

VALUATION REPORT

on

Fair Value of Equity Shares

Parle Industries Limited

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Valuation Analysis

We refer to our Engagement as independent valuers of **Parle Industries Limited** (the “Company”). In the following paragraphs, we have summarized our valuation Analysis (the “Analysis”) of the business of the Company as informed by the management and detailed herein, together with the description of the methodologies used and limitation on our scope of work.

1 Context and Purpose

Based on discussion with the management, we understand that the Company is evaluating the possibility of **Fair Value of Equity shares under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018**. In the context of the proposed transaction, the management requires our assistance in determining the **Fair Value of Equity shares** of the Company.

Proposed Transaction:

During the Financial Year 2024-25, the Company is evaluating the possibility to Acquire equity shares of Pvt. Ltd. companies, and the purchase consideration will be paid through share swap by issuing fresh equity shares of the company to the shareholders of Target Company. In this context, the management of **Parle Industries Limited** (the “Management”) has requested us to estimate the fair value of the Equity Shares. - “Proposed Transaction”.

2 Conditions and major assumptions

Conditions

The historical financial information about the Company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report and it should not be used by anyone to obtain credit or for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country. We have not audited, reviewed or compiled the financial statements and express no assurance on them.

Readers of this report should be aware that a business valuation is based on future earnings potential that may or may not be materialised.

This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.

We acknowledge that we have no present or contemplated financial interest in the Company. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

We have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not to require to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.

Assumptions

The opinion of value given in this report is based on information provided by the management of the Company and other sources as listed in the report. This information is assumed to be accurate and complete.

We have relied upon the representations contained in the public and other documents in our possession and any other assets or liabilities except as specifically stated to the contrary in this report.

We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.

We have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry. This report presumes that the management of the Company will maintain the character and integrity of the Company.

We have been informed by the management that there are no significant lawsuits or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

3 Background of the Company

The Company is in the business of Infrastructure & Real Estate and Trading in Waste paper & allied products.

Company URL: <https://www.parlesoftwares.com/>

Further data of the company is as under:

CIN	L21000MH1983PLC029128
Company Name	Parle Industries Limited
ROC Name	ROC Mumbai
Registration Number	029128
Date of Incorporation	15/01/1983
Email Id	info@parleindustries.com
Registered Address	310-311, The Avenue, Marol, Andheri East, Marol Naka, Mumbai, Mumbai, Maharashtra, India, 400059
Address at which the books of account are to be maintained	-
Listed in Stock Exchange(s) (Y/N)	Yes
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Public
ACTIVE compliance	ACTIVE Compliant
Authorised Capital (Rs)	15,00,00,000
Paid up Capital (Rs)	14,00,00,000
Date of last AGM	25/09/2023
Date of Balance Sheet	31/03/2023
Company Status	Active

Directors and Key Managerial Persons:

DIN/PAN	Name	Designation	Date of Appointment
07910214	Unnatti Nishant Jain	Director	22/04/2019
*****6017B	Rakeshkumar Dinesh Mishra	CFO	10/02/2024
06919510	Rakeshkumar Dinesh Mishra	Director	10/01/2020
07079341	Paras Navinchandra Bhojani	Director	28/08/2020
08853652	Kalpana Jha	Director	28/08/2020
08686794	Narendra Chaturbhuj Purohit	Director	14/02/2020
07893486	Raviprakash Narayan Vyas	Director	10/01/2020
*****8600D	Deepika	Company Secretary	01/05/2022

Shareholding Details as on signing date.

Particulars	No. of Shares	% Holding
Promoter & Promoter Group		
Pil Enterprise Private Limited	10,000	0.07%
Public	1,39,90,000	99.93%
Total	1,40,00,000	100.00%

Face Value Per Share is Rs. 10.00/-

4 Valuation Premise

The premise of value for our analyses is going concern value as there is neither a planned or contemplated discontinuance of any line of business nor any liquidation of the Company.

5 Valuation Date

The Analysis of the Fair Value of Equity share of **Parle Industries Limited** as on **30th August 2024** based on the Financials as on **30th June 2024**.

6 Valuation Standards

The Report has been prepared in compliance with the internationally accepted valuation standards and valuation standard adopted by ICAI Registered Valuers Organisation.

7 Valuation Methodology and Approach

The standard of value used in the Analysis is "Fair Value", which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for sale on the open market for a reasonable period of time, with both buyer and seller being In possession of the pertinent facts and neither being under any compulsion to act.

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 on a stock exchange
- industry to which the Company belongs.
- past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated.
- Extent to which industry and comparable Company information is available.

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

1. Asset Approach

Net Asset Value Method ("NAV")

The value arrived at under this approach is based on the audited financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted for any contingent liabilities that are likely to materialise.

The Net Asset Value is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern.

2. Market Approach**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 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, profitability and accounting practices.

Whereas no publicly traded company provides an identical match to the operations of a given company, important information can be drawn from the way comparable enterprises are valued by public markets. In case of early-stage company and different business model the problem aggravates further.

Comparable Transactions Multiple Method

This approach is somewhat similar to the market multiples approach except that the sales 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.

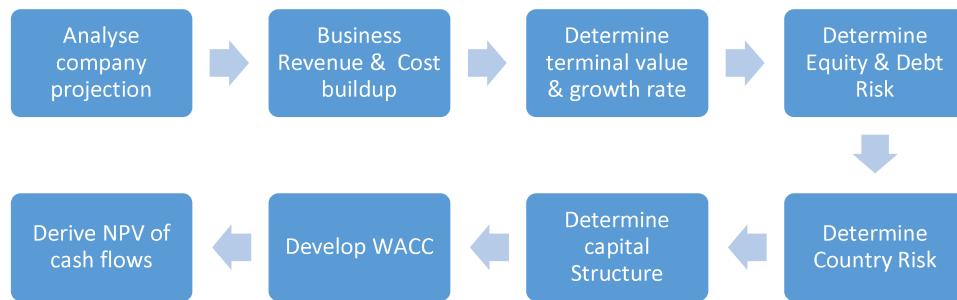
3. Income Approach**Discounted Cash Flows - "DCF"**

DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

Beta is an adjustment that uses historic stock market data to measure the sensitivity of the Company's cash flow to market indices, for example, through business cycles.

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows in the future. The free cash flows are projected for a certain number of years and then discounted at a discount rate that reflects a Company's cost of capital and the risk associated with the cash flows it generates. DCF analysis is based mainly on the following elements:

- Projection of financial statements (key value driving factors)
- The cost of capital to discount the projected cash flows



Valuation Methodology

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose.

In this case, the Company being a listed Company, we have considered valuation regulations applicable to preferential issue of Equity Shares as defined in Securities and Exchange Board of India (Issue of Capital & Disclosure) Regulations, 2018, the requirements of the Articles of Association of the Company and the provisions of the Companies (Share Capital and Debentures) Rules, 2014 (as amended).

SEBI Regulations for requirement of Valuation:

SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED

The relevant Regulations under SEBI (ICDR) are reproduced as under:

Regulation 164(1) - Pricing of frequently traded shares

If the equity shares of the issuer have been listed on a recognised 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:

- a. the 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or*
- b. the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised 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.

...

Regulation 166A (1): Other conditions for pricing

Any preferential issue, which may result in a change in control or allotment of more than five per cent. of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price:

Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer, or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable.

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.

....

Regulation 161: "relevant date" means: a) 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:

Explanation: Where the relevant date falls on a weekend or a holiday, the day preceding the weekend, or the holiday will be reckoned to be the relevant date.

Our choice of methodology and valuation has been arrived using usual and conventional methodologies adopted for purposes of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of similar nature.

8 Source of Information

The Analysis is based on trading prices and volumes as available in the public domain. Specifically, the sources of information include:

- Historical Data of Trading Price and Volume traded of the stock on Bombay Stock Exchange

Further, we have also been informed by the Company that

1. The Equity Shares of the Company are listed on the Bombay Stock Exchange.
2. The Equity Shares are frequently traded on the Bombay Stock Exchange and meet the definition of Frequently traded shares as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
3. The Company is proposing to hold Annual General Meeting of Members on 30th September 2024 to approve the proposed preferential issue and hence, the relevant date is 30th August 2024. (Prior to the weekend)
4. The present issue of Equity Shares shall not result in change in control of the Company.

9 Caveats

Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice. The services do not represent accounting, assurance, financial due diligence review, consulting, transfer pricing or domestic/international tax-related services that may otherwise be provided by us.

We have relied on data from Recognized Stock Exchange. This source is considered to be reliable and therefore, we assume no liability for the accuracy of the data.

The valuation worksheets prepared for the exercise are proprietary to the Valuer and cannot be shared. Any clarifications on the workings will be provided on request, prior to finalizing the Report, as per the terms of our engagement.

The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them.

The Valuation Analysis contained herein represents the value only on the date that is specifically Stated in this Report.

We have no present or planned future interest in the Company and the fee for this Report is not contingent upon the values reported herein.

Our Valuation analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction with the Company.

Our Report is not nor should it be construed as our opining or certifying the compliance with the provisions of any law / standards including company, foreign exchange regulatory, accounting and taxation (including transfer pricing) laws / standards or as regards any legal, accounting or taxation implications or issues.

Our Report and the opinion / valuation analysis contained herein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities. This report does not in any manner address, opine on or recommend the prices at which the securities of the Company could or should transact.

10 Distribution of Report

The Analysis is confidential and has been prepared exclusively for **Parle Industries Limited**. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of the valuer. Such consent will only be given after full consideration of the circumstances at the time. However, we do understand that the report will be shared according to the terms of SEBI ICDR Regulation, 2018.

11 Opinion on Fair Value of Equity Shares

Based on our valuation exercise Fair Value of the Equity Shares as on 30th August 2024 is as under:

Method		in INR
As per Regulation 164 SEBI, ICDR	A	15.58
Price determined as independent registered valuer (Annexure 2)	B	36.00
Higher of A & B	C	36.00

Method	Value per share	Weight	Product
Asset Approach (*)	14.67	0	0.00
Market Approach (**)	18.05	0	0.00
Income Approach	36.00	1	36.00
	Weight Average Value per share		36.00

(*) Value per share as per Asset Approach is Lower than value per share as per Income Approach, hence no weightage is considered for Asset Approach.

(**) Value per share as per Market Approach is Lower than value per share as per Income Approach, hence no weightage is considered for Market Approach.

Control Premium

The present issue of Equity Shares shall not result in change in control of the Company. Hence guidance on control premium is not considered under Regulation 166A.

We trust the above meets your requirements. Please feel free to contact us in case you require any additional information or clarifications.

Yours faithfully



Bhavesh M Rathod
Chartered Accountants
M No: 119158
Registered Valuer - Securities or Financial Assets
(Reg No: IBBI/RV/06/2019/10708)

Date: 2nd September 2024
Place: Mumbai

UDIN: **24119158BKAFKW6362**

12 Annexure 1

As per Regulation 164 SEBI, ICDR

Method	in INR	
90 trading days' volume weighted average price (*)	A	13.13
10 trading days' volume weighted average price (*)	B	15.58
Higher of A & B	C	15.58

Volume Weighted Average Price for 90 trading Days.

Date	No. of Shares Traded	Total Turnover (Rs.)
29-Aug-24	0	0
28-Aug-24	4,80,214	86,36,511
27-Aug-24	5,86,619	1,03,64,068
26-Aug-24	13,17,686	2,22,88,245
23-Aug-24	2,41,444	39,33,122
22-Aug-24	2,11,354	32,80,214
21-Aug-24	3,24,370	47,97,432
20-Aug-24	5,03,927	66,79,954
19-Aug-24	7,17,775	86,33,664
16-Aug-24	71,515	7,92,256
14-Aug-24	52,876	5,81,880
13-Aug-24	80,948	8,94,261
12-Aug-24	89,453	9,86,951
09-Aug-24	47,487	5,25,653
08-Aug-24	57,924	6,40,957
07-Aug-24	39,581	4,37,408
06-Aug-24	75,085	8,28,807
05-Aug-24	1,20,981	13,34,177
02-Aug-24	44,473	5,01,944
01-Aug-24	1,26,692	14,42,476
31-Jul-24	65,241	7,46,744
30-Jul-24	69,399	7,94,394
29-Jul-24	82,509	9,40,823
26-Jul-24	50,227	5,68,594
25-Jul-24	1,18,732	13,46,233
24-Jul-24	1,01,724	11,55,993
23-Jul-24	73,993	8,26,179
22-Jul-24	76,253	8,45,028
19-Jul-24	1,06,204	11,70,397
18-Jul-24	77,975	8,72,727
16-Jul-24	59,221	6,74,956
15-Jul-24	88,200	9,95,536

12-Jul-24	85,398	9,82,913
11-Jul-24	61,918	7,22,284
10-Jul-24	91,001	10,65,063
09-Jul-24	3,03,365	35,82,242
08-Jul-24	94,535	10,97,545
05-Jul-24	1,02,607	12,11,777
04-Jul-24	1,22,806	14,32,090
03-Jul-24	1,41,103	16,32,472
02-Jul-24	1,73,049	20,01,153
01-Jul-24	83,579	9,87,596
28-Jun-24	1,33,944	15,95,525
27-Jun-24	1,03,928	12,34,782
26-Jun-24	90,851	10,83,398
25-Jun-24	79,004	9,45,849
24-Jun-24	1,05,371	12,59,393
21-Jun-24	2,00,377	24,08,131
20-Jun-24	1,22,519	14,66,810
19-Jun-24	1,61,751	19,39,303
18-Jun-24	2,18,304	26,03,440
14-Jun-24	1,24,122	14,88,748
13-Jun-24	1,32,914	15,91,306
12-Jun-24	1,42,935	17,33,947
11-Jun-24	1,50,812	18,27,295
10-Jun-24	2,16,724	26,17,232
07-Jun-24	1,50,607	17,43,652
06-Jun-24	1,29,579	15,04,425
05-Jun-24	1,80,500	19,69,845
04-Jun-24	2,07,089	23,96,812
03-Jun-24	3,40,405	40,74,691
31-May-24	2,25,067	27,18,268
30-May-24	3,55,623	42,17,573
29-May-24	2,74,788	33,77,414
28-May-24	7,03,982	89,09,525
27-May-24	3,67,436	44,39,204
24-May-24	5,15,276	57,35,979
23-May-24	98,140	10,83,465
22-May-24	87,950	10,21,979
21-May-24	1,06,559	13,03,216
18-May-24	1,26,483	16,27,836
17-May-24	84,640	11,46,025
16-May-24	53,639	7,64,355
15-May-24	50,596	7,58,940
14-May-24	55,631	8,77,857
13-May-24	77,040	12,79,634
10-May-24	3,48,079	60,84,420
09-May-24	5,82,747	1,06,51,230

08-May-24	7,90,362	1,31,50,034
07-May-24	29,07,247	4,31,94,903
06-May-24	16,83,111	2,03,27,736
03-May-24	5,30,125	55,71,323
02-May-24	14,00,287	1,45,37,654
30-Apr-24	2,48,237	22,91,470
29-Apr-24	1,78,640	16,34,656
26-Apr-24	1,07,511	9,78,326
25-Apr-24	1,22,421	11,05,640
24-Apr-24	1,52,192	13,70,407
23-Apr-24	1,94,460	17,66,910
22-Apr-24	1,75,069	15,63,992
Total	2,30,14,517	30,22,07,274

Traded Turnover	30,22,07,274
No. of Share Traded	2,30,14,517
Volume Weighted Average Price for 90 Trading Days	13.13

Volume Weighted Average Price for 10 trading Days.

Date	No. of Trades	Total Turnover (Rs.)
29-Aug-24	0	0
28-Aug-24	4,80,214	86,36,511
27-Aug-24	5,86,619	1,03,64,068
26-Aug-24	13,17,686	2,22,88,245
23-Aug-24	2,41,444	39,33,122
22-Aug-24	2,11,354	32,80,214
21-Aug-24	3,24,370	47,97,432
20-Aug-24	5,03,927	66,79,954
19-Aug-24	7,17,775	86,33,664
16-Aug-24	71,515	7,92,256
Total	44,54,904	6,94,05,466

Traded Turnover	6,94,05,466
No. of Share Traded	44,54,904
Volume Weighted Average Price for 10 Trading Days	15.58

13 Annexure 2

Method	Value per share	Weight	Product
Asset Approach (*)	14.67	0	0.00
Market Approach (**)	18.05	0	0.00
Income Approach	36.00	1	36.00
Weight Average Value per share			36.00

(*) Value per share as per Asset Approach is Lower than value per share as per Income Approach, hence no weightage is considered for Asset Approach.

(**) Value per share as per Market Approach is Lower than value per share as per Income Approach, hence no weightage is considered for Market Approach.

14 Annexure 3

Asset Approach – Net Asset Value Method as on 30th June 2024 (INR Lakhs)

Particulars	Amount	
Assets		
Non-Current Assets		
Property, Plant & Equipment		6.67
Other Non-Current Assets		0.92
Current Assets		
Inventories		1,740.95
Cash and bank balances		19.09
Other Current Assets		397.41
Total Assets	A	2,177.30
Non-Current Liabilities		
Long Term Borrowings		103.02
Other Non-current liabilities		4.52
Current liabilities		
Trade payables		18.59
Other current liabilities		5.96
Total Liabilities	B	136.92
Net Worth as on 31.03.24	C = A - B	2,040.38
Profit/Loss as on 30.06.24	D	13.70
Adjusted Net Worth as on 30.06.24	E = C + D	2,054.08
No. of Equity Shares	F	1,40,00,000
Value Per Share	G = (E / F)	14.67

(*) Total Number of Shares as on the date of Report

15 Annexure 4

Market Approach - Comparable Company Method (CCM)

Particulars		P/ BV
Ratios as per Listed Peers	A	1.24
Net Worth of the Company (in INR Lakhs)	B	2,040.38
Enterprise Value (in INR Lakhs)	A * B	2,526.33
No. of Shares		1,40,00,000
Value per share (in INR)		18.05

Note 1: -

P/ BV Multiple of Listed Peer Company

Company Name		P/ BV
Rudrabhishek Enterprises Ltd		2.74
Gautam Exim Ltd		1.39
Crop Life Science Ltd		1.36
RTCL Ltd		0.52
Martin Burn Ltd		0.59
Rodium Realty		2.14
Average		1.46
Size Discount	@ 30%	-0.22
Adjusted Average Ratio		1.24

16 Annexure 4

Income Approach – Discounted Cash Flow (DCF)

(INR Lakhs)

Number of Months		9	12	12	12	12	
Particulars		FY25	FY26	FY27	FY28	FY29	TV
EBITDA		1,328.49	1,648.51	2,658.01	3,206.59	3,810.14	3,924.44
Less: Depreciation		-121.00	-354.53	-583.52	-838.33	-973.14	-1,002.33
EBIT		1,207.48	1,293.98	2,074.48	2,368.26	2,837.00	2,922.11
Less: Tax on EBIT	25.17%	-303.90	-325.67	-522.11	-596.04	-714.02	-735.44
NOPAT		903.58	968.31	1,552.38	1,772.22	2,122.99	2,186.68
Add: Depreciation		121.00	354.53	583.52	838.33	973.14	1,002.33
Less: Capex		-800.02	-1,086.94	-1,499.51	-1,857.56	-1,512.37	-1,079.95
(Increase)/ decrease in working capital		409.16	-228.68	-596.75	-509.48	452.33	
(Increase)/ decrease in Other Non-current Assets		-0.01	-0.01	-0.01	-0.01	-0.01	
(Increase)/ decrease in Other Non-current Liabilities		0.05	0.05	0.05	0.05	0.05	
Free cash flow to firm ('FCFF')		633.77	7.25	39.68	243.54	2,036.12	2,109.06
Annual factor		0.75	1.00	1.00	1.00	1.00	
Discounting period (end year)		0.75	1.75	2.75	3.75	4.75	
PV factor	23.76%	0.85	0.69	0.56	0.45	0.36	
PV of FCFE		540.29	5.00	22.09	109.53	739.91	

PV of FCFF for the horizon period	1,416.81	A
FCFF for terminal year	2,109.06	
WACC	23.76%	
Perpetuity Growth	3.00%	
Capitalisation Rate	20.76%	
Gross terminal value	10,159.43	
PV factor	0.36	
PV of terminal value	3,691.87	B
Enterprise value	5,108.68	A+B

Less: Long Term Debt	-107.85	
Add: Cash & Bank	32.79	
Fair Value of Equity	5,033.62	
No of Share	1,40,00,000	
Value Per Share (in INR)	35.95	
Value Per Share (in INR) (R/off)	36.00	

Assumptions

Cost of Equity	23.76 %
Long Term Growth Rate	3.00 %
Market Return (Rm)	15.09 %

Terminal Value

The terminal value refers to the present value of the business as a going concern beyond the period of projections up to infinity. This value is estimated by taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimates growth rate of the industry and economy. Based on dynamics of the sector and discussions with the Management we have assumed a terminal growth rate of **3.00 %** for the Company beyond the projections periods. The cash flows of **Rs. 2,109.06 Lakhs** have been used to determine the terminal value. Based on these assumptions the terminal value has been calculated at **Rs. 10,159.43 Lakhs**.

Using these cash flows and a discount rate of **23.76 %**, we estimate the equity value of the Company **Rs. 5,033.62 Lakhs**.

Capitalization Rate

Organisation Specific Discount Rate

- Cost of Equity of 23.76% is taken as Capitalization rate, calculated using,
 - Historical Market Return of BSE 500 from February 01, 1999, to June 28, 2024, is 15.09%
 - We have considered Premium of 9.00% towards risk and illiquidity

	Rate	Source
Market Return (Rm)	15.09%	Return of BSE 500 for the period of Feb 01, 1999, to June 28, 2024.
Company Specific Risk	9.00 %	Contingency of revenues, projected high profitability, achievability of projections

Based on the above parameters, the Cost of Equity has been calculated at **23.76 %**.