with the annexure which is appended to this certificate.

Thanking you,

**For DEEPANJAN PERIWAL  
IBBI REGISTERED VALUERS**

**Deepanjan Periwai  
Reg No.: IBBI/RV/06/2020/13107**

Place: Mumbai

## **I. PURPOSE**

We have been engaged by TCFL having Registered office at 4<sup>th</sup> Floor, A – Wing D.J. House, Old Nagardas Road, Andheri East, Mumbai, Maharashtra, India - 400069. for the purpose of valuation of equity shares of TCFL ("**TCFL**" / "**Company**").

TCFL is evaluating the fair market value of equity shares under preferential issue of shares under the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR 2018). Since the Board of the Directors proposed to issue equity shares more than 5% to the proposed allottees, which also involves change in the control and management of TCFL, TCFL requires Valuation of its shares for issuing shares in terms of the amended Regulation 166A of SEBI ICDR 2018.

Accordingly, as per the request received from the company, we are valuing the Equity Shares of the Company.

## **II. ABOUT THE VALUER**

Mr. Deepanjan Periwal is an Independent valuer and he is registered with Insolvency and Bankruptcy Board of India ("IBBI") with Registration No.: IBBI/RV/06/2020/13107 for the purpose of carrying out the said valuation of equity shares.

## **III. BACKGROUND / INFORMATION ABOUT THE TCFL**

TCFL is based at Mumbai and Incorporated in the year 1994. The Registered office of the Company is situated at 4<sup>th</sup> Floor, A – Wing D.J. House, Old Nagardas Road, Andheri East, Mumbai, Maharashtra, India - 400069.

Incorporated in 1994, TruCap Finance Ltd is in the business of Fund based activities and Advisory services. It is a Non Systemically Important Non Deposit Taking Non Banking Financial Company.

It is a specialized MSME lender which provides access to affordable credit solutions to entrepreneurs. It provides financing options to the relatively under-banked micro, small & medium enterprises (MSME) and low-to-mid income (LMI) groups, offering a range of secured and unsecured financing products:

**Services Offered:** a) Business Loan - Company provides a collateral free loan, b) Gold Loan - Company provides a secured loan against gold and c) Green Energy Finance

**Tru Platform:** a) Dhanvarsha: This provides Loan and Value Added Services through offline hubs located in MSME hubs, b) Dhansetu - Digital loan and payment system, c) Project Dhan Sakhi - This is for promoting women led micro enterprises and d) Mony Rabbit - Credit health and financial wellness tool with micro lending capability

**Cluster-based Distribution Network:**

Company has centers in Maharashtra, Madhya Pradesh, Rajasthan, Delhi NCR/ Haryana, Gujarat, Punjab, Goa. These centers cater to MSME customers for Gold & Business Loans.

The Company is presently listed on BSE Limited (BSE) (Unique ID: 520268) and National Stock Exchange of India Limited (NSE) (Unique ID: TRU).

**Directors and Key Managerial Persons**

Sr. No	DIN/PAN	Name	Designation
1	01641934	Nirmal Vinod Momaya	Director
2	07529826	Krishipal Tarachand Raghuvanshi	Director
3	08342094	Rohanjeet Singh Juneja	Managing Director & CEO
4	08204049	Rajiv Kapoor	Director
5	09239511	Porter Atwood Collins	Director
6	01277168	Abha Kapoor	Director
7	01042204	Rushina Nimir Mehta	Director
8	ADXP7005P	Sanjay Kukreja	CFO
9	DWQPS5949H	Sonal Jagdish Sharma	CS

**IV. SHARE HOLDING PATTERN OF TCFL**

The Share Capital of the Company as on 31st Mar, 2025 on a fully diluted basis is as under:

(Amount in Rs.)

Particulars	No. of Equity Shares	Face Value per Equity share	Amount
Issued, subscribed and paid-up Capital	11,68,99,371	2	23,37,98,742
ESOP outstanding as on close of working hours on May 25, 2025	19,62,500		
Share Warrants outstanding as on close of working hours on May 25, 2025	65,42,372		
<b>Total</b>	<b>12,54,04,243</b>		

Shareholding Pattern as on 31<sup>st</sup> Mar 2025 is as follows:

Particulars	No. of Equity Shares	% of Holding
Promoter & Promoter Group	4,18,00,220	35.76
Public	7,50,99,151	64.24
<b>Total</b>	<b>11,68,99,371</b>	<b>100.00</b>

(Source: Shareholding Pattern as on 31<sup>st</sup> Mar, 2025 filed with NSE)

**V. APPOINTING AUTHORITY**

We were assigned with this project of valuation of the Equity shares of the Company via the engagement letter dated 12<sup>th</sup> May 2025

**VI. DISCLOSURE OF VALUER'S INTEREST/ CONFLICT:**

The Valuer is not related to the TCFL or its promoters or its director or their relatives. The valuer does not have any interest or conflict of interest with respect to the valuation under consideration.

**VII. SOURCE OF INFORMATION**

For the purpose of valuation, we have relied on the following information provided by TCFL and also the information available on Public Domain related to TCFL and other information as required for the purpose of valuation:

**Information provided by TCFL:**

- Brief background of the business of the Company.
- Memorandum and Articles of Association of the Company (Latest and amended, if any).

- Financial Statement for the period Ending on 31<sup>st</sup> Mar 2025.
- Unaudited Profit & Loss Account, Balance Sheet and cash flow statement for year ended Mar 31, 2025.
- Projected Profit & Loss Account, Balance Sheet and cash flow statement for YE Mar 2026 to YE Mar 2030
- Discussion with the management on various business specific parameters and functioning.

#### **Information obtained from Public Domain:**

- Audited Financial Statements for FYE 19, FYE 20, FYE 21, FYE 22, FYE 23 and FYE 24.
- Latest Shareholding Pattern on 31<sup>st</sup> Mar 2025.
- Market prices available on BSE / NSE Websites.
- PE Ratio for most comparable companies.
- Other Information available in the Public Domain.

### **VIII. APPROACH CONSIDERED IN OUR VALUE ANALYSIS**

#### **General Principle for Valuation**

There is no single definition of the term 'Value' that is always suitable for all purposes or at all times. The value of a particular asset may vary according to different valuation methodologies that are adopted to ascertain the value for a specific purpose. Valuation of securities is an inexact science. It may sometimes involve a set of judgments and assumptions that may be subject to certain uncertainties.

#### **Broadly followed Valuation approaches are as follows:**

- ✓ Book Value Approach (BV)
- ✓ Comparable Company Multiple Approach (CCM)
- ✓ Market Approach (MA)
- ✓ Income Approach (FCF)

The application of any method of valuation depends on the purpose for which the valuation exercise is performed; relevance of each method under the circumstances of the case and other factors as determined appropriate. The brief methodology in each of the three approaches as mentioned above is as mentioned hereunder:

- **Book Value (BV) Approach:** This method considers the Net value of the assets of the business, or the net worth as represented in the financial statements of the Company. For the purposes of arriving at Book Value per share, the net worth so arrived at shall be divided by the total number of outstanding equity shares issued and paid-up.
- **Comparable Company Multiple (CCM) Approach:** Comparable Company Analysis is a relative valuation method in which a company's value is derived from comparisons to the current stock prices of similar companies in the market. Once the peer group of comparable companies and the appropriate valuation multiples have been established, the median or mean multiple of the peer group is applied to the corresponding metric of the target company to arrive at its comps-derived valuation.
- **Market Approach (MV):** The market approach is a method of determining the value of shares based on the quoted price in the respective stock exchange where the shares have been listed.
- **Income Approach (AI):** Under Income approach, For a Non-Banking Financial Company (NBFC), the Free Cash Flow (FCF) method is generally more appropriate, considering FCF specifically measures the cash flow available to the company's equity shareholders after all expenses, debts, and reinvestment needs. Since NBFCs rely on debt financing and their capital structure can significantly impact their valuation, FCF provides a clearer picture of the equity value by accounting for the financial leverage used by NBFCs.

## IX. SELECTION OF VALUATION METHODOLOGY

The objective of the valuation process is to make a best reasonable judgment of the value of the Equity Shares of the Company. The Company's Equity shares are presently listed on BSE and NSE and are frequently traded at BSE and NSE. However, the Company has highest trading volume at NSE.

Further, since the Company proposed to issue equity warrants more than 5% to the allottee, in terms of the provisions of Regulation 166 of SEBI ICDR 2018, as amended upto date, TCFL requires Valuation of its Equity shares for issuing such Equity Shares and Warrants on preferential basis. Accordingly, the minimum price shall be equivalent to or higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164 or the price determined by the independent registered Valuer, or the price determined in accordance with the provisions of the Articles of Association of the issuer.

Provided further that if any proposed preferential issue is likely to result in a change in control of the issuer, the valuation report from the registered valuer shall also cover guidance on control premium, which shall be computed over and above the price determined in terms of the first proviso:

Therefore, for the evaluation of fair valuation, we, being an independent Valuer, have considered best reasonable judgment to value the equity shares through weighted average of Market Approach (Price calculated in terms of sub-regulation (1), (2) or (4) of regulation 164 of SEBI ICDR 2018) and Net Asset Value and comparable company multiple approach.

Further, the Equity Shares of the Company is frequently traded at the BSE and NSE and highest trading volume at NSE and Price in terms of sub-regulation (1), (2) or (4) of regulation 164 of SEBI ICDR 2018 has been determined considering 26<sup>th</sup> May 2025 as relevant date in terms of SEBI ICDR 2018 as follows:

Minimum of the Higher of the price determined through following methods was considered:

- Price determined under sub-regulation (1), (2) or (4) of regulation 164 of SEBI ICDR Regulations as per following provisions i.e. price shall be not less than higher of the following:
- ✓ The 90 (ninety) trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or
- ✓ The 10 (ten) trading days volume weighted average price of the related on the recognized stock exchange preceding the relevant date

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

**The minimum price per Equity Share in accordance with Regulation 164 of the SEBI (ICDR) Regulations is calculated at INR 9.88 per equity share as per Annexure 1/A and we, being an Independent Valuer, have calculated INR 9.41 per equity shares as the fair value price of each Equity Share in accordance with Regulation 166A of the SEBI (ICDR) Regulations.**

In accordance with Regulation 166A of the SEBI (ICDR) Regulations, 2018, this valuation report considers a control premium of 10% over the fair market value of equity shares, justified by the strategic acquisition of controlling stake through promoter buyout and preferential allotment. The premium is in line with market norms and reflects the strategic benefits and rights accruing to the acquirer. In the Kotak Mahindra Bank's acquisition of ING Vysya Bank, a control premium of approximately 16% was paid. However, considering the relative size, liquidity, and risk differentials between the subject company (TCFL) and large-cap listed banks, and in light of market benchmarks for mid-cap financial institutions, a 10% control premium is deemed reasonable and consistent with industry practice.

Following is the summary of the Valuation:

Particulars	Value Per Share in INR
Value per Share as per Regulation 164(1) of SEBI ICDR 2018 - <b>as per Annexure-1/A</b>	9.88
Particulars	Value Per Share in INR
Fair Value per Share- <b>as per Annexure-1/B.</b>	8.56
Price Calculated as per Articles of Association of the Company <b>as per Annexure-1/C</b>	8.56
Minimum price per Equity Share as per regulation 166A of SEBI ICDR 2018 before giving effect to change of control <b>Whichever is higher as above</b>	<b>8.56</b>
Control Premium due to change in Control of the Issuer	10%
<b>Minimum price per Equity Share as per regulation 166A of SEBI ICDR 2018 after giving effect to change of control of the issuer</b>	<b>9.41</b>

## X. VALUATION & CONCLUSION

In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment considering all the relevant factors.

***The Fair Market Value per equity share of TCFL is the higher of Value of shares as per Regulation 164 read with Regulation 166A of the SEBI ICDR Regulations, i.e. INR 9.88/- (Indian Rupees Nine and Eighty Eight Paise only).***

## XI. LIMITATIONS AND DISCLOSURES

- Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While we have provided an assessment of the value based on the information available, application of certain formulae and within the scope and constraints of our engagement, others may place a different value to the same.
- Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have, therefore, not performed any audit, review, due diligence, or examination of any of the historical or prospective information used and therefore, does not express any opinion with regards to the same.
- No investigation on the Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the liabilities in the books. Therefore, no responsibility is assumed for matters of a legal nature.
- Our work does not constitute an audit or certification of the historical financial statements/prospective results including the working results of the Company referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation mentioned in the report as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- During the valuation, we were provided with both written and verbal information. We have, however, evaluated the information provided to us 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. Our conclusions are

based on the assumptions, forecasts and other information given by the Company. We assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise.

- Our valuation is inter-alia based in the estimates of future cash flows as projected by the Management, which represents their view of reasonable expectations at the point of time when they were prepared based on assumptions and after giving due considerations to the commercial and financial aspects of the Company and the industry in which the Company operate and taking into account the current economic scenario. The realization of the projections will be dependent on continuing validity of assumptions on which they are based and the actual results are likely to be different from the projected results due to events and circumstances not occurring as expected and such differences could be material. Such information and estimates are not offered as assurances that the particular level of income or profit will be achieved, or events will occur as predicted. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.
- A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Company and any other matter, which may have an impact on our opinion, on the fair value of the Equity shares of the Company including any significant changes that have taken place or are likely to take place in the financial position of the Company. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- Any person/party intending to provide finance/invest in the shares/business of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- The decision to carry out the transaction (including consideration thereof) based on this valuation lies entirely with TCFL and our work and our finding shall not constitute a recommendation as to whether the TCFL/ Company should carry out the transaction.
- Our report is meant for the purpose as mentioned and should not be used for any purpose other than the purpose mentioned therein. 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.
- Neither Valuer, nor its partners/directors, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness, or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim all liability for or based on or relating to any such information contained in the valuation.

**Deepanjan Periwal**  
**(Registered Valuer)**  
**IBBI/RV/06/2020/13107**

**Date: 26<sup>th</sup> May, 2025**  
**Place: Mumbai**



## **Annexure-1/A**

### **Verification of Companies shares as Frequently traded or not frequently Traded:**

For the purpose of SEBI ICDR 2018, Frequently traded shares means the 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:

Provided that where the share capital of a particular class of shares of the issuer is not identical throughout such period, the weighted average number of total shares of such class of the issuer shall represent the total number of shares.

Explanation: For the purpose of this regulation, 'stock exchange' means any of the recognized stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.

<b>Particulars</b>	<b>Volume</b>
Total Traded Turnover in BSE in 90 Trading Days (10 <sup>th</sup> Jan 2025 to 23 <sup>rd</sup> May 2025)	70,40,582
Total Traded Turnover in NSE in 90 Trading Days (10 <sup>th</sup> Jan 2025 to 23 <sup>rd</sup> May 2025)	2,77,14,517
Maximum Traded Turnover in Exchange (Higher of A and B)	NSE

<b>Particulars</b>	<b>Volume</b>
Total Number of Equity Shares (Outstanding as on 31 <sup>st</sup> Mar 2025)	11,68,99,371
Total Volume in NSE in 240 Trading Days (5 <sup>th</sup> Jun 2024 to 23 <sup>rd</sup> May 2025)	47,66,02,888
% Share Traded (A/B)	408%

### **Calculation of Price as per regulation 164(1) of SEBI ICDR 2018.**

As per SEBI ICDR 2018, the Company's Equity shares are Frequently Traded (note 1) at BSE and NSE and has highest trading volume at NSE. If the equity shares of the issuer have been listed on a recognized stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

<b>Particulars</b>	<b>Amount</b>
The 90 trading days volume weighted average price at NSE (10 <sup>th</sup> Jan 2025 to 23 <sup>rd</sup> May 2025) (A)	9.88
The 10 trading days volume weighted average price at NSE (10 <sup>th</sup> Jan 2025 to 23 <sup>rd</sup> May 2025) (B)	8.93
Higher of Above (A or B)	9.88

**Note (1)**

The 90 trading days volume weighted average price quoted at NSE during the 90 trading days preceding the relevant date from 10<sup>th</sup> Jan 2025 to 23<sup>rd</sup> May 2025:

Days	Date	VOLUME	VALUE	Days	Date	VOLUME	VALUE	Days	Date	VOLUME	VALUE
1	23-May-25	78,483	7,80,905.85	31	07-Apr-25	1,39,517	11,42,411.72	61	19-Feb-25	14,67,356	1,63,91,749.72
2	22-May-25	99,490	9,37,663.09	32	04-Apr-25	4,81,106	41,36,534.55	62	18-Feb-25	1,32,040	15,40,472.51
3	21-May-25	3,44,425	30,77,543.05	33	03-Apr-25	1,24,076	10,21,145.48	63	17-Feb-25	2,21,122	27,81,587.93
4	20-May-25	1,63,001	14,18,861.18	34	02-Apr-25	74,174	5,79,629.52	64	14-Feb-25	1,94,741	25,64,062.57
5	19-May-25	3,22,373	28,84,919.99	35	01-Apr-25	72,246	5,32,763.47	65	13-Feb-25	1,45,722	19,13,143.52
6	16-May-25	7,09,527	65,16,356.58	36	28-Mar-25	22,76,947	1,63,44,690.99	66	12-Feb-25	2,61,904	31,88,195.08
7	15-May-25	6,95,681	62,16,385.41	37	27-Mar-25	6,16,827	45,94,837.30	67	11-Feb-25	1,65,546	20,20,445.65
8	14-May-25	74,656	6,33,176.85	38	26-Mar-25	4,16,179	32,55,140.66	68	10-Feb-25	1,79,884	22,91,611.08
9	13-May-25	64,741	5,25,696.92	39	25-Mar-25	2,33,158	19,44,329.28	69	07-Feb-25	2,35,411	30,60,343.22
10	12-May-25	1,72,866	13,37,982.84	40	24-Mar-25	5,36,778	47,36,059.27	70	06-Feb-25	8,53,817	1,18,54,600.50
11	09-May-25	1,02,161	7,53,948.18	41	21-Mar-25	4,58,686	40,00,608.11	71	05-Feb-25	3,03,599	42,62,529.96
12	08-May-25	16,375	1,18,555.00	42	20-Mar-25	5,70,513	46,32,249.54	72	04-Feb-25	59,857	8,00,886.66
13	07-May-25	58,023	4,11,963.30	43	19-Mar-25	4,59,890	36,86,933.34	73	03-Feb-25	5,67,566	72,07,558.45
14	06-May-25	1,14,621	7,91,067.38	44	18-Mar-25	7,72,192	63,70,804.27	74	01-Feb-25	4,98,160	60,05,610.52
15	05-May-25	90,255	6,18,375.11	45	17-Mar-25	4,05,930	35,41,178.04	75	31-Jan-25	14,30,110	1,61,99,252.52
16	02-May-25	80,648	5,45,468.65	46	13-Mar-25	4,21,129	38,56,173.73	76	30-Jan-25	1,58,594	18,01,627.84
17	30-Apr-25	65,415	4,47,263.30	47	12-Mar-25	1,82,273	17,73,908.38	77	29-Jan-25	1,24,922	14,49,095.20
18	29-Apr-25	34,736	2,39,622.43	48	11-Mar-25	6,48,130	64,82,465.36	78	28-Jan-25	67,869	8,03,568.96
19	28-Apr-25	1,53,211	10,30,262.24	49	10-Mar-25	3,10,452	33,04,452.22	79	27-Jan-25	43,339	5,23,968.51
20	25-Apr-25	1,66,256	11,26,040.48	50	07-Mar-25	2,90,309	31,54,939.79	80	24-Jan-25	42,605	5,25,745.70
21	24-Apr-25	4,93,338	32,82,812.57	51	06-Mar-25	2,01,317	22,18,922.60	81	23-Jan-25	1,14,319	14,40,419.40
22	23-Apr-25	2,61,437	17,67,314.12	52	05-Mar-25	3,15,912	33,76,474.58	82	22-Jan-25	1,16,164	14,93,869.04
23	22-Apr-25	1,50,022	10,35,151.80	53	04-Mar-25	4,44,383	47,07,904.90	83	21-Jan-25	1,63,038	21,40,688.94
24	21-Apr-25	2,76,809	19,51,503.45	54	03-Mar-25	5,31,598	60,72,371.17	84	20-Jan-25	89,656	12,01,390.40
25	17-Apr-25	1,42,122	10,23,278.40	55	28-Feb-25	6,75,620	78,99,679.48	85	17-Jan-25	54,409	7,44,315.12
26	16-Apr-25	3,53,077	26,14,421.86	56	27-Feb-25	1,92,988	21,53,746.08	86	16-Jan-25	81,601	11,39,149.96
27	15-Apr-25	1,05,478	7,95,377.48	57	25-Feb-25	2,24,912	23,40,869.08	87	15-Jan-25	48,980	6,97,965.00
28	11-Apr-25	34,826	2,70,155.45	58	24-Feb-25	3,97,964	41,16,087.00	88	14-Jan-25	59,813	8,70,279.15
29	09-Apr-25	28,740	2,25,034.20	59	21-Feb-25	7,03,361	75,73,198.24	89	13-Jan-25	78,193	11,61,166.05
30	08-Apr-25	34,513	2,75,758.87	60	20-Feb-25	9,50,575	1,04,45,637.82	90	10-Jan-25	1,37,732	20,88,017.12
							<b>Total Value</b>				<b>27,38,12,328</b>
							<b>Total Volume</b>				<b>2,77,14,517</b>
							<b>90 Days Trading Average</b>				<b>9.88</b>

**Note (2)**

Market Price (10 trading days volume weighted average price quoted at NSE during the 10 trading days preceding the relevant date i.e. 26<sup>th</sup> May, 2025):

Days	Date	VOLUME	VALUE
1	23-May-25	78,483	7,80,905.85
2	22-May-25	99,490	9,37,663.09
3	21-May-25	3,44,425	30,77,543.05
4	20-May-25	1,63,001	14,18,861.18
5	19-May-25	3,22,373	28,84,919.99
6	16-May-25	7,09,527	65,16,356.58
7	15-May-25	6,95,681	62,16,385.41
8	14-May-25	74,656	6,33,176.85
9	13-May-25	64,741	5,25,696.92
10	12-May-25	1,72,866	13,37,982.84
<b>Total Value</b>			<b>2,43,29,492</b>
<b>Total Volume</b>			<b>27,25,243</b>
<b>10 Days Trading Average</b>			<b>8.93</b>

**Calculation of Fair Value using different method as per Independent Valuer:****1. Book Value Method**

For arriving at Book Value method, financial data was available till the period ending 31<sup>st</sup> Mar 2025 and thus, Book Value per Equity shares has been calculated as on 31<sup>st</sup> Mar 2025:

<b>Particulars</b>	<b>As at March 31, 2025</b>
<b>Assets</b>	
Financial Assets	
( a ) Cash and cash equivalents	3,806.12
( b ) Bank balances other than cash and cash equivalents	5,801.90
(c ) Receivables	-
(i) Trade receivables	4,188.97
(ii) Other receivables	-
( d ) Loans	45,773.13
(e ) Investments	4,203.48
( f ) Other financials assets	1,354.01
<b>Total financial assets</b>	<b>65,127.61</b>
Non Financials Assets	
( a ) Current tax assets (net)	494.22
( b ) Deferred tax assets (net)	1,583.21
(c ) Property, plant and equipment	1,256.52
( d ) Right of use assets	183.98
( e ) Capital work in progress	-
(f) Intangible assets under development	26.26
( g ) Other Intangible assets	604.66
( h ) Other non-financials assets	647.25
<b>Total non financials assets</b>	<b>4,796.10</b>
<b>Total Assets</b>	<b>69,923.71</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
Financial Liabilities	
(a) Payables	
(i) Trade payables	
Total outstanding dues of micro enterprises and small enterprises	8.03
Total outstanding dues of creditors other than micro enterprises and small enterprises	206.86
(ii) Other payables	
Total outstanding dues of micro enterprises and small enterprises	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-
( b ) Debt Securities	21,175.71
(c ) Borrowings (Other than Debt Securities)	30,871.98
( d ) Other financial liabilities	363.78
<b>Total financial liabilities</b>	<b>52,626.36</b>
Non-Financial Liabilities	
( a ) Current tax liabilities (net)	-
( b ) Provisions	145.57
( c ) Other non-financial liabilities	932.61
<b>Total non-financial liabilities</b>	<b>1,078.18</b>
<b>Total Liabilities</b>	<b>53,704.54</b>
<b>BOOK VALUE OF ASSETS (Total Assets less Total Liabilities) (A) Rs in Lakhs</b>	<b>16,219</b>
<b>NUMBER OF FULLY PAID UP EQUITY SHARES (B)</b>	<b>11,68,99,371</b>
<b>BOOK VALUE PER SHARE (A / B) Rs.</b>	<b>13.87</b>

The above figures are taken from standalone unaudited financial statement and has been provided by the Management.

## 2. Market Approach:

The Fair value of equity shares in terms of regulation 164 of SEBI ICDR 2018 (Amended 2023) as on the relevant date 26<sup>th</sup> May 2025 is Rs. 9.88 per Equity Share. Refer details as per **Annexure 1/A**.

## 3. Comparable Company Multiple Method

### PEER COMPANIES AVERAGE P/E RATIO

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	CMP / BV	EV / EBITDA
Arman Financial	1,491.00	17.35	1,564	1.81	6.8
Ugro Capital	175.56	11.37	1,636	0.8	9.11
GIC Housing Fin	186.98	5.91	1,006	0.51	10.35
Advik Capital	1.69	12.5	103	0.62	11.44
Vibrant Glo. Cap	49.03	13.78	112	0.65	11.27
PMC Fincorp	2.30	8.67	164	1.33	6.78
Manappuram Fin.	230.73	16.65	19,529	1.57	9.45
Ujjivan Small	44.76	11.93	8,661	1.45	13.43
LIC Housing Fin.	596.95	6.03	32,836	0.9	11.4
<b>Average P/E</b>		<b>11.6</b>			

Based on the discussion with the management, above are the mix of companies with similar business model and most comparable peers in the industry. Value as per P/E Multiple

Particulars	Amount
EPS for Trailing Twelve Months (A)	0.76
Average P/E ratio for Peer Companies (B)	11.6
Price Per share (A*B)	8.80

## 4. Income Approach:

Under Income approach, For a Non-Banking Financial Company (NBFC), the Free Cash Flow to Firm (FCFF) method is generally more appropriate, considering FCFF specifically measures the cash flow available to the company's equity shareholders after all expenses, debts, and reinvestment needs. Since NBFCs rely on debt financing and their capital structure can significantly impact their valuation, FCFF provides a clearer picture of the equity value by accounting for the financial leverage used by NBFCs.

Valuation of the Company under FCFE method is based on the projections of the Company from Q4 FY 2025-26 to FY 2029-30 as provided by the Management. For these purposes free cash flows mean cash available for distribution to the owners after considering the change in capital expenditure and reinvestment required to sustain the operations and growth of the business.

- Profits before Tax (PBT) as per projections have been considered
  - Book depreciation has been added back to the PBT, Incremental working capital other than cash has been adjusted to arrive at the Operating Cash Flows
  - Inc/(Dec) in long term liabilities, (Inc)/Dec in long term loans and Advances and (Inc)/Dec in Fixed Assets and other such values are further adjusted to arrive at free cash flows to equity.
- For the explicit period, free cash flows from the business have been arrived at as follows:

Particulars		FY26	FY27	FY28	FY29	FY30
<b>Cash accruals (PBT + Depreciation)</b>		<b>1,977</b>	<b>2,886</b>	<b>4,439</b>	<b>9,081</b>	<b>16,352</b>
<b>Less: Outflows</b>						
Incremental Working Capital		1,395	118	(1,362)	(2,084)	(3,242)
Taxes Paid		(606)	(659)	(1,169)	(2,553)	(4,738)
Purchase / Sale of FA		467	(232)	(297)	(339)	(362)
Investment in Securities		312	280	252	227	204
Loan Disbursements		(1,10,439)	(1,28,200)	(1,25,822)	(1,55,070)	(1,97,139)
Loan Repayments		1,01,152	1,18,508	1,18,169	1,38,850	1,71,011
Funds Infusion		62,688	78,711	77,102	89,734	1,09,929
Loans Repaid		(35,748)	(59,291)	(64,438)	(67,412)	(85,937)
NCD Repaid		(2,599)	(7,225)	(6,660)	(4,690)	-
<b>Total Outflows</b>		<b>16,620</b>	<b>2,010</b>	<b>(4,225)</b>	<b>(3,336)</b>	<b>(10,274)</b>
<b>Free Cash Flows (FCF)</b>		<b>18,597</b>	<b>4,895</b>	<b>214</b>	<b>5,745</b>	<b>6,078</b>
<b>Discounting Factor</b>		0.88	0.78	0.69	0.61	0.54
<b>Net Present Value of Cash Flows</b>		<b>16,425</b>	<b>3,819</b>	<b>147</b>	<b>3,496</b>	<b>3,267</b>

- The cash flows of each year are then discounted with the Cost of Equity.

The discount rate i.e. Cost of capital ("Ke"), which is applied to the free cash flows should reflect the opportunity cost to all the capital providers of the company. To the value of the operating business so arrived, the value of surplus / non-operating assets, debt and contingent liabilities / assets, if any, and other assets / liabilities as appropriate have to be adjusted to arrive at the total value of the business for the equity and Preference shareholders of the company. The Cost of Equity is worked out using the following formulae:

- Risk free return + (Beta x Equity Risk Premium) + Liquidity Premium
- The risk free rate of return is taken at 6.58% (based on the return on the 10 Year Bond Yield).
- Beta is taken at 0.58 (specify to the industry) &
- Equity Risk Premium is taken at 9.60%
- Borrowing cost is assumed to be 13% and with effective tax of 25%, the cost of Debt is 9.75%.
- Debt Equity Ratio is assumed to be 80:20, where interest cost is 13% p.a.
- Business Risk is taken at 3%
- Terminal Value is considered assuming a growth rate of 5% for the Terminal Period.

Based on the above, the Weighted Average Cost of Capital comes to 13.22%.

- The Enterprise Value so arrived is adjusted by Non-Restricted Cash and Cash Equivalents, Debt and advances as per closing value as at Mar25 to arrive at the equity value.

The equity value so arrived is adjusted with the PV of Capital + Debt introduced during the forecast period and Cash Inflows from ESOP & Warrants.

The Diluted equity shares include Paid up equity shares i.e. 11,68,99,371, ESOP Outstanding of 19,62,500. We have not considered 65,42,372 Share Warrants convertible into equity shares, considering the current market price vs price at which option of conversion was given to the warrant holder i.e. 73.75 per share.

<b>Calculation of Equity Value</b>	<b>Rs in Lakhs</b>
NPV of Explicit Period	27,153
NPV of Terminal Period	41,708
<b>Enterprise Value</b>	<b>68,862</b>
<b>Add/(Less): Adjustments</b>	
Cash	9,591
Advances + Investments	49,943
Debt + Debentures	-52,048
<b>Equity Value</b>	<b>76,348</b>
PV of Incremental Capital + Debt	-74,143
Cash Inflows from ESOP & Warrants	39
<b>Adjusted value for current shareholders</b>	<b>2,244</b>
No of Diluted Equity Shares	11,88,61,871
<b>Total</b>	<b>11,88,61,871</b>
<b>Value per Share</b>	<b>1.89</b>

On the basis of above the Value per share based on Income Method is Rs. 1.89 per share. The detailed working for the same is enclosed in below tables:

**Fair Value – Closing Market Price as on relevant date as follow:**

<b>Particulars</b>	<b>Fair Value per Share</b>	<b>Weight</b>	<b>Weighted Price Per Share</b>
Market Price Method	9.88	50.00%	4.94
Comparable Company Multiple Method	8.80	30.00%	2.64
Income Method (Free Cash Flows)	1.89	15.00%	0.28
Book Value Method	13.87	5.00%	0.69
<b>Weighted Average Price Per Share</b>		<b>100.00%</b>	<b>8.56</b>

**Note A**

Assigning weights to different valuation methods is a subjective decision that depends on various factors, including the nature of the business, the industry it operates in, and the availability and reliability of data. The weights assigned to different valuation methods reflect the importance or relevance attributed to each method in the overall valuation process. Rationale for assigning weights of is as follows:

**1. Market Price Method (Weight: 50.00%):**

**Rationale:** The Market Price Method is given the highest weight because it directly reflects the current market sentiment and investor perceptions of the company's value. This method is based on the current trading price of the company's shares in the open market, providing a real-time assessment of the company's worth. In dynamic and liquid markets, this method is often considered a reliable indicator of the market's collective opinion on the company's value.

**2. Comparable Company Multiple Method (Weight: 30.00%):**

**Rationale for Comparable Company Multiple Method:** The Comparable Company Multiple Method involves comparing the financial metrics (such as price-to-earnings ratios, EBITDA multiples, etc.) of the target company to those of comparable publicly traded companies. This method is given a moderate weight because it considers market-based indicators and incorporates the valuation multiples of similar businesses. However, it may not fully capture the unique aspects of the target company that could affect its valuation.

### **3. Income Method (Weight: 15.00%):**

**Rationale for Income Method:** FCF specifically measures the cash flow available to the company's equity shareholders after all expenses, debts, and reinvestment needs. The same is further adjusted considering the risk free rate of return, cost of equity, Company specific risk, cash flow for the company for perpetuity period and various other assumptions. However, it is not relatively necessary that the projection being made shall be achieved by the company as it depends on various market related factors which are not in control of the company.

### **4. Book Value Method (Weight: 5.00%):**

**Rationale:** The Book Value Method relies on the company's accounting records and represents the net asset value of the business. This method is given the lowest weight because it may not reflect the market's perception of the company's future earnings potential or intangible assets. Book values are historical and may not account for changes in the market environment or the company's competitive position.

It's important to note that these weights are subjective and can vary based on the circumstances surrounding the valuation. Additionally, a comprehensive valuation analysis often considers a combination of methods to arrive at a more robust and well-rounded estimate of the company's value.

**Method of determination of price as per the Articles of Association of the Company –**

Clause 1: Share Capital and Variation of Right, under Article of association empowers the Board of Director and/or company to issue additional shares.

Clause 1 (iii) mentions that Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

Considering the clause is silent on any specific method to be used to arrive at fair value per share and thus for the purpose of this report, the valuation done as per Annexure 1/B above by registered valuer should be considered as valuation report as per Article of association of the company.

The fair value per Equity share as per Article of Association is INR 8.56