

# Mehta & Mehta

## COMPANY SECRETARIES

201-206, SHIV SMRITI, 2ND FLOOR, 49/A, DR. ANNIE BESANT ROAD, ABOVE CORPORATION BANK, WORLI, MUMBAI - 400 018  
TEL : +91-22-6611 9696. • E-mail: dipti@mehta-mehta.com • Visit us : www.mehta-mehta.com

### AUTHORISED AGENTS FOR TRADEMARK, COPYRIGHT AND PATENT

The Chief General Manager  
Listing Operation,  
BSE Limited,  
20th Floor, P. J. Towers,  
Dalal Street,  
Mumbai – 400 001.

Dear Sir,

**Subject: Application for “In-Principle approval” prior to issue and allotment of 13,949,323 (Thirteen million nine hundred and forty nine thousand three hundred and twenty three) warrants convertible into or exchangeable for 1 (one) fully paid up equity shares of the Company on preferential basis under Regulation 28(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.**

We, Mehta & Mehta Practicing Company Secretary, have verified the relevant records and documents of **INDOSTAR CAPITAL FINANCE LIMITED** having **CIN L65100MH2009PLC268160** with respect to the proposed preferential issue by the company as per Chapter V of SEBI (ICDR) Regulations, 2018 and certify that:

- None of the proposed allottee(s) has/ have sold any equity shares of the company during the 90 trading days preceding the relevant date. Further, where the proposed allottee(s) is/ are promoter/ promoter group entity, then none of entities in the promoter and promoter group entities has/ have sold any equity share of the company during the 90 trading days preceding the relevant date.
- The pre-preferential shareholding of each of proposed allottee(s) has been locked in accordance with Regulation 167 (6) SEBI (ICDR) Regulations, 2018. Further, there is no sale/ pledge of pre-preferential holding from 21-02-2024 till 28-02-2024. The details of allottee-wise pre-preferential shareholding and lock-in thereon is as given hereunder:

| Name of Proposed Allottee           | DP ID *                                | Pre-preferential holding | Lock-in details |            | Pledged with | Pledge end date |
|-------------------------------------|--|--------------------------|-----------------|------------|--------------|-----------------|
|                                     |  |                          | From            | To         |              |                 |
| BCP V Multiple Holdings Pte Limited | DP ID: 13012400<br>Client ID: 05507482 | 7,64,82,638              | 28-02-2024      | 18-08-2024 | --           | --              |

\*Out of the 7,64,82,638 equity shares, 1,20,68,966 equity shares allotted to BCP V Multiple Holdings Pte Ltd pursuant to conversion of 1,20,68,966 compulsorily convertible preference shares (“CCPS”) on November 26, 2021 are under lock-in as they cannot be transferred until receipt of trading approval.

- c) None of the proposed allottee belonging to promoter(s) or the promoter group is ineligible for allotment in terms of Regulations 159 of SEBI (ICDR) Regulations, 2018.
- d) The proposed issue is being made in accordance with the requirements of Chapter V of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018, Section 42 and 62 of the Companies Act 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other requirements of Companies Act, 2013. Further, the company has complied with all legal and statutory formalities and no statutory authority has restrained the company from issuing these proposed securities.
- e) The proposed preferential issue is being made in compliance with the provisions of Memorandum of Association (MoA) and Article of Association (AoA) of the company. It is further confirmed that for the proposed preferential issue, the price of the equity shares of the company has been determined in compliance with the valuation requirement as mentioned in the AoA of the company.”
- f) The total allotment to the allottee or allottee acting in concert in the present preferential issue or in the same financial year i.e. 2023-24 is more than 5% of the post issue fully diluted share capital of the issuer as under:

| Sr No. | Name of Proposed Allottee           | No of shares to be allotted in the present preferential issue | % of shares to be allotted in the post issue fully diluted share capital of the issuer |
|--------|-------------------------------------|---|--|
| 1      | BCP V Multiple Holdings Pte Limited | 13,949,323  | 8.67%  |

- g) We hereby certify that the minimum issue price for the proposed preferential issue of IndoStar Capital Finance Limited, based on the pricing formula prescribed under Regulation 164 / 165 of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 has been worked out at Rs. 183.46
- h) The relevant date in accordance with Regulation 161 of SEBI (ICDR) Regulations, 2018 is February 21, 2024.
- i) The workings for arriving at such minimum issue price or valuation report from Independent Registered Valuer have been attached herewith.
- j) 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 on National Stock Exchange (NSE).

k) We hereby certify that in compliance with the existing Articles of Association of the Company, the Company has obtained a valuation report dated February 26, 2024 (Monday), from Mr. Deepanjan Periwal, Independent Registered Valuer (Registration No.: IBBI/RV/06/2020/13107), for determining the floor price for the proposed preferential issue ("Valuation Report"). As per the Valuation Report, the fair value per equity share of the Company is INR 182.86. However, the fair value per equity share determined in the Valuation Report is less than the floor price determined based on the pricing formula prescribed under Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, which works out to INR 183.46.

**For Mehta & Mehta,  
Practising Company Secretary  
(ICSI Unique Code P1996MH007500)**

ADITI  
PATNAIK

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by ADITI  
PATNAIK  
Date: 2024.02.29  
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**Aditi Patnaik  
Partner**

ACS No.: 45308

CP No.: 18186

PR No.: 3686/2023

Date: February 29, 2024

Place: Mumbai

UDIN: A045308E003514213

Valuation of equity shares for compliance with Regulation 164 and 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 Unlisted Equity Warrants**

For

**Indostar Capital Finance Limited**  
**CIN: L65100MH2009PLC268160**

**Report Date: 26<sup>th</sup> Feb 2024**

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Strictly private and confidential

**Date: 26<sup>th</sup> Feb 2024**

To,  
The Board of Directors  
IndoStar Capital Finance Limited  
Corporate Avenue,  
Wing 2/E, 5th Floor, Andheri-Ghatkopar Link Road,  
Chakala, Andheri (East), Mumbai 400 093

**SUBJECT: VALUATION OF EQUITY SHARES OF INDOSTAR CAPITAL FINANCE LIMITED (ICFL)**

Dear Sir/Madam,

The purpose of this valuation is to value the equity shares of ICFL for preferential issue of shares under the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR 2018).

In this connection, ICFL has requested Deepanjan Periwai, Registered Valuer, to carry out the valuation of equity shares based for compliance with Regulation 164 and 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.

The valuation workings are detailed in **Annexure I** below. As per the attached annexure, the fair value per equity share of ICFL is **INR 183.46 (Indian Rupee One Hundred Eight Three and Forty Six 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 ICFL having Registered office at OFF NO - 301, WING A, CTS NO 477, SILVER UTOPIA, CHAKALA ROAD, OPP PROCTOR AND GAMBLE, ANDHERI (E) Sahargaon, Mumbai, Maharashtra, India, 400099 for the purpose of valuation of equity shares of ICFL ("**ICFL**" / "**Company**").

ICFL 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 some of the proposed allottees, ICFL 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.

The information contained herein and our report is confidential. It is intended only for the sole use for ICFL, and only in connection with the purpose mentioned above. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the purpose as aforesaid, can be done only with our prior permission in writing.

**II. ABOUT THE VALUER**

Mr. Deepanjan Periwál 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 ICFL**

ICFL is based at Mumbai and Incorporated in the year 2009. The Registered office of the Company is situated at OFF No - 301, Wing A, CTS No 477, Silver Utopia, Chakala Road, Opp Proctor and Gamble, Andheri (E) Sahargaon, Mumbai, Maharashtra, India, 400099.

ICFL started business as a wholesale financier in fiscal 2011 and entered the SME finance (loans against property) segment in fiscal 2015. In fiscal 2018, the company started offering vehicle finance and housing finance (through wholly owned subsidiary, IndoStar Home Finance Pvt Ltd). ICFL got publicly Listed company in May 2018 and the current market capitalization of the company is above INR 2,500 Cr (As on 19th Jan 2024). In fiscal 2019, ICFL acquired the Commercial Vehicle finance business of IIFL Finance Ltd. The company plans to focus on used Commercial Vehicle financing and affordable housing finance hereon. The Company is presently listed on BSE Limited (BSE) (Unique ID: 541336) and National Stock Exchange of India Limited (NSE) (Unique ID: INDOSTAR).



### Directors and Key Managerial Persons

| Sr. No | DIN/PAN    | Name                         | Designation         |
|--------|------------|------------------------------|---------------------|
| 1      | 1216114    | NAINA KRISHNA MURTHY         | Director            |
| 2      | 8684627    | ADITYA HEMANT JOSHI          | Director            |
| 3      | 551588     | HEMANT KAUL                  | Director            |
| 4      | AIGPP2263C | VINODKUMAR MADHAVAN PANICKER | CFO                 |
| 5      | 2018124    | DHANPAL ARVIND JHAVERI       | Director            |
| 6      | 19437      | BOBBY KANUBHAI PARIKH        | Director            |
| 7      | 8768297    | VIBHOR KUMAR TALREJA         | Director            |
| 8      | 10056556   | KARTHIKEYAN SRINIVASAN       | Whole-time director |
| 9      | AJCPK4108L | KARTHIKEYAN SRINIVASAN       | CEO                 |
| 10     | 10294876   | DEV DUTT VINAYAK MARATHE     | Director            |
| 11     | ATSPJ9538R | SHIKHA JAIN                  | Company Secretary   |

### IV. SHARE HOLDING PATTERN OF ICFL

The Share Capital of the Company, on a fully diluted basis, as on 31st Dec, 2023 is as under:

| Particulars                            | No. of Equity Shares | Face Value per Equity share | Amount         |
|--|----------------------|-----------------------------|----------------|
| Issued, subscribed and paid-up Capital | 136,079,295          | 10                          | 1,36,07,92,950 |

Shareholding Pattern as on 31<sup>st</sup> Dec 2023 is as follows:

| Particulars               | No. of Shareholders | No of Equity Shares | % of Holding  |
|---------------------------|---------------------|---------------------|---------------|
| Promoter & Promoter Group | 3                   | 10,20,58,226        | 75.00         |
| Public                    | 72,849              | 3,40,21,069         | 25.00         |
| Non-Promoter- Non Public  | -                   | -                   | -             |
| <b>Total</b>              | <b>72,852</b>       | <b>13,60,79,295</b> | <b>100.00</b> |

(Source: Shareholding Pattern as on 31<sup>st</sup> Dec, 2023 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 18<sup>th</sup> Jan 2024

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

The Valuer is not related to the ICFL 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 ICFL and also the information available on Public Domain related to ICFL and other information as required for the purpose of valuation:

#### Information provided by ICFL:

- 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> Dec 2023.



#### Information obtained from Public Domain:

- Audited Financial Statements for FYE 19, FYE 20, FYE 21, FYE 22 and FYE 23.
- Latest Shareholding Pattern on 31st Dec 2023.
- Market prices available on BSE Websites.
- Market prices available on 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 there are three approaches of Valuations which are as follows:

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

Under Income approach, business is valued by converting maintainable or future amount of cash flows to a single current amount either through discounting or capitalization. Under Income Approach, DCF Method seeks to arrive at the value of the business based on its future cash flows generating capability and the risks associated with the said cash flows. FCFF or free cash flows to the firm ("FCFF") represents the cash available for distribution to both the owners and the creditors of the business. Risk-adjusted discount rate or Weighted Average Cost of Capital ("WACC") is applied to free cash flows in the explicit period and that in perpetuity. Adjustments pertaining to debt, surplus/non-operating assets including investments, cash & bank balance and contingent assets/liabilities and other liabilities, as relevant, are required to be made in order to arrive at the value for equity shareholders. The total value for the equity shareholders so arrived is then to be divided by the number of equity shares to arrive at the value per equity share of the company. *While considering the valuation approaches, Income Approach has not been followed due to unavailability of business projections as we understand that projections of ICFL would be price sensitive information, which was therefore not made available to us.*

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:** 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.

## 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 some of the allottees, in terms of the provisions of Regulation 166 of SEBI ICDR 2018, as amended upto date, ICFL requires Valuation of its Equity shares for issuing such Equity warrants on preferential basis. Accordingly, the minimum price shall be 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 (Pricecalculated 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 21<sup>st</sup> Feb 2024 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) days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or
- ✓ The 10 (ten) 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 183.46 per equity share as per **Annexure 1/A** and we, being an Independent Valuer, have calculated INR 182.86 per equity shares as the fair value price of each Equity Share in accordance with Regulation 166A of the SEBI (ICDR) Regulations as per **Annexure 1/B**.

Further, as informed by the management, there is no change in the control of the issuer and thus, there we have not computed any control premium, over and above the price determined in terms of the first proviso:

Following is the summary of the Valuation:



| Particulars   | Value Per Share in INR |
|---|------------------------|
| Value per Share as per Regulation 164 of SEBI ICDR 2018 - <i>as per Annexure-1/A</i>  | 183.46                 |
| Fair Value per Share- <i>as per Annexure-1/B.</i>   | 182.86                 |
| Price Calculated as per Articles of Association of the Company <i>as per Annexure-1/C</i>   | 182.86                 |
| <b>Whichever is higher as above</b>   | <b>183.46</b>          |
| Minimum price per Equity Share as per regulation 166A of SEBI ICDR 2018 before giving effect to change of control                     | 183.46                 |
| Control Premium due to change in Control of the Issuer  | NIL                    |
| <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>183.46</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.

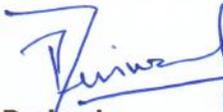
***The Fair Market Value per equity share of ICFL as per above methodology is INR 183.46/- (Indian Rupees One Hundred Eight Three and Forty Six paisa only).***

## 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.
- 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 ICFL and our work and our finding shall not constitute a recommendation as to whether the ICFL/ 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> Feb, 2024**

**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.

| Particulars  | Traded Turnover |
|--|-----------------|
| Total Traded Turnover in BSE in 90 Trading Days<br>(from 12th Oct 2023 to 20th Feb 2024) (A) | 13,57,062       |
| Total Traded Turnover in NSE in 90 Trading Days<br>(from 12th Oct 2023 to 20th Feb 2024) (B) | 1,03,54,148     |
| Maximum Traded Turnover in Exchange (Higher of A and B)                                      | NSE             |

| Particulars   | Amount       |
|---|--------------|
| Total Number of Equity shares (A)<br>(Outstanding as on 31st Dec 2023)              | 13,60,79,295 |
| Total Volume in NSE in 240 Trading Days (B)<br>(from 2nd Mar 2023 to 20th Feb 2024) | 3,71,63,113  |
| % Share Traded (A)/(B)  | 27%          |

### Calculation of Price as per regulation 164 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:

| Particulars   | Amount        |
|---|---------------|
| The 90 trading days volume weighted average price quoted at NSE during the 90 trading days preceding the relevant date (Note 1 below from 12th Oct 2023 to 20th Feb 2024) (A) | 181.80        |
| The 10 trading days volume weighted average price quoted at NSE during the 10 trading days preceding the relevant date (Note 2 below from 7th Feb 2024 to 20th Feb 2024) (B)  | 183.46        |
| <b>Higher of Above (A) or (B)</b>   | <b>183.46</b> |



**Note (1)**

The 90 trading days volume weighted average price quoted at NSE during the 90 trading days preceding the relevant date from 12<sup>th</sup> Oct 2023 to 20<sup>th</sup> Feb 2024:

| Sr. No.                             | Date      | Volume   | Value        | Sr. No. | Date      | Volume   | Value       | Sr. No. | Date      | Volume                | Value       |
|-------------------------------------|-----------|----------|--------------|---------|-----------|----------|-------------|---------|-----------|-----------------------|-------------|
| 1                                   | 20-Feb-24 | 1,18,404 | 2,13,44,516  | 31      | 08-Jan-24 | 1,78,727 | 3,15,71,721 | 61      | 23-Nov-23 | 29,472                | 48,29,992   |
| 2                                   | 19-Feb-24 | 77,894   | 1,38,73,994  | 32      | 05-Jan-24 | 1,96,637 | 3,38,30,952 | 62      | 22-Nov-23 | 58,298                | 95,66,771   |
| 3                                   | 16-Feb-24 | 46,486   | 83,46,425    | 33      | 04-Jan-24 | 2,85,329 | 4,89,16,454 | 63      | 21-Nov-23 | 83,890                | 1,36,36,430 |
| 4                                   | 15-Feb-24 | 29,382   | 53,20,374    | 34      | 03-Jan-24 | 1,96,729 | 3,37,99,263 | 64      | 20-Nov-23 | 49,689                | 82,65,942   |
| 5                                   | 14-Feb-24 | 49,061   | 88,84,461    | 35      | 02-Jan-24 | 1,20,151 | 2,04,73,612 | 65      | 17-Nov-23 | 85,444                | 1,43,51,243 |
| 6                                   | 13-Feb-24 | 47,596   | 84,17,319    | 36      | 01-Jan-24 | 96,600   | 1,65,77,355 | 66      | 16-Nov-23 | 54,700                | 94,06,147   |
| 7                                   | 12-Feb-24 | 65,246   | 1,18,85,045  | 37      | 29-Dec-23 | 59,934   | 1,01,52,935 | 67      | 15-Nov-23 | 44,104                | 76,08,514   |
| 8                                   | 09-Feb-24 | 58,183   | 1,09,65,675  | 38      | 28-Dec-23 | 92,236   | 1,56,74,991 | 68      | 13-Nov-23 | 39,830                | 68,64,831   |
| 9                                   | 08-Feb-24 | 2,37,145 | 4,45,63,951  | 39      | 27-Dec-23 | 99,711   | 1,69,94,468 | 69      | 12-Nov-23 | 13,334                | 23,27,749   |
| 10                                  | 07-Feb-24 | 83,135   | 1,54,63,586  | 40      | 26-Dec-23 | 1,13,205 | 1,91,71,495 | 70      | 10-Nov-23 | 23,090                | 39,93,151   |
| 11                                  | 06-Feb-24 | 96,363   | 1,80,11,347  | 41      | 22-Dec-23 | 36,048   | 58,95,288   | 71      | 09-Nov-23 | 43,832                | 77,33,786   |
| 12                                  | 05-Feb-24 | 96,416   | 1,78,84,479  | 42      | 21-Dec-23 | 46,837   | 75,71,041   | 72      | 08-Nov-23 | 1,59,561              | 2,83,01,247 |
| 13                                  | 02-Feb-24 | 97,740   | 1,85,59,503  | 43      | 20-Dec-23 | 1,18,364 | 1,96,26,298 | 73      | 07-Nov-23 | 1,00,026              | 1,74,10,676 |
| 14                                  | 01-Feb-24 | 1,19,650 | 2,30,16,916  | 44      | 19-Dec-23 | 75,828   | 1,28,83,039 | 74      | 06-Nov-23 | 1,37,765              | 2,27,81,401 |
| 15                                  | 31-Jan-24 | 2,09,249 | 4,05,98,510  | 45      | 18-Dec-23 | 62,954   | 1,06,54,762 | 75      | 03-Nov-23 | 18,331                | 29,34,159   |
| 16                                  | 30-Jan-24 | 4,31,028 | 8,25,10,607  | 46      | 15-Dec-23 | 70,761   | 1,20,08,609 | 76      | 02-Nov-23 | 94,839                | 1,50,52,392 |
| 17                                  | 29-Jan-24 | 37,339   | 73,48,315    | 47      | 14-Dec-23 | 70,351   | 1,20,09,396 | 77      | 01-Nov-23 | 1,65,570              | 2,64,80,661 |
| 18                                  | 25-Jan-24 | 28,791   | 59,64,056    | 48      | 13-Dec-23 | 2,11,330 | 3,65,22,775 | 78      | 31-Oct-23 | 48,142                | 76,77,820   |
| 19                                  | 24-Jan-24 | 1,55,609 | 3,36,33,113  | 49      | 12-Dec-23 | 71,048   | 1,24,04,562 | 79      | 30-Oct-23 | 2,91,574              | 4,69,42,269 |
| 20                                  | 23-Jan-24 | 1,77,983 | 3,90,30,571  | 50      | 11-Dec-23 | 55,004   | 95,65,968   | 80      | 27-Oct-23 | 1,44,285              | 2,45,98,555 |
| 21                                  | 20-Jan-24 | 2,55,468 | 5,57,65,405  | 51      | 08-Dec-23 | 50,198   | 86,22,952   | 81      | 26-Oct-23 | 48,479                | 81,98,159   |
| 22                                  | 19-Jan-24 | 1,27,505 | 2,64,84,717  | 52      | 07-Dec-23 | 54,079   | 93,42,854   | 82      | 25-Oct-23 | 74,568                | 1,27,74,277 |
| 23                                  | 18-Jan-24 | 82,763   | 1,63,66,170  | 53      | 06-Dec-23 | 53,579   | 92,69,758   | 83      | 23-Oct-23 | 69,123                | 1,19,24,692 |
| 24                                  | 17-Jan-24 | 94,578   | 1,87,16,145  | 54      | 05-Dec-23 | 29,881   | 52,08,776   | 84      | 20-Oct-23 | 53,073                | 93,99,531   |
| 25                                  | 16-Jan-24 | 1,25,240 | 2,50,00,948  | 55      | 04-Dec-23 | 1,65,249 | 2,89,02,250 | 85      | 19-Oct-23 | 1,32,389              | 2,34,10,559 |
| 26                                  | 15-Jan-24 | 2,45,055 | 5,02,20,949  | 56      | 01-Dec-23 | 82,447   | 1,39,83,563 | 86      | 18-Oct-23 | 70,637                | 1,26,55,722 |
| 27                                  | 12-Jan-24 | 5,08,524 | 10,29,74,702 | 57      | 30-Nov-23 | 80,641   | 1,39,43,073 | 87      | 17-Oct-23 | 65,510                | 1,16,46,974 |
| 28                                  | 11-Jan-24 | 3,80,031 | 7,34,11,994  | 58      | 29-Nov-23 | 1,15,963 | 2,05,98,583 | 88      | 16-Oct-23 | 1,21,502              | 2,14,89,154 |
| 29                                  | 10-Jan-24 | 4,32,991 | 7,93,38,821  | 59      | 28-Nov-23 | 2,82,476 | 4,93,64,904 | 89      | 13-Oct-23 | 43,447                | 77,73,406   |
| 30                                  | 09-Jan-24 | 1,64,232 | 2,86,64,576  | 60      | 24-Nov-23 | 67,344   | 1,13,58,183 | 90      | 12-Oct-23 | 70,916                | 1,28,30,389 |
| <b>TOTAL VALUE</b>                  |           |          |              |         |           |          |             |         |           | <b>1,88,23,33,670</b> |             |
| <b>TOTAL VOLUME</b>                 |           |          |              |         |           |          |             |         |           | <b>1,03,54,148</b>    |             |
| <b>90 Days Trading Average VWAP</b> |           |          |              |         |           |          |             |         |           | <b>181.80</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. 21<sup>st</sup> Feb, 2024):

| Sr. No.                             | Date      | Volume              | Value       |
|-------------------------------------|-----------|---------------------|-------------|
| 1                                   | 20-Feb-24 | 1,18,404            | 2,13,44,516 |
| 2                                   | 19-Feb-24 | 77,894              | 1,38,73,994 |
| 3                                   | 16-Feb-24 | 46,486              | 83,46,425   |
| 4                                   | 15-Feb-24 | 29,382              | 53,20,374   |
| 5                                   | 14-Feb-24 | 49,061              | 88,84,461   |
| 6                                   | 13-Feb-24 | 47,596              | 84,17,319   |
| 7                                   | 12-Feb-24 | 65,246              | 1,18,85,045 |
| 8                                   | 09-Feb-24 | 58,183              | 1,09,65,675 |
| 9                                   | 08-Feb-24 | 2,37,145            | 4,45,63,951 |
| 10                                  | 07-Feb-24 | 83,135              | 1,54,63,586 |
| <b>TOTAL VALUE</b>                  |           | <b>14,90,65,345</b> |             |
| <b>TOTAL VOLUME</b>                 |           | <b>8,12,532</b>     |             |
| <b>10 Days Trading Average VWAP</b> |           | <b>183.46</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> Dec 2023 and thus, Book Value per Equity shares has been calculated as on 31<sup>st</sup> Dec 2023

| Particulars   | Amount<br>(INR Lacs) |
|---|----------------------|
| <b>ASSETS</b>   |                      |
| <b>Financial Assets (A)</b>                                       |                      |
| Cash and cash equivalents   | 59,698.58            |
| Bank balances other than cash and cash equivalents                | 25,554.37            |
| Loans   | 7,01,906.06          |
| Investments   | 1,11,389.46          |
| Other financial assets  | 34,635.65            |
| <b>Non-financial assets (B)</b>                                   |                      |
| Current tax assets (net)  | 7,766.81             |
| Deferred tax assets (net)   | 31,643.62            |
| Property, plant and equipment                                     | 6,823.99             |
| Assets acquired in satisfaction of claim                          | 1,300.00             |
| Goodwill  | 30,018.69            |
| Intangible assets   | 1,547.99             |
| Other non-financial assets  | 5,248.27             |
| <b>TOTAL ASSETS C = (A+B)</b>                                     | <b>10,17,533.49</b>  |
|   |                      |
| <b>LIABILITIES</b>  |                      |
| <b>Financial liabilities (D)</b>                                  |                      |
| Trade payables  | 1.86                 |
| Debt securities   | 2,85,762.38          |
| Borrowings (other than debt securities)                           | 3,82,478.08          |
| Other financial liabilities                                       | 27,420.13            |
| <b>Non-financial liabilities (E)</b>                              |                      |
| Current tax liabilities (net)                                     | -                    |
| Provisions  | 642.71               |
| Deferred tax liabilities (net)                                    | 1,058.77             |
| Other non-financial liabilities                                   | 632.25               |
| <b>TOTAL LIABILITIES F = (D+E)</b>                                | <b>6,97,996.18</b>   |
|   |                      |
| Book Value of Net Assets (G) = [F-C]                              | 3,19,537.31          |
|   |                      |
| Nos. of Fully Paid-up Equity Shares (H)                           | 1,360.79             |
|   |                      |
| Book Value Per Share (I) = [G / H]<br>(Rounded Off to 2 Decimals) | 234.82               |



The above figures are taken from consolidated financial statement and has been taken from the Publicly available information.

## 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 that is 21<sup>st</sup> Feb 2024 is Rs. 183.46 per Equity Share. Refer details as per Annexure 1/A.

## 3. Comparable Company Multiple Method

### PEER COMPANIES AVERAGE P/E RATIO

| S.No. | Name             | CMP Rs. | P/E          | Mar Cap Rs.Cr. | Div Yld % | NP Qtr Rs.Cr. | Qtr Profit Var % | Sales Qtr Rs.Cr. | Qtr Sales Var % | ROCE % |
|-------|------------------|---------|--------------|----------------|-----------|---------------|------------------|------------------|-----------------|--------|
| 1     | Cholaman.Inv.&Fn | 1085.55 | 28           | 91174.02       | 0.18      | 872.02        | 27.34            | 5007.42          | 49.2            | 9.72   |
| 2     | Shriram Finance  | 2355.95 | 13.31        | 88423.14       | 1.49      | 1873.59       | 3.74             | 9300.7           | 19.31           | 12.13  |
| 3     | Muthoot Finance  | 1324.2  | 13.65        | 53171.12       | 1.66      | 1027.26       | 13.93            | 3167.73          | 19.1            | 12.06  |
| 4     | Aditya Birla Cap | 182.6   | 17.61        | 47526.98       | 0         | 760.3         | 2.79             | 8800.06          | 26.84           | 11.38  |
| 5     | M & M Fin. Serv. | 289     | 18.42        | 35677.75       | 2.08      | 622.95        | -5.88            | 4100.08          | 23.36           | 8.87   |
| 6     | IIFL Finance     | 602.45  | 12.74        | 22959.31       | 0.66      | 545.19        | 29.64            | 2647.48          | 24.83           | 11.54  |
| 7     | Manappuram Fin.  | 178.6   | 7.41         | 15125.54       | 1.68      | 575.31        | 46.08            | 2305.28          | 34.41           | 11.74  |
| 8     | Ujjivan Fin.Ser. | 551.45  | 8.18         | 6710.67        | 0.91      | 281.49        | -5.67            | 1575.67          | 37.7            | 10.29  |
| 9     | LIC HF           | 640.9   | 7.24         | 35253.54       | 1.33      | 1166.6        | 152.58           | 6804.19          | 15.52           | 7.57   |
| 10    | PNB HF           | 726.75  | 13.8         | 18855.83       | 0         | 346.54        | 27.29            | 1748.05          | -2.19           | 8.27   |
| 11    | GIC HF           | 234.45  | 8.43         | 1263.04        | 1.92      | 35.6          | -45.57           | 261.11           | -7.02           | 8.69   |
|       | <b>Average</b>   |         | <b>13.56</b> |                |           |               |                  |                  |                 |        |

Based on the discussion with the management, above are the companies with similar business model and most comparable peers in the Industry.

### VALUE AS PER P/E MULTIPLE

| Sr. No. | Particulars   | Amount |
|---------|---|--------|
| (A)     | Diluted Earnings Per Share (Trailing Twelve Months) TTM | 11.50  |
| (B)     | Average P/E Ratio of peer Companies                     | 13.56  |
| (C)     | Price per Share [B * C]<br>(Rounded off to 2 Decimals)  | 155.97 |

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

| Particulars                             | Fair Value per Share | Weight | Weighted Price Per Share |
|---|----------------------|--------|--------------------------|
| Market Price Method                     | 183.46               | 3      | 550.37                   |
| Comparable Company Multiple Method      | 155.97               | 2      | 311.94                   |
| Book Value Method                       | 234.82               | 1      | 234.82                   |
| <b>TOTAL</b>                            |                      | 6      | 1,097.13                 |
| <b>Weighted Average Price Per Share</b> |                      |        | <b>182.86</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 3 to the Market Price Method, 2 to the Comparable Company Multiple Method, and 1 to the Book Value Method is as follows:

### 1. Market Price Method (Weight: 3):

**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: 2):

**Rationale:** 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. Book Value Method (Weight: 1):

**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 7: Further issue of Share Capital and Shares at the Disposal of the Directors, under Article of association empowers the Board of Director and/or company to issue additional shares.

Clause 7 (f) mentions that Any persons, when authorized by a special resolution, whether or not those person include the persons referred to in clause (a) or I above, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer subject to such conditions as may be specified in the relevant Rules.

Above clause defines that the price of such shares should be determined by valuation report from Registered Valuer. However, 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.

Thus, 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 182.86



The image shows a handwritten signature in blue ink, which appears to be 'Zeev', written over a circular blue stamp. The stamp contains the following text: 'DEEPANJAN PERIWAL' at the top, 'IBR/IRV/06/' in the center, '20/0/13107' below that, 'MUMBAI' at the bottom, and 'REGISTERED VALUER' around the inner edge of the circle.