



VALUATION REPORT

VALUATION OF EQUITY SHARES OF

DHRUVA CAPITAL SERVICES LIMITED

FOR PRIVATE PLACEMENT OF EQUITY SHARES
UNDER SECTION 42 AND 62 (1)(C) OF COMPANIES ACT, 2013

Valuation Date 30th December, 2022

MANISH GADIA

REGN. NO. IBBI/RV/06/2019/11646

RVO Mem. No. ICAIRVO/06/RV-P00074/2019-2020



MANISH GADIA

B.Com, FCA,DISA(ICAI)
Registered Valuer (IBBI)
Regn. No. IBBI/RV/06/2019/11646

5, Raja Subodh Mullick Square
2nd Floor, Kolkata – 700 013
manish@jmpassociates.com
+91 9830328772

To,
The Director
Dhruva Capital Services Limited
003-A, "Circle View", Apartment-169,
Fatehpuria, Near Sukhadia Circle,
Udaipur, RJ-313001 IN

Ref: Valuation Analysis of Equity Shares of Dhruva Capital Services Limited

I refer to the engagement letter dated 24/12/2022 for engaging Mr. Manish Gadia, a Registered Valuer for the purpose of valuation of Equity Share of Dhruva Capital Services Limited in accordance to Regulation 165 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2018 ("SEBI ICDR, 2018), Regulation 8(2)(e) of SAST Regulations, 2011 read with Section 42 and Section 62 (1)(C) of the Companies Act, 2013 for further issue of share capital. The company is registered under the Companies Act, 1956 with CIN: L67120RJ1994PLC008593 having its registered office at 003-A, "Circle View", Apartment-169, Fatehpuria, Near Sukhadia Circle, Udaipur, RJ-313001 IN. The equity shares of the Company are presently listed on the Bombay Stock Exchange Limited (Code: 531237) and ISIN is INE972E01014.

I have relied on accuracy and completeness of all the information and explanations provided by the management. Based on the information provided by the management and my analysis of the Equity Shares of Company, I have arrived at the "estimated fair value" ("Valuation" or "Value") of the Company to be Rs. 10.00 per fully paid-up equity shares of Rs. 10 each as on 30th December, 2022 ("Valuation date").

The Board of Directors of the Company has decided to issue equity shares of the Company at Rs.40/- per share and that the proposed issue price is in compliance with the provisions of Regulation 165 and other applicable provisions of the SEBI (ICDR) Regulations, 2018, price being higher than the valuation arrived as stated above.



The detailed valuation report including calculations and assumptions has been attached in pages to follow.

Manish Gadia

(Regn. No. IBBI/RV/06/2019/11646)

(RVO Mem. No. ICAIRVO/06/RV-P00074/2019-2020)

Date: 30-12-2022

Place: Kolkata

UDIN - 23059677BGUHVP2486



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PURPOSE OF VALUATION

I have been appointed by **Dhruva Capital Services Limited** solely to determine the fair valuation of equity share of the company **Dhruva Capital Services Limited**.

The equity shares are presently listed on BSE and there is no trading in the equity shares of the Company, accordingly the issue price is to be determined in compliance with the requirements of Regulation 165 of the SEBI ICDR, 2018 Regulation 8(2)(e) of SAST Regulations, 2011 read with Section 42 and Section 62 (1)(C) of the Companies Act, 2013 which provides that valuation of shares of company duly calculated by a registered valuer if a company decided for further issue of share capital.

Pricing of infrequently traded shares

Regulation 165 of SEBI ICDR, 2018: Where the shares of an issuer are not frequently traded, the price determined by the issuer shall take into account the valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies:

Provided that the issuer shall submit a certificate stating that the issuer is in compliance of this regulation, obtained from an independent valuer to the stock exchange where the equity shares of the issuer are listed.

Regulation 8(2)(e) of SAST Regulations, 2011

Regulation 8: The open offer for acquiring shares under regulation 3, regulation 4, regulation 5 or regulation 6 shall be made at a price not lower than the price determined in accordance with sub-regulation (2) or sub-regulation (3), as the case may be; (e) where the shares are not frequently traded, the price determined by the acquirer and the manager to the open offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies.

Sec. 42 says Offer or invitation for subscription of shares on private placement—A company may, subject to the provisions of this section, make private placement through issue of a private placement offer letter. Private placement" means any offer of securities or invitation to subscribe securities to a select group of persons by a company (other than by way of public offer) through issue of a private placement offer letter and which satisfies the conditions specified in this section.

Sec.62 says Further issue of share capital.— (1) Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—(c) to any persons, if it is authorized by a special resolution, whether or not

those persons include the persons referred to in clause (a) or clause (b), 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 prescribed.

This report has been issued in accordance with Regulation 165 of SEBI ICDR, 2018 read with section 247 of Companies Act 2013, which provides statutory backing to the Valuation, which requires that in respect of valuation of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of this Act, *it should be valued by a person having such qualification and experience and registered as valuer in such manner as may be prescribed.*

▪ *In view of the above background, Registered Valuer understands that the purpose of this report is to determine the fair value of equity shares of DCSL that will be allotted to the investors in accordance with the requirement of section 42 and section 62(1)(c) of the Companies Act, 2013, which states that when a company proposes to issue new shares, the price of such shares should be determined by the valuation report of a Registered Valuer.*

SCOPE OF VALUATION

Appointing Authority

As per Regulation 165 of the SEBI ICDR, 2018 read with Section 247 of The Companies Act, 2013 the Board of Directors of DCSL appointed Manish Gadia (Registered Valuer) to issue a report on the fair valuation of equity shares of DCSL. I understand that the purpose of the said report is to determine the fair value of equity shares of the company, as on 30th December, 2022.

Appointment date, Relevant date and Report date

The management appointed Manish Gadia on 24th December, 2022. The analysis of the fair value of the equity share of the Company has been carried out on the Relevant Date i.e. 29th December, 2022. The valuation report is issued on 30th December, 2022.

As per Regulation 161(a) of the SEBI ICDR, 2018, "relevant date" means in case of preferential issue of equity shares, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.

Identity of the Valuer

Manish Gadia is a Registered Valuer as required under the Companies (Registered Valuers & Valuation) Rules, 2017. He is registered with Insolvency & Bankruptcy Board of India vide registration number IBBI/RV/06/2019/11646.



Disclosure of Valuer Interest

I neither have any present or any prospective contemplated financial interest in DCSL nor any personal interest with respect to the Promoters & Board of Directors of DCSL. I have no bias/prejudice with respect to any matter that is the subject of the valuation report or to the parties involved with this engagement.

My professional fee for this valuation is based upon my normal billing rates, and not contingent upon the results or the value of the business or in any other manner.

Restrictions on use of the report

This Valuation Report has been issued on the specific request of the management for the Value of the Company based on the latest available audited financials for the year ended 31st March, 2022.

Specific Purpose:

Valuation analysis and its results are specific to the purpose of valuation as mentioned in the section "Purpose of Valuation". It may not be relevant for any other purpose or entity. This Report is prepared exclusively for the above stated purpose and must not be copied, disclosed or circulated or referred to in correspondence or discussion with any other party. Neither this report nor its content may be used for any other purpose without my prior written consent.

Not an advice to buy or sell:

The analysis in this report is based on the information provided by the management and such information as is obtained from market sources. However, my report is not advising anybody to take a buy or sell decision, for which specific opinion may be required from experts.

No audit or certification:

My work does not constitute an audit or certification of the historical financial statements. I cannot and do not express an opinion on the accuracy of any financial information referred to in this report. I have relied on the assumptions made by the management of the company. These assumptions require exercise of judgement and are subject to uncertainties.



BACKGROUND OF THE COMPANY

NAME: DHRUVA CAPITAL SERVICES LIMITED

CIN: L67120RJ1994PLC008593

DATE OF INCORPORATION: 22-07-1994

REGISTERED ADDRESS: 003-A, "CIRCLE VIEW", APARTMENT-169, FATEHPURIA, NEAR SUKHADIA CIRCLE, UDAIPUR RJ 313001 IN



The Company is a Non-Banking Financial Company (NBFC), which is engaged in the business of Investment and Financing. The company is registered with Reserve Bank of India as an NBFC, not accepting public deposits u/s 45-IA of the Reserve Bank of India Act, 1934, vide registration number – 10.00098 dated 01.09.1999.

PURPOSE OF NEW SHARE CAPITAL

The company wants to raise further share capital by issue of further equity for the purpose of its business.

Director's Details-

<u>DIN/PAN</u>	<u>DIRECTOR'S /KMP NAME</u>	<u>DESIGNATION</u>	<u>APPOINTMENT DATE</u>
00300998	KAILASH KARNAWAT	Managing Director	1 st Apr 2010
00301108	MEENA KARNAWAT	Director	22 nd Jul 1994
00863821	ASHOK KUMAR DOSHI	Director	30 th Sep 2018
07000988	UPENDRA TATER	Director	30 th Sep 2014
AESPJ8542E	ROSHAN LAL JAIN	CFO(KMP)	27 th Jan 2020
EKDPK1355P	RITIKA KUMAWAT	Company Secretary	14 th Nov 2022

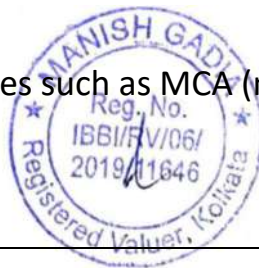
Authorized Capital - Rs. 35000000

Paid Up Capital - Rs. 32617000

SOURCES OF INFORMATION

In connection with this valuation exercise, I have used and relied upon the following information about the company received from the management of Dhruva Capital Services Limited and/or gathered from public domain:

- ❖ Audited Balance Sheet of DCSL as on 31st March, 2022.
- ❖ Representations from the management (written and oral) that affect the value of the shares of the company.
- ❖ Public documents as available from external sources such as MCA (mca.gov.in), and others.
- ❖ Market / industry surveys & information.



- ❖ Share holding pattern
- ❖ Company Profile, Memorandum & Articles of Association
- ❖ Other information and documents for the purpose of this engagement.

During the discussion with the Management, I have also obtained explanations and information considered reasonably necessary for my exercise. The Company have been provided with the opportunity to review the draft report (excluding the recommended valuation) as a part of my standard practice to make sure that factual / omissions are avoided in my final report.

I have relied upon the truth, accuracy and completeness of the information, data and financial terms provided to me or used by me; I have considered that the same are not misleading and do not accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Company. The valuation analysis and result are substantively based only on information contained in this report and are governed by concept of materiality. Please refer to the caveats, limitations and disclaimers mentioned in this report.

LIMITATIONS, QUALIFICATIONS AND EXCLUSIONS

This valuation is subject to the following limiting conditions:

1. This report has been prepared for the purpose of determining/estimating the Fair Value per Equity share of the Company based on the international/generally accepted valuation methodologies for the purpose of a Private Placement / Preferential Issue as per Regulation 165 of the SEBI ICDR, 2018, Regulation 8(2)(e) of SAST Regulations, 2011 read with Section 42 and Section 62 (1)(C) of the Companies Act, 2013.
2. The valuation is based on the audited financial statements of the company DCSL and for the year ended 31st March, 2022. The Terms of my engagement was such that I was mandated to rely upon the information & projections provided to me by the client with no further due diligence on the data or on the projections was done by me. I would not be held responsible for the achievability or authenticity of the forecasts or data.
3. The scope of work did not include any due diligence procedures. I have not conducted a site review of the subject business premises, nor have I reviewed any of the business financials. I do not



imply that it should not be construed that I have verified any of the information provided to me, or that my inquiries could have verified any matter, which a more extensive examination might disclose.

4. By this report I am not purporting to advise the investor or investee companies on the prudence of the investment.

5. Neither me nor my employee undertakes responsibility in anyway whatsoever to any person in respect of any errors in this report arising due to limited time and information available to us.

6. I have not undertaken responsibility to update this report for the events and circumstances occurring after the valuation date. This report is purely recommendatory in nature. My liability, if any, shall be limited to the professional fees paid to me for rendering these services.

7. This report and the information provided herein is my sole Intellectual property and I hold its complete copyrights. No part of this report shall be reproduced/copied/extracted etc. without the express permission of mine in writing unless statutorily required. Such consent shall not be unreasonably withheld.

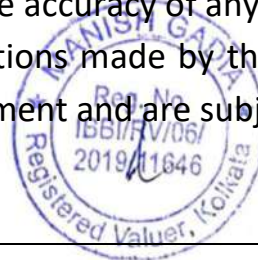
DISCLAIMERS

The valuation of the Company contained herein is not intended to represent at any time other than the date that is specifically stated in this report. I have no responsibility to update this report for events and circumstances occurring after the valuation date.

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

Valuation analysis and its results are specific to the purpose of valuation as mentioned in the section "Purpose". It may not be relevant for any other purpose or entity. This Report is prepared exclusively for the above stated purpose. Neither this report nor its content may be used for any other purpose without my prior written consent.

My work does not constitute an audit or certification of the historical financial statements. I cannot and do not express an opinion on the accuracy of any financial information referred to in this report. I have relied on the assumptions made by the management of the Company. These assumptions require exercise of judgment and are subject to uncertainties.



The Management of the Company has indicated to me that it has understood that any omissions, inaccuracies, or misstatements may materially affect my analysis/results. Accordingly, I assume no responsibility for any errors in the above information furnished by the Management of the Company and their impact on the present valuation exercise.

I have assumed that the company will maintain the character and integrity of the Company through any reorganization or reduction of any owner's/manager's participation in the existing activities of the Company

In no event shall I be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or willful defaults on the part of DCSL, their directors, employees or agents. In no circumstances shall my liability relating to services provide in connection with the engagement set out in this report exceed the amount paid to me in respect of the fees charged for those services.

The assumptions used in their preparation, as I have been explained, are based on the management's present expectation of both – the most likely set of future business events and the management's course of action related to them. Wherever I have not received details information from the management, I have used my assessment of value based on experiences and circumstances of the case. It is usually the case that some events and circumstances do not occur as expected or are not anticipated.

I have relied upon the representations received from the Management that the information contained in this Report is materially accurate and complete, fair in the manner of its portrayal and therefore forms a reliable basis for the valuation.

This report shall at all times be read and interpreted in full, no part of it shall be read independently for any reason whatsoever. This report and the information provided herein is the sole Intellectual property of the company and the company holds its complete copyrights. No part of this report shall be reproduced/copied/extracted etc. without the express permission of the company in writing unless statutorily required. Such consent shall not be unreasonably withheld.

The fee for the engagement is not contingent upon the results reported.



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 Management of the Company through broad inquiry, however I have not carried out a due diligence or audit procedures for the purpose of this engagement, nor have I independently investigated or otherwise verified the data provided. Through the above evaluation, nothing has come to my attention to indicate that the information provided was materially mis-stated/incorrect or would not afford reasonable grounds upon which to base the report. I do not imply and it should not be construed that I have verified any of the information provided to us, or that my inquiries could have verified any matter, which a more extensive examination might disclose. The terms of my engagement was such that I was entitled to rely upon the information provided by the Management of the Company.

The Report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws and litigation and other contingent liabilities that are not recorded in the audited balance sheet of the Company. My Analysis of value assumes that the assets and liabilities of the Company, reflected in the respective latest balance sheet remain substantially intact as of the Report date.

The assumptions used in their preparation, as I have been explained, are based on the management's present expectation of both – the most likely set of future business events and the management's course of action related to them. Wherever I have not received detailed information from the management, I have used my assessment of value based on experiences and circumstances of the case. It is usually the case that some events and circumstances do not occur as expected or are not anticipated and this may materially affect my result of value.

My engagement is limited to preparing the report to be submitted to the management of Dhruva Capital Services Limited. I shall not be liable to provide any evidence for any matters stated in the report nor shall I be liable or responsible to provide any explanation or written statement for any assumption, information, methodology or any other matter pertaining to the report.

The fair value measurement approach relates only to the exit price from a market participant's view point at the measurement date and does not directly factors the



subsequent reversibility or otherwise of price. It is based on the perspective of market participants rather than just the entity itself, so fair value is not affected by an entity's intentions of retaining or otherwise of the asset, liability or equity item that is being fair valued.

This report does not look into the business/ commercial reasons behind the transaction nor the likely benefits arising out of the same. Similarly it does not addresses the relative merits of the transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are achievable.

I owe responsibility to only the management of the Company that has engaged me and nobody else. I do not accept any liability to any third party in relation to this certificate. In any case, my liability to the Company or any third party is limited to be not more than 50% of the amount of the fee received by me from the Company for the engagement.

I hereby certify that the valuer is suitably qualified and authorized to practice as a valuer; and does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the company (including the parties with whom the company is dealing, including the lender or selling agent, if any). The valuer accepts instructions to value the company only from the appointing authority or eligible instructing party.

I am not advisor with respect to legal, tax and regulatory matters for the transaction.

This Valuation report is subject to the laws in India.

I have no present or planned future interest in the company or its group companies, if any and the fee payable for this valuation is not contingent upon the value of shares reported herein.

STANDARD OF VALUE

The valuation exercise is aimed at the assessment of the Fair Value of the Dhruva Capital Services Limited. I am required to arrive at the above valuations based on internationally accepted valuation practices. I have used "Fair Market Value" (FMV) as a standard of value for ascertaining the enterprises value.



Fair market value is defined as:

“The price at which property would change hands between a hypothetical able and willing buyer and a hypothetical willing and able seller, acting in arm’s length in an open and unrestricted market when neither is under any compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.”

My analysis and report are in conformity with the "ICAI Valuation Standards" (IVS) issued by the Institute of Chartered Accountants of India. In addition to the general standards! guidelines of the IVS, my report specifically complies with ICAI Valuation Standard 102 - Valuation Bases, ICAI Valuation Standard 103 - Valuation Approaches and Methods, ICAI Valuation Standard 201 - Scope of Work, Analyses and Evaluation, ICAI Valuation Standard 202 - Reporting and Documentation and ICAI Valuation Standard 301 - Business Valuation.

Ind AS (113) as well as IFRS 13 defines fair value as *“the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”*

PREMISE OF VALUE

My Opinion with respect to determination of fair value of the Equity Shares of Company is based on Going Concern basis since the company is carrying out its operations in a professional manner with an objective to carry on its business.

VALUATION METHODOLOGY

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- ❖ Whether the entity is listed or not listed on a stock exchange
- ❖ Industry to which the company belongs
- ❖ Past track record of the business and the case with which the growth rate in cash flows to perpetuity can be estimated.
- ❖ Extent to which industry and comparable company information is available.



The International Accounting Standard Board (IASB), which is the independent standard setting body of the IFRS foundation, has set out two internationally accepted valuation methodologies for arriving at the fair value of a share namely, the income approach and the market approach.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the value. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorized as follows:

Asset based

Adjusted Net Assets Value method (NAV)

The Value arrived at under this approach is based on the audited/provisional financial statements of the business and may be defined as Shareholders Funds or Net Assets owned by the business. The Adjusted Net Assets Value of the business is arrived at after making adjustments for the fair value of Assets and Liabilities as on the date of valuation.

Profit Earning Capacity Value

Profit Earning Capacity Value is one of the traditional methods of business valuation whereby maintainable future profits after tax are ascertained on the basis of past earnings (suitably adjusted for any changes in the key parameters) which are then capitalized at a discounting rate.

Comparable Company Market Multiple Method

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The difficulty here is in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, and profitability and accounting practices.

Market Based Value is calculated taking into account the company's EPS and Median P/E of Comparable Companies of same industry.



Comparable Transactions Multiple Method

This approach is somewhat similar to the market multiples approach except that the sale and EBITDA multiples of reported transactions in the same industry in the recent past are applied to the sales and EBITDA of the business being valued.

The following are some of the instances where a valuer applies the market approach:

- ❖ Where the asset to be valued or a comparable or identical asset is traded in the active market;
- ❖ There is a recent, orderly transaction in the asset to be valued; or
- ❖ There are recent comparable orderly transactions in identical or comparable asset(s) and information for the same is available and reliable.

Income Based

Discounted Cash flow Method (DCF)

DCF uses the future free cash flows of the firm/equity holders discounted by the weighted average cost of capital (WACC), to arrive at the present value. The WACC, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of future cash flows as it considers debt-equity risk by incorporating debt-equity ratio of the firm. In general, DCF method is a strong and widely accepted valuation tool, as it concentrates on cash generation potential of a business considering that this method is based on future potential and is widely accepted.

VALUATION APPROACH USED

Market Value (MV)

It is the value of the share derived by multiplying the stock's P/E ratio by its EPS. We have taken the P/E of similar stock and multiplying it with the EPS of DCSL.

Profit Earning Capacity Value (PECV)

PECV method is used while valuing a going concern business with a good profitability history. It involves determining the future maintainable earning level of the entity from its normal operations. It is essential for the valuer to understand the business of the entity and take into account the normal business profits after adjusting the nonrecurring/extraordinary items of income and expense.



Asset based: Adjusted Net Assets Value Method (NAV)

It is the value of the assets of the company that determine the fair value of the company. Hence, in the present case, the company have been valued by using Net Asset Value Method. Other Assets are considered at book value, other than investments in securities and fixed assets, which have been considered at their respective fair value for the proposed further issue of shares.

I have adopted and applied the weighted average of Market Value, Profit Earning Capacity Value Method & Adjusted Net Assets Value Method to arrive at the fair value of the equity shares of the company.

Considering the Supreme Court's decision in the **Hindustan Lever Employee Union vs. Hindustan Lever Limited, (1995) (83 Com Case 30)** wherein the Honorable Court had opined on the Fair Value for a Listed company, the Fair Value is derived as under:

HLL Case Law			
Particulars	Weight	Price/ share	Weighted value/ share
NAV	1	13.95	13.95
MV	1	7.56	7.56
PECV (Avg PAT/ No of shares)	1	1.30	1.30
Total	3	-	22.81
Weighted Avg Price			7.60

Based on the above table, the weighted average price has been ascertained by applying NAV, PECV and MV. Thus, the weighted average share price (Fair Value) is INR 7.60/- per share. In this context, attention is drawn in respect of the provision of Section 53 of the Companies Act, 2013 which prohibits a company to issue shares at a discount and the shares issued at a discounted price shall be void. Hence, the Value of each equity shares have been considered at face value i.e. INR 10/- each.

KEY ASSUMPTIONS

- ❖ I have relied on the Audited balance sheet for the period ended on 31st March 2022 and information provided as not to be misleading and did not find any material reason to not rely on them.



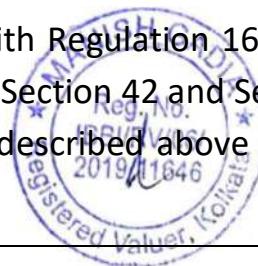
- ❖ Since the company is expected to generate positive cash flows in future, I don't have any reason to believe that the company may not be in existing in near future. Accordingly, I have valued the company on a going concern basis.
- ❖ I have not attempted to confirm whether or not the Equity Shares of Dhruva Capital Services Limited are free and clear of liens and encumbrances, or that the Company has good title to the instrument.
- ❖ I have not conducted the site review of the subject business premises neither do I confirm the accuracy of the financials of Dhruva Capital Services Limited provided to me. It is assumed that these statements are true and correct.

CONCLUSION

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon said in Gold Coast Selection Trust Ltd. Vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible."

Based on my analysis and in accordance with Regulation 165 of SEBI ICDR, 2018, Regulation 8(2)(e) of SAST Regulations, 2011 read with Section 42 and Section 62 (1)(C) of the Companies Act, 2013 and having regard to all factors described above on the calculations and my best



estimate, I believe that the estimated fair value of the Company for further issue of shares as on Relevant Date to be Rs. 10.00 per fully paid-up equity shares of Rs. 10.00 each.

The values so arrived at are subject to the matters enumerated in 'Disclaimer statement', 'Scope of Work & Limitation' and information provided to me and should be viewed in the light thereof.

Manish Gadia

(Regn. No. IBBI/RV/06/2019/11646)

(RVO Mem. No. ICAIRVO/06/RV-P00059/2019-2020)

Date: 30-12-2022

Place: Kolkata

UDIN:- 23059677BGUHVP2486



Calculation Sheet

Net Asset Value Method

Particulars for the year ended March 31st 2022	Amount(Rs. Lacs)
Equity Share Capital	316.17
Reserve & Surplus	138.69
Net Worth	454.86
Profit After Tax	9.56
No. of shares	32,61,700

Parameters as per Regulation 8(2)(e) of SAST Regulations, 2011	
Negotiated Price	N.A.
Highest paid price by Acquirer / PAC for any acquisitions	N.A.
Other parameters: (31/03/22)	
RONW (%)	2.10%
Book Value /share (Rs.)	13.95
Weighted Average EPS (Rs.)	0.30
Industry Valuation:	
Industry Avg P/E	20
Valuation as per Industry P/E	6.05
Industry Avg P/E	30.0
Valuation as per Industry P/E	9.07

PECV Method (Avg PAT/ No of shares)

Profit Before Tax	
2022	9.67
2021	3.98
2020	3.36
Total	17.01
Avg PBT	8.50
Tax Rate	25.00%
Tax	2.13
Avg PAT	6.38
No of Shares	32,61,700
EPS	0.20
Value of share	1.30

HLL Case Law			
Particulars	Weight	Price/ share	Weighted value/ share
NAV	1	13.95	13.95
MV	1	7.56	7.56
PECV (Avg PAT/ No of shares)	1	1.30	1.30
Total	3	-	22.81
Weighted Avg Price			7.60

