
TRUCAP FINANCE LIMITED

Valuation Report for Fair Value of Equity Shares

Date of Valuation Report: December 19, 2022



ABHINAV AGARWAL

FCS, LL.B., M.COM(BPCG), RV(IBBI)

Registered Valuer

Securities or Financial Assets

Regn No. IBBI/RV/06/2019/12564

ICAIRVO membership no. ICAIRVO/06/RV-PO0292/2019-2020

A handwritten signature in blue ink, appearing to read "Abhinav Agarwal", is written over the printed name and registration details.



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December 19, 2022

To,
The Board of Directors
TruCap Finance Limited
3rd Floor, A – Wing D.J. House, Old Nagardas Road,
Andheri East, Mumbai MH 400069

Sub.: Valuation Report Determining Fair Value of Equity Shares of TruCap Finance Limited ("TruCap") for the Proposed Preferential Allotment of Equity Shares and Convertible Warrants

Dear Sir / Madam,

I. Scope and Purpose of This Report and Appointing Authority:

I refer to the engagement letter dated December 14, 2022 with **TruCap Finance Limited ("TruCap")** to report fair value of equity shares for the propose preferential allotment of equity shares and convertible warrants.

In this connection, I have been requested to submit a valuation report recommending the **fair value per share in compliance with Regulation 164 and 166A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (amended from time to time)**.

This report is issued in accordance with Company Act 2013 read along with its rules. My report is subject to the scope of limitations detailed herein after. As such the report is said to be read in totality, not in parts, in conjunction with the relevant documents referred to therein.

II. Valuation Date, Date of Appointment and Date of report:

For the purpose of this assignment of valuation, following shall be the key dates:

- a) **Valuation Date** - The reference date for the purpose of Comparable Companies Multiple Valuation Method and Discounted Cash Flow Valuation Method of the company is September 30, 2022. However, the market share price of the TruCap has been considered till December 16, 2022 (considering Relevant Date as December 19, 2022).
- b) **Date of Appointment** - We have been appointed vide engagement letter dated December 14, 2022.
- c) **Date of Report** - It refers to a date on which the report is signed by the valuer. i.e. December 19, 2022.
- d) **Reference Date** – December 19, 2022.





III. Identity of The Valuer and Other Experts Involved in the Valuation:

Valuation is carried out by me, i.e. Abhinav Agarwal, Registered Valuer under Class Securities or Financial Assets vide Registration No. IBBI/RV/06/2019/12564. I have 7 years of professional experience in corporate law advisory and business valuation. I have undertaken valuation of large Indian corporates, multinational Company and startup's for regulatory, transaction and accounting purposes. I am qualified as a Practicing Company Secretary since the year 2015 vide COP 15639. There were no other experts involved in the carrying out process of valuation of equity shares. I am allowed to carry out the same valuation as per IBBI Regulations and Company Act 2013 read along with its rules.

IV. Declaration of Independence of Valuer and Financial Interest:

I am an independent valuer and am not affiliated to the Company being valued in any manner whatsoever. I don't have a present or prospective interest in the Company being valued and I have no personal or financial interest in the Company. I hereby declare that I am independent of the subject company for valuation and have not been under any direct or indirect influence, which may affect the valuation exercise. I also confirm that this engagement shall be in compliance with the model Code of Conduct issued by IBBI vide Valuation Rules.

V. Nature and Sources of the Information Used or Relied Upon:

The following information has been received from the management of the Company:

- Management certified projected financials for TruCap upto FY 2026-27;
- The calculation of fully diluted number of outstanding shares of the TruCap as on valuation date, as provided by the management, has been annexed to this report as **Annexure I**;
- Historical market price data of the TruCap as available on: <https://www.bseindia.com/> and <https://www.nseindia.com/>
- Other sources of information – Data available at public domain;
- Oral information for various clarifications provided by the promoters and key managerial personnel;
- Secondary research and market data on industry attractiveness, growth rate and market rate of return and other information on recent transactions, to the extent readily available; and
- Other documentary evidences provided by the Company in relation to the assumptions.

I have also obtained necessary explanations and information, which I believed were relevant to the present exercise, from the executives and representatives of the Company. During the discussions with the management of the Company, I have also obtained explanations and Information considered reasonably necessary for my exercise. The Client has been provided with the opportunity to review the draft report (excluding the recommended value) as part of my standard practice to make sure that factual inaccuracy/omissions are avoided in my report.

VI. Inspections and/ or Investigations Undertaken:

- We have enquired and understood the provisional financial statement of the Company as on valuation date.
- We have understood the business of the Company and key factors affecting business.
- Conducting enquiry and discussions of information received from management of Company.
- We have verified the industry in which the company is operating and the performance of the industry;
- We have analysed the projections given by the company on the basis of discussions;



VII. Scope Limitations:

Valuation analysis and results are specific to the purpose of valuation as agreed as per term 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.

Valuation analysis are specific to the date of this report. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. As such, our valuation results are, to a significant extent, subject to continuance of current trends beyond the date of report. I, however have no obligation to update this report for events, trends, transactions occurring subsequent to the date of this report. This report is prepared as per Indian Laws and Rules.

The analysis in this report is considered to be advisory in nature and not a certificate. However, this analysis will not be for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from the expert advisors.

Subject to the limitations and exclusions as mentioned above, I owe no responsibility neither accept any liability to any third party in relation to issue of this report for any false or incorrect information given to me or anything beyond my control.

VIII. Background of Company:

MCA Master Data:

Company Master Data	
CIN	L24231MH1994PLC334457
Company / LLP Name	TRUCAP FINANCE LIMITED
ROC Code	RoC-Mumbai
Registration Number	334457
Company Category	Company limited by Shares
Company Subcategory	Non-govt company
Class of Company	Public
Authorised Capital (Rs)	500000000
Paid up Capital (Rs)	231222926
Date of Incorporation	09/11/1994
Registered Address	3rd Floor, A – Wing D.J. House, Old Nagardas Road, Andheri East MUMBAI Mumbai City MH 400069 IN
Email Id	corpsec@TruCapfinance.com
Whether Listed or not	Listed
Date of last AGM	29/09/2022
Date of Balance Sheet	31/03/2022
Company Status(for efilling)	Active

Source: www.mca.gov.in; dated: December 19, 2022

Formerly known as Dhanvarsha Finvest Limited, the TruCap is a professionally managed and Board governed organization in the business of financing Micro, Small and Medium Enterprises (MSME) headquartered in Mumbai. TruCap is registered with the Reserve Bank of India (RBI) as a non-deposit accepting Non-Banking Financial Company (NBFC-ND). Equity Shares of the TruCap are listed on BSE Limited (Bombay Stock Exchange/BSE)



and are admitted for trading on National Stock Exchange of India Limited (National Stock Exchange/NSE) under 'admitted to trade' category.

TruCap Finance Limited was incorporated in 1994. In June 2017, through a Preferential Issue and Open Offer under the SEBI (SAST) Regulations, Wilson Holdings Private Limited has acquired the control over the Company. Wilson Holdings Private Limited is promoted by the Mumbai headquartered Wilson Group, which has business interests spread across retail MSME lending, education, philanthropy, FPI advisory services, water and wastewater treatment, agro commodities, and venture capital investing.

TruCap is an innovative sourcing & technology enabled financial services company that aims to provide credit solutions to India's large underbanked and underserved micro & small businesses and consumers. The Company is engaged in retail MSME lending, gold loan, etc. The Company has an extensive branch network in Western and Central India apart from having a presence in National Capital Region.

Source: As provided by the management of the Company;

Capital Structure of the Company:

The present Authorised Share Capital of the TruCap is ₹50,00,00,000 divided into 25,00,00,000 Equity Shares of ₹2 each. The Present Issued, Subscribed and Paid-up Capital of the Company is ₹23,12,22,926 divided into 11,56,11,463 Equity Shares of ₹2 each.

Face value of the Equity Shares of the TruCap were sub-divided from ₹10 per share to ₹2 per shares as approved by the Shareholders of the Company in the Annual General Meeting held on September 20, 2021.

Source: As provided by the management of the Company;

IX. Valuation Approaches:

There are three main valuation approaches. They are all based on the economic principles of price equilibrium, anticipation of benefits or substitution. The goal in selecting valuation approaches and methods for an asset is to find the most appropriate method under the particular circumstances. No one method is suitable in every possible situation. The main valuation approaches are:

1. Market Approach:

The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. The Market approach should be applied and afforded significant weight under the following circumstances:

- a) The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value,
- b) The subject asset or substantially similar assets are actively publicly traded, and/or
- c) There are frequent and/or recent observable transactions in substantially similar assets.

There are some of the limitations to the market approach which are as follows:

- It is difficult to identify transactions or Company that are comparable. There is usually a lack of a sufficient number of comparable Company or transactions.
- It is less flexible compared to other methods.
- The method raises question on how much data is available and how good the data is.

There are three methods under which valuation can be done in Market Approach which are as follows:



a) Market Price Method:

The market price of an equity shares as quoted on a stock exchange is normally considered as the value of the equity share of the company with appropriate adjustments where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the share. But there could be situation where value of the share as quoted on the market would not be regarded as proper index of fair value of share, especially where market values are fluctuating in the volatile capital market.

TruCap being a listed Company on BSE Limited (TRU | 540268 | INE615R01029), I have considered its share price as per Regulation 164(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time). Please refer to the valuation analysis for more information.

b) Comparable Company Quoted Multiple ('CCM') Method:

Under this method, value of equity shares of the Company is arrived at by using multiple derived from valuation of comparable Company, as manifest through stock market valuation of listed Company. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiple need to be chosen carefully and adjusted for differences between the circumstances.

As per my understanding, I have used CCM method for valuation of equity shares of TruCap. However, please refer to the valuation analysis for more information.

c) Comparable Company Transaction Multiple ('CTM') Method:

Under this method, value of equity shares of the Company is arrived at by using multiple derived from valuation of comparable Company, as manifest through transaction valuations. Relevant multiple need to be chosen carefully and adjusted for differences between the circumstances.

CTM valuation has not been adopted for purpose of my valuation as there are very limited transactions in the said business segment. Also, transactions may include acquirer-specific considerations such as synergy benefits, control premium and minority adjustments, on which sufficient information is not available in public domain. Further, TruCap being a frequently traded company, market price method is used as explained in paragraph IX(1)(a) above.

2. Income Approach:

The income approach provides an indication of value by converting future cash flow to single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. The income approach should be applied and afforded significant weight under the following circumstances:

- The income-producing ability of the asset is the critical element affecting value from a participant perspective, and/or
- Reasonable projections of the amount and timing of future income are available to the subject asset, but there are few, if any, relevant market comparable.

A fundamental basis for the income approach is that investor expects to receive a return on their investments and that such a return should reflect the perceived level of risk in the investment.



One of the advantages that the Income Approach has over the other two approaches is that it is more flexible in addressing firms or assets that are in different stages of their life-cycle. This is because this approach factors in varying operating conditions over the projected period. The Income Approach is also able to cater to the differing investment or ownership needs of the buyer and seller, by measuring risks through its discount or capitalization rate, or by including cost synergies in its projections.

Therefore, by considering the fact that since sufficient information is available regarding the future projections of the TruCap, hence I have also used Income approach for valuation of equity shares of the same. Please refer to the valuation analysis for more information.

3. Cost Approach / Asset Approach:

This approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence. The cost approach should be applied and afforded significant weight under the following circumstances:

- Partners would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not willing to pay a significant premium for the ability to use the subject asset immediately.
- The asset is not directly income generating and the unique nature of the asset makes using an income approach or market approach unfeasible and/ or
- The basis of value being used is fundamentally based on replacement cost, such as replacement value.

This approach is used in the case where income approach and market approach are not that feasible to use. Accordingly, this approach is not taken into consideration for valuing the equity shares of the Company.

X. Valuation Methodologies:

According to Standard valuation practice, the fundamental precondition for obtaining significant and comparable valuations in determining the equity share value transactions is the consistency and comparability of the methods applied according to the characteristics of the company and company being valued.

In addition, a second fundamental principal often adopted for determining equity share value is the "Stand alone" assumption. That is, a valuation perspective based on the current configuration and future prospects of the company on an independent basis, without taking any potential synergies from determining the equity share value into account.

As stated previously, the selected methodologies-which represent recognized techniques, widely used in valuation practice both in India and internationally - should not be considered individually, but rather as different parts of a single valuation process. Independent use of the results obtained from each methodology, without duly considering the complementary relationship with other methodologies, will result into loss of the meaningfulness of valuation process itself.

Valuation of the equity shares is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may have been prepared to pay goodwill. This exercise may be carried out on the basis of generally accepted methodologies, the relative emphasis of each often varying with the factors such as:



- Specific nature of business
- Economic Life Cycle in which the company is operating and
- Extent to which and comparable information is available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgement of the Valuer.

XI. Procedures Adopted in Carrying Out the Valuation and Valuation Standards Followed:

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information
- Discussion with the Company to:
 - Understand the business and fundamental factors that affect its earning – generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance;
 - Enquire about business plans and future performance estimates.
- Undertook economic & industry Analysis:
 - Research publicly available market data including economic factors and industry trends that may impact the valuation;
 - Other publicly available information.
- Analysis of information;
- Selection of appropriate internationally accepted valuation methodologies after deliberations;
- Determination of value of Company;

XII. Major Factors That Were Taken into Account During the Valuation:

- Key operating and financial parameters of the Company;
- Financial projections, as provided by the management of the Company;

XIII. Valuation Analysis:

The valuation analysis is based on the methodologies explained herein earlier and various qualitative factors relevant to the Company including the business dynamics and growth potential of the business of the Company, having regard to information, key underlying assumptions and limitations. For the purpose of the current valuation exercise, we have provided following weights to the valuation methodologies based on our understanding of the financial position and other various factors relevant to the valuation exercise:

Methods	Value per share in INR	Weights (Wgt)	Value x Wgt
Market Approach ¹	22.64	0%	0
Market Approach ²	74.30	50%	37.15
Income Approach ³	74.76	50%	37.38
Asset Approach	NA	NA	NA
Weighted Average Value Per Share		74.53	

¹ Comparable Company Multiple Method

² Market Price Method (Regulation 164 of SEBI (ICDR) Regulations, 2018)

³ Discounted Cash Flow Method




Notes:

- a. Please refer to **Annexure II** for more detail on valuation analysis of the Company.
- b. For valuation of TruCap, using market price method, the pricing guidelines, as per Regulation 164(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time), have been considered.
- c. Though the value of TruCap has been derived using Market Approach (CCM Method), but 0 (Zero) weightage has been given as the price to book multiple of peer companies, i.e., 1.29 is less than the price to book ratio of TruCap as on valuation date i.e., 2.67. We may conclude that the market has already valued the TruCap higher than its peers and hence invalidate the use of this method.

XIV. Conclusion:

On a consideration of all relevant factors and issues discussed herein, in our opinion, the fair value of the equity shares works out to be INR 74.53/- per share. The above valuation is critically dependent on the Company's ability to successfully implement /execute the financial projections which we have used as our basis for our valuation. Any significant variation in such projections could have a significant impact on the valuation.

XV. Caveats, Limitations and Disclaimers:

i. Restriction on use of Valuation Report

This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. I do not take any responsibility for the unauthorized use of this report. My report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

ii. Responsibility of Registered Valuer

I owe responsibility to only to the authority/client that has appointed me under the terms of the engagement letters. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or Company, their directors, employees or agents.

iii. Accuracy of Information

While the work has involved an analysis of financial information and accounting records, my engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, I express no audit opinion or any other form of assurance on this information and I assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the client company(s). Provision of valuation opinions and consideration of the issues described herein are areas of my regular practice. The services do not represent accounting, assurance. Accounting / tax due diligence, consulting or tax related services that may otherwise be provided by me. My report is subject to the scope and limitations detailed in the Valuation Report. 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.



iv. Achievability of the forecast results

I do not provide assurance on the achievability of the results forecast by the management/owners as events and circumstances do not occur as expected; differences between actual and expected results may be material. I express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

v. Post Valuation Date Events

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.

vi. Value Estimate

The valuation of Company and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. The valuation of Company and business is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. Whilst, I consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.

vii. No Responsibility to the Actual Price of the subject asset if sold or transferred/ exchanged

The actual market price achieved may be higher or lower than our estimate of value depending upon the circumstances of the transaction, the nature of the business, the knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, my valuation conclusion will not necessarily be the price at which actual transaction will take place.

viii. Reliance on the representations of the owners/clients, their management and other third parties

The owner company and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. I have relied upon the representations of the owner's company, their management and other third parties concerning the financial data and operational data. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Company. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Company, their directors, employees or agents.

ix. No procedure performed to corroborate information taken from reliable external sources

I have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, I assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where I have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and are reproduced in its proper form and context of Valuation Report.



x. Compliance with relevant laws

The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the company will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the financial statements provided to me.

xi. Multiple factors affecting the Valuation Report:

The valuation report is tempered by the exercise of judicious discretion, taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Financials Statements but could strongly influence the value.

xii. Future services including but not limited to Testimony or attendance in courts/ tribunals/ authorities for the opinion of value in the Valuation Report

I am fully aware that based on the opinion of value expressed in this report, I may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my tendering evidence before such authority shall be under the applicable laws.

xiii. Provisional information as on Valuation Date

I have considered financials as on the last available financial statements as the proxy for the financial position as of the valuation date, valuation report may change post availability of such information.

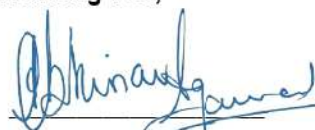
xiv. Events occurring after the date

Events occurring after the date hereof may affect this Report and the assumptions in preparing it, and I do not assume any obligation to update revise or reaffirm this report.

xv. Analysis and review carried out but have not carried out a due diligence or audit

In the course of the Valuation, I was provided with both written and verbal information. I have however, evaluated the information provided to me by the Company through broad enquiry, analysis and review but have not carried out due diligence or audit of the information provided for the purpose of this engagement. The conclusions are based on the assumptions and other information given by/on behalf of the Company.

Thanking You,



RV FCS Abhinav Agarwal

Registered Valuer & Corporate Law Advisor

IBBI Reg. No. IBBI/RV/06/2019/12564

ICAI RVO membership no. ICAIRVO/06/RV-P00292/2019-2020

Date: December 19, 2022, Place: New Delhi



Calculation of Fully Diluted Number of Shares of TruCap as on Valuation Date⁴

TruCap Finance Limited - No. of Shares (Basic)			
Particulars		No. of shares (Pre sub-division)	No. of shares (Post sub-division)
No. of equity shares as on April 1, 2021		1,52,92,429	7,64,62,145
No. of equity shares as on September 30, 2021		1,53,32,912	7,66,64,560
No. of equity shares as on September 30, 2022			10,81,72,376
No. of Equity Shares as on November 30, 2022			11,56,11,463
The shareholders of the Company in the Annual General Meeting held on September 20, 2021, approved the sub-division of equity shares of the Company from Rs. 10/- per share to Rs. 2/- per share. The Board of Directors had fixed October 14, 2021, as Record Date for Sub-division of shares. Accordingly, the effect of the sub-division is also given for the convertible securities issued and allotted prior to October 14, 2021 (i.e. CCDs and warrants).			

Details of allotment of equity shares since April 1, 2021			
Date	No. of shares allotted	Allotted To	Remarks
May 7, 2021	1,52,415	Non-Promoter	Allotment of Equity Shares to eligible ESOP holders upon exercise of options
June 10, 2021	50,000	Non-Promoter	Allotment of Equity Shares to eligible ESOP holders upon exercise of options
November 1, 2021	1,73,809	Non-Promoter	Allotment of Equity Shares to eligible ESOP holders upon exercise of options
December 6, 2021	8,98,470	Non-Promoter	Conversion of 1,79,694 convertible warrants
February 14, 2022	96,545	Non-Promoter	Allotment of Equity Shares to eligible ESOP holders upon exercise of options
February 28, 2022	50,000	Non-Promoter	Allotment of Equity Shares to eligible ESOP holders upon exercise of options
March 22, 2022	1,09,55,555	Promoter	conversion of CCDs
April 20, 2022	13,00,989	Non-Promoter	Conversion of 2,60,198 convertible warrants
April 28, 2022	2,18,750	Non-Promoter	conversion of CCDs
May 2, 2022	92,60,075	Promoter	conversion of CCDs
May 2, 2022	22,46,180	Promoter	conversion of 4,49,236 warrants
May 2, 2022	22,46,180	Promoter	conversion of 4,49,236 warrants
May 2, 2022	17,96,945	Non-Promoter	conversion of 3,50,389 warrants
May 9, 2022	9,83,230	Non-Promoter	Equity Shares allotted through preferential allotment process
July 12, 2022	4,89,251	Non-Promoter	Allotment of Equity Shares to eligible ESOP holders upon exercise of options
July 12, 2022	2,87,500	Non-Promoter	conversion of CCDs
July 23, 2022	1,06,250	Non-Promoter	conversion of CCDs
August 22, 2022	1,77,028	Non-Promoter	conversion of CCDs
September 12, 2022	21,059	Non-Promoter	Allotment of Equity Shares to eligible ESOP holders upon exercise of options
September 30, 2022	2,00,000	Non-Promoter	Allotment of Equity Shares to eligible ESOP holders upon exercise of options
October 13, 2022	74,39,087	Non-Promoter	conversion of CCDs
Details of outstanding warrants			
Date of allotment of warrants	No. of warrants allotted	Last date of conversion	No. of warrants converted
May 9, 2022	26,51,979	November 8, 2023	0.00
May 9, 2022	54,545	November 8, 2023	0.00
May 9, 2022	15,152	November 8, 2023	0.00
May 9, 2022	37,880	November 8, 2023	0.00
May 9, 2022	15,150	November 8, 2023	0.00
Total	27,74,706		

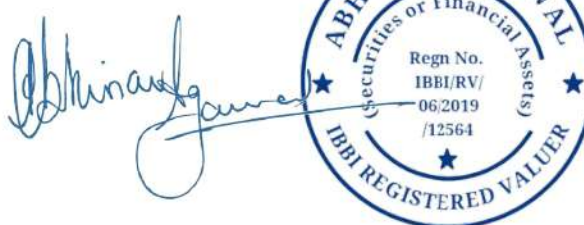
Note: The convertible warrants have been allotted at a price of Rs.132 per warrant. Pursuant to SEBI (ICDR), the Company has received 25% upfront consideration from the warrant holders.

TruCap Finance Limited - Shareholding Pattern as on November 30, 2022	
Promoters	7,00,24,287
Public	4,55,87,176
Total Number of Shares as on November 30, 2022	11,56,11,463

Shareholding as on November 30, 2022 on fully diluted basis					
Category of Shareholder	No. of Shares (Basic)	No. of warrants	No. of shares (on fully diluted basis)	Basic %	Diluted %
Promoter	7,00,24,287	0	7,00,24,287	60.57	59.15
Public	4,55,87,176	27,74,706	4,83,61,882	39.43	40.85
Total	11,56,11,463	27,74,706	11,83,86,169	100.00	100.00

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⁴ As provided by the management of the TruCap.



Valuation Workings of TruCap

DCF Approach

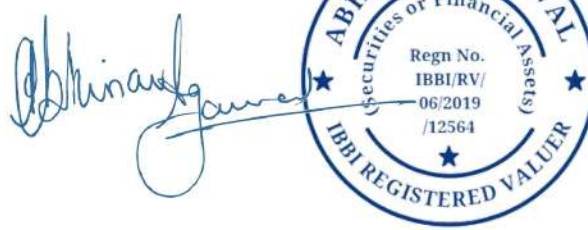
All values in INR Crore except value per share

Particulars	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
EBT	11.12	41.66	102.22	165.68	198.03
Tax	2.80	10.48	25.73	41.70	49.84
NOPAT	8.32	31.17	76.49	123.98	148.19
Add: Dep	4.26	15.18	24.88	48.66	80.49
Operating Cash Flow	12.58	46.35	101.37	172.64	228.68
Add: Net Change in WC (PYCA-CYCA+CYCL-PYCL)	33.84	-	-	-	-
Add: CAPEX: (Acquisition) / Disposal (Opening - Closing - Dep)	1.39	-14.01	-24.11	-48.66	-80.49
FCFF	47.80	32.34	77.27	123.98	148.19
Less: After Tax Interest	-	-	-	-	-
Chnges in Loans & Advances	-55.87	-163.90	-167.03	-255.55	-397.15
Add: Net Borrowing: (Repayment) / Borrowing	117.36	137.92	104.99	155.87	327.45
FCFE	109.29	6.36	15.23	24.30	78.48
Mid Year Period	0.25	1.00	2.00	3.00	4.00
Particulars	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
Free Cash Flow	109.29	6.36	15.23	24.30	78.48
Adjusted Free Cash Flows	109.29	6.36	15.23	24.30	78.48
Discount factor	0.96	0.86	0.74	0.64	0.55
Discounted Free Cash Flow	105.32	5.49	11.31	15.56	43.31

Terminal Value (Phase 2 and Perpetuity)						
Particulars	FY2027-28	FY2028-29	FY2029-30	FY2030-31	FY2031-32	Perpetuity
Discount Period	1	2	3	4	5	
Cash Flow Growth %	20%	15%	10%	10%	10%	2%
FCFE	94.18	108.30	119.13	131.05	144.15	1,333.42
Discount	14.03%	14.03%	14.03%	14.03%	14.03%	13.03%
Discount Factor	0.88	0.77	0.67	0.59	0.52	0.52
Discounted cash Flows	82.59	83.30	80.36	77.52	74.78	691.72
Sum of Discounted Cash Flows in Phase 2 and Perpetuity						1,090.26
Discount Factor						0.55
Terminal Value as on valuation date						601.71

Valuation	
PV of Cash flows (A)	180.99
PV of Continuing value (B)	601.71
Enterprise value (A+B)	782.70
Add: Cash and Investments as on valuation date	74.89
Add: Amount pending to be received for issue of warrants	27.47
Fair Equity Value	885.06
No. of Equity Shares	11,83,86,169
Fair Value Per Share (Rounded Off)	74.76

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Computation of Market Rate of Return		
Particulars (S&P BSE 500)	Values(Rs.)	Date
Opening Value	(1,000.0)	01-02-1999
Closing Value	23,642.5	30-09-2022
Rm (XIRR)+1.3% Dividend Yield	15.59%	
Calculation of Cost of Equity		
Particulars		
Risk-Free Rate (Rf)	7.30%	
Market Return (Rm)	15.59%	
Beta (B)	0.57	
Cost of Equity (A) = (Rf + (Rm-Rf)*(B))	12.03%	
Company specific risk premium (C)	4.00%	
Cost of Equity (D) = ((A)+(C))	16.03%	

CCM Approach⁵

Price/Book Multiple	1.29
Book Value as on September, 2022	208.12
Equity Value (In INR Crore)	268.02
No. of Equity Shares	11,83,86,169
Value per Share	22.64

Market Price Approach

Relevant Date (being the date of the proposed Board Meeting): December 19, 2022

- A. Stock Exchange on which the equity shares of TruCap are frequently traded in terms of Regulation 164 of the SEBI ICDR Regulations 2018:

In accordance with explanation to Regulation 164(5) of SEBI ICDR Regulations 2018, 'stock exchange' means any of the recognised 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. Since TruCap is listed on NSE as "Permitted to trade" category, accordingly for the purpose of Regulation 164 of SEBI ICDR Regulations 2018, the details of market share price as available on BSE have been taken.

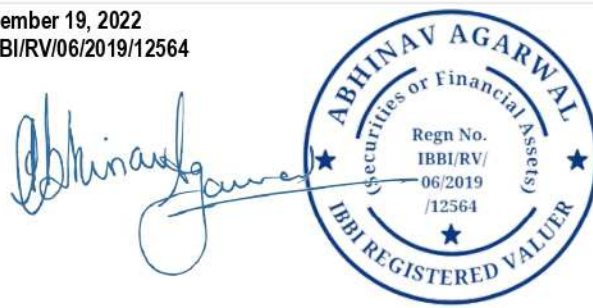
Hence, the calculation of minimum issue price for the equity shares shall be calculated based on the price of equity shares on BSE as contained in para B below.

- B. The minimum issue price for the proposed issue of equity shares and convertible warrants by **TruCap** based on the pricing formula prescribed under Regulation 164(1), Chapter V of the **SEBI ICDR Regulations 2018** shall be higher of the following:

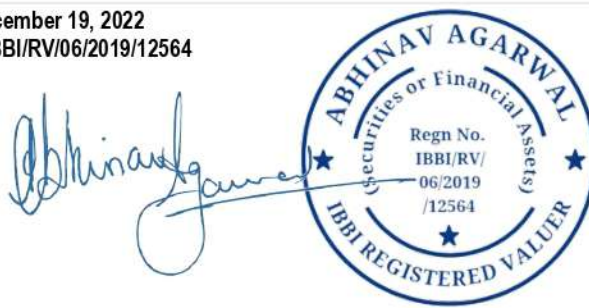
- (i) **The 90 trading days' volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date (considering Relevant Date as December 19, 2022); or**

Day	Date	No. of Shares Traded	Total Turnover (₹)
1.	05-Aug-22	19325	18,44,268.00
2.	08-Aug-22	38174	34,79,262.00

⁵ Price / Book multiple is taken as the median of P/B ratios of Capital Trust, Ugro Capital, Paisalo Digital, Muthoot Capital and Sakthi Finance as on valuation date.



Day	Date	No. of Shares Traded	Total Turnover (₹)
3.	10-Aug-22	24261	21,59,676.00
4.	11-Aug-22	38492	33,39,869.00
5.	12-Aug-22	24699	20,69,404.00
6.	16-Aug-22	54047	43,22,003.00
7.	17-Aug-22	58112	46,81,672.00
8.	18-Aug-22	30990	24,01,564.00
9.	19-Aug-22	73597	58,25,018.00
10.	22-Aug-22	57494	45,84,365.00
11.	23-Aug-22	36140	28,06,875.00
12.	24-Aug-22	35472	26,73,212.00
13.	25-Aug-22	75039	54,68,398.00
14.	26-Aug-22	48090	37,20,074.00
15.	29-Aug-22	301811	2,61,92,827.00
16.	30-Aug-22	544262	5,18,12,305.00
17.	01-Sep-22	142767	1,37,94,104.00
18.	02-Sep-22	128199	1,22,84,162.00
19.	05-Sep-22	126061	1,13,73,130.00
20.	06-Sep-22	33280	28,88,208.00
21.	07-Sep-22	34796	28,60,978.00
22.	08-Sep-22	53485	43,33,848.00
23.	09-Sep-22	21993	17,82,714.00
24.	12-Sep-22	34873	27,17,697.00
25.	13-Sep-22	328706	2,53,28,394.00
26.	14-Sep-22	37372	29,17,981.00
27.	15-Sep-22	54162	41,12,948.00
28.	16-Sep-22	50095	37,45,245.00
29.	19-Sep-22	27626	20,32,701.00
30.	20-Sep-22	36396	26,62,484.00
31.	21-Sep-22	35570	24,47,410.00
32.	22-Sep-22	78383	52,83,849.00
33.	23-Sep-22	88331	60,98,438.00
34.	26-Sep-22	29362	19,23,934.00
35.	27-Sep-22	62715	39,87,833.00
36.	28-Sep-22	65925	39,19,264.00
37.	29-Sep-22	363558	2,04,80,457.00
38.	30-Sep-22	15811	9,54,193.00
39.	03-Oct-22	205390	1,29,99,817.00
40.	04-Oct-22	33110	21,97,983.00
41.	06-Oct-22	29090	19,63,903.00
42.	07-Oct-22	27238	17,77,244.00
43.	10-Oct-22	32946	20,59,757.00
44.	11-Oct-22	19521	12,17,947.00
45.	12-Oct-22	28700	17,72,172.00
46.	13-Oct-22	59823	36,07,735.00
47.	14-Oct-22	19984	12,03,396.00
48.	17-Oct-22	23215	13,68,838.00
49.	18-Oct-22	27428	15,94,764.00
50.	19-Oct-22	86240	48,24,067.00
51.	20-Oct-22	14412	8,21,545.00
52.	21-Oct-22	45203	25,17,019.00
53.	24-Oct-22	38093	23,51,397.00
54.	25-Oct-22	25328	15,87,916.00
55.	27-Oct-22	23061	14,50,931.00
56.	28-Oct-22	17525	10,81,249.00
57.	31-Oct-22	26569	16,12,783.00
58.	01-Nov-22	37828	22,58,207.00
59.	02-Nov-22	51992	31,10,647.00
60.	03-Nov-22	29575	17,66,528.00
61.	04-Nov-22	16833	10,14,273.00



Day	Date	No. of Shares Traded	Total Turnover (₹)
62.	07-Nov-22	19129	11,78,623.00
63.	09-Nov-22	23395	14,43,429.00
64.	10-Nov-22	15375	9,55,492.00
65.	11-Nov-22	16507	10,00,621.00
66.	14-Nov-22	15867	9,40,112.00
67.	15-Nov-22	14526	8,48,665.00
68.	16-Nov-22	35818	20,77,752.00
69.	17-Nov-22	48003	27,71,285.00
70.	18-Nov-22	34528	20,37,007.00
71.	21-Nov-22	18726	10,83,364.00
72.	22-Nov-22	17732	10,06,422.00
73.	23-Nov-22	13620	7,66,508.00
74.	24-Nov-22	26373	14,73,833.00
75.	25-Nov-22	12707	7,20,068.00
76.	28-Nov-22	38692	22,06,241.00
77.	29-Nov-22	20546	12,24,719.00
78.	30-Nov-22	14417	8,73,258.00
79.	01-Dec-22	17978	10,81,167.00
80.	02-Dec-22	9154	5,48,352.00
81.	05-Dec-22	14114	8,49,538.00
82.	06-Dec-22	26493	16,06,024.00
83.	07-Dec-22	12944	7,67,177.00
84.	08-Dec-22	139080	92,49,432.00
85.	09-Dec-22	208809	1,54,57,007.00
86.	12-Dec-22	89061	68,71,141.00
87.	13-Dec-22	80827	64,93,855.00
88.	14-Dec-22	40516	32,18,795.00
89.	15-Dec-22	36592	28,08,053.00
90.	16-Dec-22	27014	20,28,644.00
Total		5317118	39,50,57,466.00
		Volume Weighted Average Price	74.30

(ii) The 10 trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date (considering Relevant Date as December 19, 2022)

Day	Date	No. of Shares Traded	Total Turnover (₹)
1.	05-Dec-22	14114	8,49,538.00
2.	06-Dec-22	26493	16,06,024.00
3.	07-Dec-22	12944	7,67,177.00
4.	08-Dec-22	139080	92,49,432.00
5.	09-Dec-22	208809	1,54,57,007.00
6.	12-Dec-22	89061	68,71,141.00
7.	13-Dec-22	80827	64,93,855.00
8.	14-Dec-22	40516	32,18,795.00
9.	15-Dec-22	36592	28,08,053.00
10.	16-Dec-22	27014	20,28,644.00
Total		675450	4,93,49,666.00
		Volume Weighted Average Price	73.06

Accordingly, the applicable minimum price as per Market Price Approach (Higher of B(i) or B(ii) above) is ₹74.30 per share.

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