

**KESAVA SREENIVASULU CHEKKA**

**REGISTERED VALUER (SECURITIES OR FINANCIAL ASSETS)**

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## VALUATION REPORT

### STRATON BUSINESS SOLUTIONS PRIVATE LIMITED

BY

CA Kesava Sreenivasulu

IBBI: IBBI/RV/11/2021/14345

Date:07-06-2025

**UDIN: 25214936BMKNAX9888**

**JUNE-2025**

***Private & Confidential***



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# **STRATON BUSINESS SOLUTIONS PRIVATE LIMITED**

## **I. Introduction**

The objective of this exercise is to estimate the Fair Market Value of the equity share of STRATON BUSINESS SOLUTIONS PRIVATE LIMITED as of 31<sup>st</sup> March, 2025.

## **II. Scope & Purpose:**

Valuers have been requested by the Company for determining the Fair market value of equity shares of the Company for the purpose of acquisition of shares.

The standard of value used in our valuation of the "Company" is Fair Market Value. Fair Market Value is the price, in 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.

Our opinion of Fair Market Value relies on a "value in use" or going concern premise. This premise assumes that the Company is an ongoing business enterprise with management operating in a rational way with a goal of maximizing shareholder value.

To arrive at our conclusion of Fair Market Value, we performed the following procedures:

- Collected the Company's relevant historic financial statements for last 3 years.
- Analyzed the historic financial statements by calculating financial ratios and common size financial statements for each historic year in order to identify trends.
- We used Discounted Cash Flow Method to determine the value per share.

## **III. Disclosure of Interest**

I, Kesava Srinivaslu Chekka or my relatives are not related to any of the above company and do not have any interest in the companies.

## **IV. Details of Appointment**

We have been appointed by the Company vide letter dated 30-05-2025 to carry out the valuation process for determination of fair price of equity share.

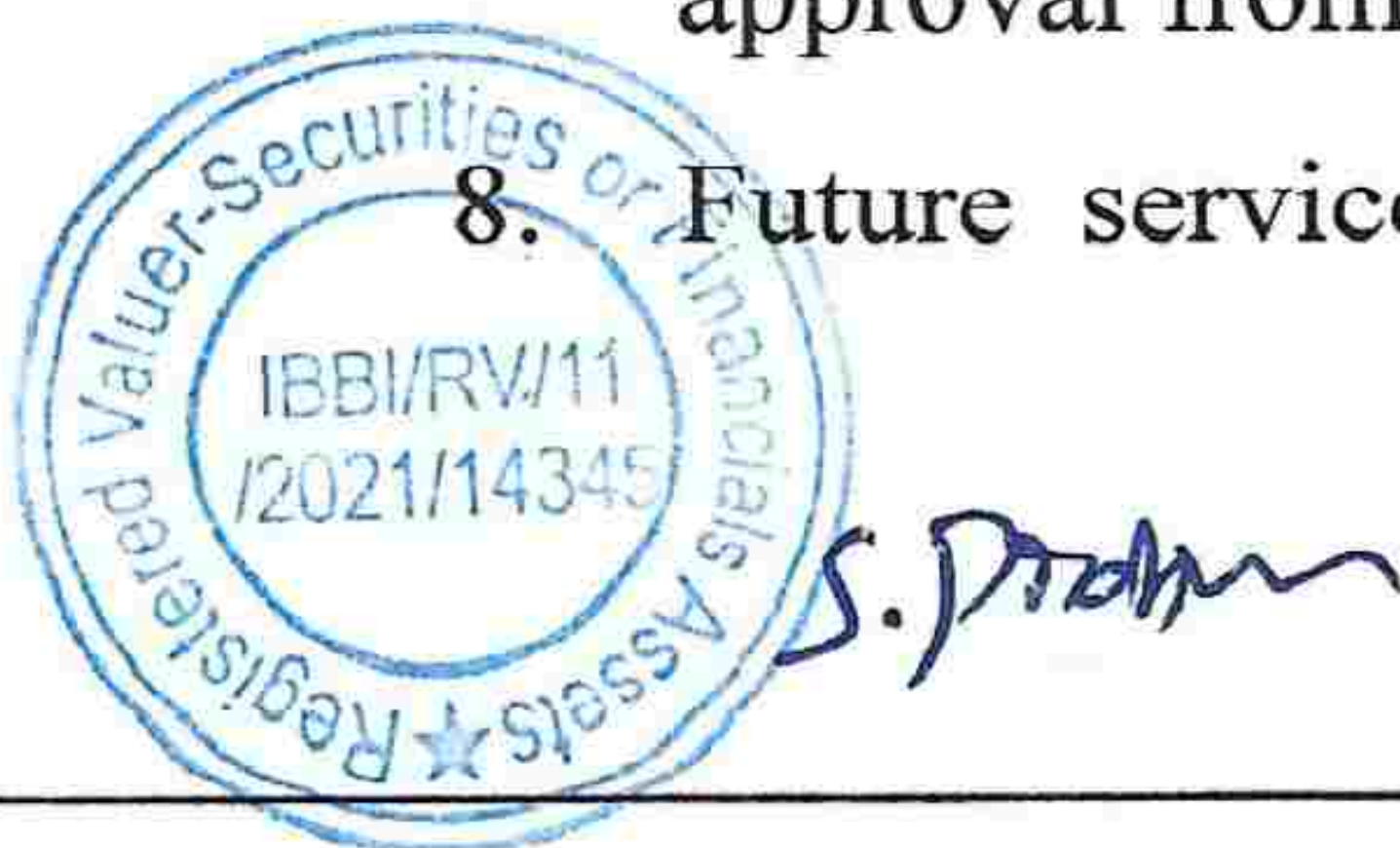




**V. Assumptions and Limitations**

1. The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation.
2. Financial statements and other related information provided by Company or its representatives, in the course of this engagement, have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. We have not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.
3. Public information and industry and statistical information have been obtained from sources we believe to be reliable. However, we make no representation as to the accuracy or completeness of such information and have performed no procedures to corroborate the information.
4. We do not provide assurance on the achievability of the results forecasted by Company because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.
5. The conclusion of value arrived at herein is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained, and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.
6. This report and the conclusion of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. They may not be used for any other purpose or by any other party for any purpose. Furthermore, the report and conclusion of value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The conclusion of value represents the considered opinion based on information furnished to them by Company and other sources.
7. Neither all nor any part of the contents of this report (especially the conclusion of value, the identity of any valuation specialist(s), or the firm with which such valuation specialists are connected or any reference to any of their professional designations) should be disseminated to the public through advertising media, public relations, news media, sales Media, Mail, Direct transmittal, or any other means of communication without the prior written consent and approval from me.

8. Future services regarding the subject matter of this report, including, but not limited to





testimony or attendance in court, shall not be required of me unless previous arrangements have been made in writing.

9. We are not an environmental consultant or auditor, and it takes no responsibility for any actual or potential environmental liabilities. Any person entitled to rely on this report, wishing to know whether such liabilities exist, or the scope and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. We do not conduct or provide environmental assessments and has not performed one for the subject property.
10. No change of any item in this appraisal report shall be made by anyone other than me, and we shall have no responsibility for any such unauthorized change.
11. If prospective financial information approved by management has been used in our work, we have not examined or compiled the prospective financial information and therefore, do not express an audit opinion or any other form of assurance on the prospective financial information or the related assumptions. Events and circumstances frequently do not occur as expected and there will usually be differences between prospective financial information and actual results, and those differences may be material.
12. We have conducted interviews with the current management of Company concerning the past, present, and prospective operating results of the company.
13. Except as noted, we have relied on the representations of the owners, management, and other third parties concerning the value and useful condition of all equipment, real estate, investments used in the business, 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 entity has good title to all assets.

## **VI. Company Overview:**

### **a. About the Company:**

M/s. STRATON BUSINESS SOLUTIONS PRIVATE LIMITED is a Private company, incorporated on 28/08/2013 under Registrar of Companies, Hyderabad.

The Company bearing CIN U15122TG2013PTC089719, having the Registered Office situated at 1-2-217/10 Gagan Mahal, Domalguda, Hyderabad, Telangana, India, 500029 is in the business of distribution of FMCG goods.

### **b. Capital Structure:**





## **STRATON BUSINESS SOLUTIONS PRIVATE LIMITED**

S No	Description	Amount (Rs)
1.	Authorized Capital	Rs. 1,50,00,000/-
2.	Issued, Subscribed and Paid up capital	Rs. 1,50,00,000/-

### **c. Capital Structure:**

S No	Board of Directors	Designation	DIN No
1	RAVIKANTH KANCHERLA	Director	08313422
2	SIRISH DAYATA	Director	01999844
3	KRISHNA MOHAN DYTA	Director	07444454
4	PRAVEEN DYTA	Director	07444467

#### **➤ Strategy:**

- Drive business results.
- Make corporate governance more effective.
- Enhance quality and responsible decision-making capability.
- Ensure sustainable development and enhance the reputation of the Company.

#### **➤ Teamwork:**

- Committing to support, respect and communicate.
- Inculcating fellow feeling and team spirit across the organization.
- Learning from one another, looking beyond one's own area of work to assist in the completion of tasks and recognizing others' performance.

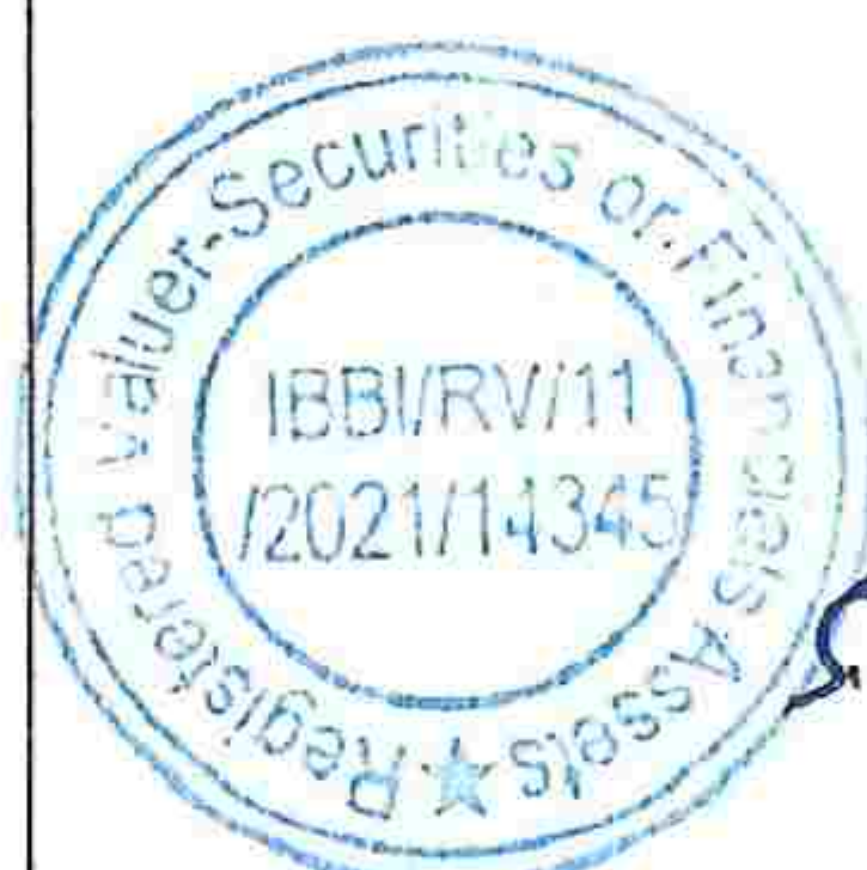
#### **➤ Customer Loyalty:**

- Providing sincere and prompt customer service.
- Building customer awareness about future product and market trends.
- Maintaining the quality norms & standards.
- Setting quality benchmarks.

## **VII. Valuation Date & Source of information**

The date of valuation considered is 31<sup>st</sup> March, 2025. The key presentation provided by the management for the purpose of valuation analysis is the Provisional financial statements for the year ended 31<sup>st</sup> March, 2025, we have been provided the following other information for our valuation analysis.

- Information on business and profile provided by the management of the company.
- Other industry related information from various sources.





## **STRATON BUSINESS SOLUTIONS PRIVATE LIMITED**

We have also obtained necessary explanations and information, which we believe are relevant to the present exercise, from the executive and representatives of the company. It may be mentioned that company has been provided opportunity to review the draft report (excluding our valuation analysis and recommendation) for the current job as part of our standard practice to make sure that factual inaccuracies are avoided in our report.

### **VIII. Financial Statements**

#### **A. Balance sheet**

Rs.in Lakhs

<b>Particulars</b>	<b>31.03.2025</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
<b>Source of Funds</b>			
Share Capital	150.00	150.00	150.00
Reserves & Surplus	209.95	187.60	146.63
<b>Non-Current liabilities</b>			
long term borrowings	1,320.54	1,277.64	1,316.56
Differed tax liability [net]	3.97	2.81	1.00
Long term provisions	-	-	-
<b>Current Liability</b>			
short term borrowings	452.21	340.12	268.18
Trade payables	145.40	168.44	164.18
Other Current Liabilities	-	-	-
Short term provisions	127.22	141.85	86.17
<b>Total</b>	<b>2,409.28</b>	<b>2,268.46</b>	<b>2,132.72</b>
<b>Application of Funds</b>			
Property plant equipment	576.33	582.58	583.68
Intangible Assets	-	-	-
Inventory	828.48	741.28	699.81
Non-current Investments	12.00	12.00	12.00
Other Non-Current Assets	-	-	-
long term loans and advances	13.70	20.30	17.39
Cash and Cash Equivalents	20.17	19.10	17.83
Trade Receivables	609.44	620.77	604.01
Other current assets	29.29	23.50	79.94
short term loans and advances	319.86	248.93	118.05
<b>Total</b>	<b>2,409.28</b>	<b>2,268.46</b>	<b>2,132.72</b>

Source: Audited financials of the company





**STRATON BUSINESS SOLUTIONS PRIVATE LIMITED****B. Profit and Loss Account:**

Rs.in Lakhs

Particulars	31.03.2025	31.03.2024	31.03.2023
Revenue from operations	2,702.45	3,692.54	3,095.24
Other Income	111.10	230.21	272.34
<b>Total Income</b>	<b>2,813.55</b>	<b>3,922.76</b>	<b>3,367.58</b>
Cost of material consumed	2,476.67	3,571.46	3,081.72
Employee Benefit Expenses	102.14	100.06	90.21
Other expenses	48.94	61.98	50.10
<b>Total Expenses</b>	<b>2,627.76</b>	<b>3,733.50</b>	<b>3,222.03</b>
<b>EBIDTA</b>	<b>185.79</b>	<b>189.26</b>	<b>145.55</b>
Depreciation & Amortization	7.52	7.51	6.78
Finance Charges	148.07	124.22	103.66
<b>profit before extraordinary items</b>	<b>30.20</b>	<b>57.53</b>	<b>35.12</b>
Extraordinary items	-	-	-
<b>PBT</b>	<b>30.20</b>	<b>57.53</b>	<b>35.12</b>
Current Tax	6.70	14.75	6.50
Differed Tax	1.16	-1.81	-2.11
<b>PAT</b>	<b>22.35</b>	<b>44.60</b>	<b>30.73</b>

Source: Audited financials of the company

**C. Financial Projections****Balance Sheet:**

Rs.in Lakhs

Particulars	Proj 2025-26	Proj 2026-27	Proj 2027-28	Proj 2028-29	Proj 2029-30
<b>Source of Funds</b>					
Share Capital	150.00	150.00	150.00	150.00	150.00
Reserves & Surplus	248.25	303.79	376.74	465.44	592.45
<b>Non-Current liabilities</b>					
Long term borrowings	1,188.49	1,056.43	924.38	792.32	660.27
Differed tax liability [net]	5.28	6.32	7.12	7.71	8.11
<b>Current Liability</b>					
Short term borrowings	500.00	510.00	520.20	530.60	541.22
Trade payables	210.52	356.44	367.13	374.47	411.92
Short term provisions	134.44	140.41	146.43	151.90	165.29
<b>Total</b>	<b>2,436.97</b>	<b>2,523.39</b>	<b>2,492.00</b>	<b>2,472.45</b>	<b>2,529.26</b>
<b>Application of Funds</b>					
Property plant equipment	568.82	561.30	553.78	546.27	538.75
Intangible Assets					
Inventory	830.14	831.80	833.46	835.13	836.80
Non-current Investments	12.00	12.00	12.00	12.00	12.00
Long term loans and advances	13.73	13.76	13.79	13.81	13.84
Cash and Cash Equivalents	51.78	76.87	58.80	56.35	65.11





**STRATON BUSINESS SOLUTIONS PRIVATE LIMITED**

Trade Receivables	610.66	709.80	731.09	745.72	822.90
Other current assets	29.35	29.40	29.46	29.52	29.58
Short term loans and advances	320.50	288.45	259.60	233.64	210.28
<b>Total</b>	<b>2,436.97</b>	<b>2,523.39</b>	<b>2,492.00</b>	<b>2,472.45</b>	<b>2,529.26</b>

Source: Projections provided by the management company.

**Profit and Loss account:**

Rs.In Lakhs

<b>Particulars</b>	<b>Proj 2025-26</b>	<b>Proj 2026-27</b>	<b>Proj 2027-28</b>	<b>Proj 2028-29</b>	<b>Proj 2029-30</b>
Revenue from operations	2,756.50	2,839.20	2,924.37	2,982.86	3,291.59
Other Income	113.32	115.58	117.90	120.25	122.66
<b>Total Income</b>	<b>2,869.82</b>	<b>2,954.78</b>	<b>3,042.27</b>	<b>3,103.12</b>	<b>3,414.25</b>
Cost of material consumed	2,526.21	2,601.99	2,680.05	2,733.65	3,007.02
Employee Benfit Expenses	107.65	103.16	103.68	104.20	104.72
Other expenses	49.19	49.43	49.68	49.93	50.18
<b>Total Expenses</b>	<b>2,678.05</b>	<b>2,754.59</b>	<b>2,833.41</b>	<b>2,887.78</b>	<b>3,161.92</b>
<b>EBIDTA</b>	<b>191.78</b>	<b>200.19</b>	<b>208.86</b>	<b>215.33</b>	<b>252.33</b>
Depreciation & Amortization	7.52	7.52	7.52	7.52	7.52
Finance Charges	130.73	116.21	101.68	87.16	72.63
<b>PBT</b>	<b>53.53</b>	<b>76.47</b>	<b>99.66</b>	<b>120.66</b>	<b>172.18</b>
Current Tax	13.92	19.88	25.91	31.37	44.77
Differed Tax	1.31	1.04	0.80	0.59	0.40
<b>PAT</b>	<b>38.30</b>	<b>55.55</b>	<b>72.94</b>	<b>88.70</b>	<b>127.02</b>

Source: Projections provided by the management company.

**D Justification for Projections:****Historical Performance as Base:**

- The financial projections for FY 2025-26 onwards are built on actual performance data from FY 2022-23, FY 2023-24 and FY 2024-25.
- This historical data provides a realistic foundation for future estimates of revenue, margins, and costs.

**Revenue Forecast Based on Trend and Business Potential:**

- The revenue projections show consistent growth from FY 2025-26 to FY 2029-30, aligned with the company's past growth and sector potential.
- Revenues are projected to increase from ₹2702 lakhs in FY 2024-25 to ₹3042 lakhs in FY 2029-30, indicating a conservative CAGR of ~2.4%, which is reasonable for a stable, maturing business.

**Cost and Margin Stability:**

- Key cost components like material consumption, employee expenses, and other overheads have been projected in line with past cost structures.





- The Gross and EBITDA margins are maintained in a steady range, indicating operational efficiency and realistic forecasting.

**Realistic Other Income and Depreciation Estimates:**

- Other income is projected with minimal increase, showing a cautious and conservative approach.
- Depreciation is aligned with the capital structure and asset base; it's neither inflated nor understated.

**Capital Expenditure and Working Capital Assumptions:**

- Projected capital expenditures and working capital changes are in line with historical trends and the company's business model.
- No aggressive expansion or unrealistic changes in asset base or liabilities have been assumed.

**Terminal Growth Rate and Discount Rate Justification:**

- A moderate terminal growth rate (typically 2–5%) is assumed beyond the forecast period, reflecting long-term growth without overestimation.
- The discount rate used (based on WACC or investor return expectations) is aligned with industry norms and risk profile of the business.

**Macroeconomic and Industry Alignment:**

- Projections consider the broader economic outlook and industry trends, ensuring that growth estimates are not overly optimistic or detached from market realities.

**IX. Valuation Standards**

There are a large number of factors to consider when estimating the common stock value of any business entity. These factors vary for each valuation depending on the unique circumstances of the business enterprise and general economic conditions that exist at the effective date of the valuation.

In the valuation of the stock of closely held businesses, the following factors, although not all inclusive, are fundamental and require careful consideration in each case:

- a. The nature of the business and the history of the enterprise from its inception.
- b. The economic outlook in general and the condition and outlook of the specific industry in particular.
- c. The book value of the stock and the financial condition of the business.
- d. The earning capacity of the company.
- e. The dividend-paying capacity.
- f. Whether or not the enterprise has goodwill or other intangible value.





- g. The market price of stocks of corporations engaged in the same or a similar line of business having their stocks actively traded in a free and open market, either on an exchange or over the counter.

Based on circumstances unique to the Company additional factors have been considered.

The techniques are commonly divided into general approaches, i.e., the Asset, Income, Market, and Other approaches. Specific methods are then used to estimate the value of the total business entity under each approach.

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

#### **X.Valuation Analysis:**

##### **Valuation Methodologies:**

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

- Specific nature of the business
- Listing and liquidity of the equity
- Economic life cycle in which the industry or the company is operating and
- Extent to which 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. In this regard, we have evaluated suitability of Two commonly used approaches of valuation to determine the fair value of the company.

##### **1. Net Assets Method (NAV):**

The value arrived at under this approach is based on the estimated financial statements of the business and may be defined as Shareholder's Funds or Net Assets owned by the business. The Net Assets Value is generally used as the minimum break-up value for the transaction. This methodology calculates the underlying net Assets of the business, either on a book value basis or realizable value basis or replacement cost basis. We are using this method for this company.





## **STRATON BUSINESS SOLUTIONS PRIVATE LIMITED**

The NAV method is not suitable for an advisory company because it's a metric used to value investment funds based on their assets and liabilities. Advisory companies don't manage pooled assets. They provide services and earn revenue through fees. Instead, metrics like revenue, profit, and billable hours are more relevant for evaluating their performance.

We have carried out this method using Assets and liabilities of the company as on 31.03.2025

<b>Particulars</b>	<b>Amount in Lakhs</b>
Property plant equipment	576.33
Intangible Assets	-
Inventory	828.48
Non-current Investments	12.00
Other Non-Current Assets	-
long term loans and advances	13.70
Cash and Cash Equivalents	20.17
Trade Receivables	609.44
Other current assets	29.29
Short term loans and advances	319.86
<b>Total Assets</b>	<b>2,409.28</b>
<b>Non-Current liabilities</b>	
long term borrowings	1,320.54
Differed tax liability [net]	3.97
Long term provisions	-
<b>Current Liability</b>	
short term borrowings	452.21
Trade payables	145.40
Other Current Liabilities	-
Short term provisions	127.22
<b>Total Liabilities</b>	<b>2,049.34</b>
<b>Net asset Value</b>	<b>359.95</b>
Less: Preliminary Expenditure/Differed Tax asset	-
<b>Value of the company</b>	<b>359.95</b>
No.of shares	15.00
<b>Value Per share</b>	<b>24.00</b>

Source: Audited financial statements of the company

### **2. Discounted Cash Flow Method (DCF):**

The DCF method uses the future free cash flows of the company, discounted by the cost of capital, to arrive at the present value. In general, the 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 and hence we have considered this approach in our valuation exercise.

### **Estimated Future Earnings:**





## **STRATON BUSINESS SOLUTIONS PRIVATE LIMITED**

The estimation of future earnings is made on the basis of:

- The discussions held with the management as to the Company's future outlook
- Our analysis of the industry scenario
- Past trends in the business of the company

We have taken the future earnings for 5 years as per the data provided by the company management.

Rs.in Lakhs

Particulars	Proj 2025-26	Proj 2026-27	Proj 2027-28	Proj 2028-29	Proj 2029-30
NO PAT	38.30	55.55	72.94	88.70	127.02
Add: Depreciation & Amortization	7.52	7.52	7.52	7.52	7.52
Less: Changes in working capital	-116.56	-93.07	-32.75	-32.82	-5.91
Less: Increase in Capex	-	-	-	-	-
<b>Free Cash flow</b>	<b>162.37</b>	<b>156.14</b>	<b>113.21</b>	<b>129.04</b>	<b>140.44</b>

Particulars	Proj 2025-26	Proj 2026-27	Proj 2027-28	Proj 2028-29	Proj 2029-30
Free Cash Flow	162.37	156.14	113.21	129.04	140.44
Year	1.00	2.00	3.00	4.00	5.00
Discount Factor	0.92	0.84	0.77	0.71	0.65
Present Value of Cash Flows	148.94	131.38	87.38	91.36	91.21
<b>Present Value of Business</b>					<b>550.26</b>
<b>Terminal Value at the end</b>					<b>1,042.39</b>
Add: Cash and cash Equivalents					20.17
<b>Value of Business</b>					<b>1,612.83</b>
Less: Debt					1,320.54
<b>Value of Business</b>					<b>292.29</b>
No. of shares as per the Balance sheet as on 31.03.2025					15.00
<b>Value per share (DCF)</b>					<b>19.49</b>

Source: Projected financial statements of the company.

### **3. Comparable company analysis (CCA)**

It is a valuation method that estimates a company's worth by comparing it to similar companies in the same industry. It's a relative valuation approach, meaning it determines a company's value relative to its peers. This method assumes that similar companies will be valued similarly, especially when considering factors like size, industry, and growth prospects.





## **STRATON BUSINESS SOLUTIONS PRIVATE LIMITED**

"The Comparable Companies Valuation Method has not been considered as the Company is an unlisted entity, and there is no readily available peer group or directly comparable listed companies with similar business operations, scale, and financial profile. In the absence of access to reliable financial data of comparable companies, the application of this method would not yield a fair or meaningful valuation."

#### **4. Business valuation & Value per share:**

<b>S.No</b>	<b>Particulars</b>	<b>Value in Lakhs</b>	<b>Value per share Rs</b>	<b>Weightage</b>	<b>Value per share after giving weights</b>
1	Net Asset Value Method	360	24.00	1	24.00
2	Discounted Cash Flow Method	293	19.49	2	39.00
3	Comparable Companies Method	-	-	-	-
	<b>Total</b>			<b>3</b>	<b>63.00</b>
	Relative Value per share				<b>21.00</b>

**Note:** "The Comparable Companies Valuation Method has not been considered as the Company is an unlisted entity, and there is no readily available peer group or directly comparable companies with similar business operations, scale, and financial profile. In the absence of access to reliable financial data of comparable companies, the application of this method would not yield a fair or meaningful valuation."

#### **a. Justification for Weightage Assigned to Valuation Methods**

<b>S. No</b>	<b>Method</b>	<b>Weightage</b>	<b>Justification</b>
1	<b>Net Asset Value (NAV) Method</b>	1	The Net Asset Value method reflects the book value of the company's assets after deducting liabilities. It represents the minimum realizable value of the business in a liquidation scenario. However, it does not factor in the company's earning potential or growth prospects. Hence, a <b>lower weight</b> of 1 has been assigned, giving it limited but relevant consideration in the overall valuation.
2	<b>Comparable Companies Method</b>	-	This method has <b>not been considered</b> , as the company is <b>unlisted</b> , and there is <b>no readily available peer group or directly comparable companies</b> with similar business model, scale, and financial profile. In the absence of reliable and publicly available financial data of similar companies, this approach would not provide a <b>fair or meaningful valuation</b> , and hence, no weight is assigned.





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S. No	Method	Weightage	Justification
3	<b>Discounted Cash Flow (DCF) Method</b>	<b>2</b>	The DCF method captures the <b>intrinsic value of the company</b> based on its ability to generate future cash flows. It considers company-specific projections, operational potential, and long-term sustainability. Since the business is a going concern with projected cash inflows, this method offers the most relevant insight into its fair value. Accordingly, it is given the <b>highest weight</b> of 2 to reflect its greater relevance and reliability in this context.

### **XI. Conclusion:**

#### **Effective date of Valuation:**

The effective date of valuation is 31<sup>st</sup> March, 2025.

Fair value of Rs.21/- fully paid equity share as of Rs.10/- each fully paid-up as calculated based on the future revenue projections of the company.

**Standard (Definition) of Value:** The Standard of Value is "Fair Market Value". As defined by Statement on Standards for Valuation Services Issued by the IGAAP, "the Fair Market Value is: -

- The price, expressed in terms of cash equivalents
- At which property would change hands
- Between a hypothetical willing and able buyer and a hypothetical willing and able seller
- Acting at arm's length in an open and unrestricted market,
- When neither is under compulsion to buy or sell and
- When both have reasonable knowledge of the relevant facts.

### **XII. Premise of Value:**

- The Premise of Value is "as a going concern".
- Our opinion of Fair Market Value relies on a "value in use" or "going concern" premise, which assumes that the Company is an ongoing business enterprise with management operating in a rational way with a goal of maximizing shareholder value.
- The valuation assumes that the Company will continue to operate as a going concern, and that the character of its present business will remain intact.





**XIII. Scope of Limitations:**

- ✓ Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report as agreed per 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.
- ✓ Valuation analysis and results are also specific to the date of this report. A review of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. As such, our review results are, to a significant extent, subject to continuance of current trends beyond the date of the report. We, however, have no obligation to update this report for events, trends or transactions relating to the companies or the market/economy in general and occurring subsequent to the date of this report.
- ✓ In the course of the review, we were provided with both written and verbal information, including market, technical, financial, and operating data. We have however, evaluated the information provided to us by the companies through broad inquiry, analysis and review (but not have carried out a due diligence or audit of the companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided). Through the above evaluation, nothing has come to our attention to indicate that the information provided was materially misstated /incorrect or would not afford reasonable grounds upon which to base the report. We do not imply, and it should not be constructed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.
- ✓ The terms of our engagement were such that we were entitled to rely upon the information provided by the company without detailed inquiry. Also, we have been given to understand by the Management that they have not omitted any relevant and material factors. Our conclusions are based on these assumptions, forecasts and other information given by/on behalf of the company.





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- ✓ No investigation of the company claims to title of assets has been made for the purpose of this review and the company's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matter of a legal nature.
- ✓ We have not conducted or provided an analysis or prepared a model for any asset valuation and have wholly relied on information provided by the company in that regard.
- ✓ We owe responsibility to only Board of Directors of the company which has retained us and nobody else and this report is for exclusively internal purposes of the company.
- ✓ We do not accept any liability to any third party in relation to the issuance of this report.

Kesava Sreenivasulu Chekka,  
Registered Valuer - Securities  
or Financials Assets,  
Member Ship # IBBI/RV/11/2021/14345,  
COP # DJF / RVO / 096 / SFA



Place: Hyderabad  
Date: 07-06-2025

Kesava Sreenivasulu Chekka  
Registered Valuer (IBBI)  
Reg. No. IBBI/RV/11/2021/14345

