

VALUATION REPORT

For fair value of Equity Shares of

AURUM CAPITAL PROJECTS LIMITED

**FOR THE PURPOSES OF FURTHER ISSUE OF EQUITY SHARE IN
ACCORDANCE WITH SECTION 62 OF THE COMPANIES ACT, 2013**

PREPARED BY:

Alok Bansal

REGISTERED VALUER-SECURITY OR FINANCIAL ASSETS (SFA)

Registration No. IBBI/RV/06/2021/14407

Alok Bansal

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To,
The Board of Directors
Aurum Capital Projects Limited
Lucknow, Uttar Pradesh

Dear Sir,

Subject: Providing valuation of Equity Shares of AURUM CAPITAL PROJECTS LIMITED for the purpose of further issue of shares under section 62 of the Companies Act, 2013 read with Rule 13 of Companies (Share Capital & Debenture Rules) 2014.

I refer to your appointment letter dated 15th February, 2025 and my engagement letter dated 16th February, 2025, whereby Aurum Capital Projects Limited (ACPL) has requested Alok Bansal (hereinafter referred to as 'Valuer'/'I'/'My'/'Me') for estimation of fair value of Equity Shares of ACPL for the purposes of further issue of equity shares.

BACKGROUND OF COMPANY

ACPL is a Public company limited by shares. It was incorporated on 3rd August 1992 under the provisions of the Companies Act, 2013. Its corporate identity number is L67120UP1992PLC014607. Its registered office is situated at 2ND FLOOR YMCA COMPLEX 13, RANA PRATAP MARG, LUCKNOW - 226001, Uttar Pradesh, INDIA.

Main objects as mentioned in its Memorandum of association are as follows:

1. To provide Portfolio management and project management consultancy services to customers.
2. To act as Registrar to issues and transfer agents in respect of any shares, stock, bonds and debenture of any Government, Local Authority, or any other company.
3. To invest, buy, purchase, acquire, hold, sell deal in shares, stock, bonds, securities and debentures of any Government, Local authority, body corporate or otherwise.
4. To render financial, technical, management, professional, commercial and all other types of skilled services to the customers whether as advisors, consultants, managers, operators, trainers, developers or otherwise.
5. To undertake and carry on the business activities as Non-Banking Financial Company as permitted under Reserve Bank of India Regulations subject to prior approval of Reserve Bank of India.

6. To carry on, deal, engage or otherwise engage in the business of real estate, hospitality, infrastructure development and construction whether as promoter, builder, developer, contractor, consultant, agent etc. and to undertake all such activities and support services connected and customarily, usually and conveniently carried on therein with.

(i) Directors as on 31st December, 2024

Name of Director(s)	Designation	DIN/PAN
Ritika Gupta	Whole Time Director	01162997
Bajrang Bhadur Pandey	Director	05321641
Ravi Shankar Malviya	Director	08397352
Rajiv Agarwal	Director	01141517
Sanjay Kumar Bhutani	Director	01415528

(ii) Share Capital as 31st December, 2024

Particulars	Amount (Rs.)
Authorised Share Capital 10000000 Equity shares of Rs. 10 each	10,00,00,000
Issued, Subscribed & Fully Paid Equity Share Capital 3210500 equity shares of Rs. 10 each	3,21,05,000

(iii) Shareholding Pattern - List of major shareholders holding more than 5% as on 31st December, 2024

S.No	Shareholder Name	No. of Equity Shares Held	Percentage of Shares held
1.	SUISSE HOLDINGS PROPERTIES PRIVATE LIMITED	234500	7.30%

PURPOSE OF VALUATION

ACPL wants to raise funds by making further issue of equity shares. Therefore, a valuation report of equity shares is required under section 62 of the Companies Act, 2013 read with Rule 13 of Companies (Share Capital & Debenture Rules) 2014 as on 31st May, 2023.

Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other

agreement or document given to third parties, without our prior written consent. This report can be used only for the purpose mentioned above.

DATE OF VALUATION

Management of ACPL wants valuation to be as on 31st December, 2024.

SOURCE OF INFORMATION & ASSUMPTIONS

In connection with this valuation, I have used the following documents and information provided by the management of ACPL:

- 1) Memorandum of Association of the Company.
- 2) Audited Financial Statements as on 31st March, 2024
- 3) Unaudited Balance Sheet as on 31st December, 2024.

Further it had been informed that future projections are not available due to the nature of its business.

SCOPE, LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

- 1) While my work has involved an analysis of financial information and accounting records, my engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, I assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of company. My report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- 2) Accordingly, I do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Company, I have been given to understand by the Management of the Company that they have not omitted any relevant and material factors about the Company. My conclusions are based on the assumptions and information given by and on behalf of the Company and reliance on public information. The Management of the Company has indicated to me that they have understood that any omissions, inaccuracies or misstatements may materially affect my valuation analysis/results.
- 3) The Report assumes that the Company comply 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/unaudited balance sheet of the Company. My conclusion of value assumes that the assets and liabilities of the Company and their subsidiaries/associates, if any, reflected in their respective latest balance sheets remain intact as of the Report date.

- 4) No investigation of the Company's claim to title of assets has been made for the purpose of this Report 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 matters of a legal nature. The fee for the engagement is not contingent upon the results reported.
- 5) The valuation of companies and businesses is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value and I normally express my opinion on the value as falling within a likely range. However, as valuation under section 62 of the Companies Act, 2013 requires the expression of a single value, I have adopted a value at the mid-point of my valuation range. Whilst I consider my value/range of values to be both reasonable and defensible based on the information available to us, others may place a different value of the equity shares of the company.
- 6) The actual market price achieved may be higher or lower than my estimate of value depending upon the circumstances of the transaction, the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, my valuation conclusion will not necessarily be the price at which any agreement proceeds. The final transaction price is something on which the parties themselves have to agree. I also emphasize that my opinion is not the only factor that should be considered by the parties in agreeing the transaction price.
- 7) I owe responsibility to company only, who have appointed me under the terms of my engagement letters and nobody else. I do not accept any liability to any third party in relation to the issue of this Report. This Report is not a substitute for the third party's own due diligence/ appraisal enquiries/ independent advice that the third party should undertake for his purpose.
- 8) An analysis of such nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this Report.
- 9) The ultimate analysis will have to be tempered by the exercise of judicious discretion by the Registered Valuer and judgment taking into account all the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the face of the Balance Sheet but could strongly influence the value. This concept is also recognised in judicial decisions.
- 10) In the course of the valuation, I was provided with both written and verbal information. I have however, evaluated the information provided to me by the Company through

broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. My conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company.

- 11) I am independent of the company and have no current or expected interest in the Company or its assets. The fee paid for my services in no way influenced the results of my analysis.
- 12) My report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared.

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BASES, PREMISES & STANDARD OF VALUE

While preparing this valuation report ICAI valuation standards, 2018 have been followed. Bases and premises of valuation are fair value as a “Going Concern”.

VALUATION APPORACHES & METHODS

Valuation by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions. There can therefore be no standard formulae to establish an indisputable value, although certain formulae are helpful in assessing reasonableness.

It is universally recognized that Valuation is not an exact science and that estimating values necessarily involves selecting a method or an approach that is suitable for the purpose. Courts in India have, over a period of time, evolved certain guiding principles, the most leading case being the decision of the Supreme Court Hindustan Lever Employee’s Union (1995) Supp (1) SCC 499.

For the purpose of determining fair value, a valuer may therefore, use any of the approaches as per the generally / internationally accepted valuation methodologies which in its opinion are most appropriate based on the facts of each valuation. Reliance is placed on the case of Dr. Mrs. Renuka Datla vs. Solvay Pharmaceutical B.V. &Ors on 30 October, 2003, in which it was held that, a valuer has to give a justification for selecting or rejecting a method.

The internationally / generally accepted valuation methodologies have been discussed hereinafter, along with the reasons for choice of approach used based on the facts of the company.

(A) INCOME APPROACH

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalized) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

This approach involves discounting future amounts (cash flows/income/cost savings) to a single present value.

The DCF method values the asset by discounting the cash flows expected to be generated by the asset for the explicit forecast period and also the perpetuity value (or terminal value) in case of assets with indefinite life.

The DCF method is one of the most common methods for valuing various assets such as shares, businesses, real estate projects, debt instruments, etc.

This method involves discounting of future cash flows expected to be generated by an asset over its life using an appropriate discount rate to arrive at the present value.

The following are the major steps in deriving a value using the DCF method:

- a) Consider the projections to determine the future cash flows expected to be generated by the asset;
- b) analyze the projections and its underlying assumptions to assess the reasonableness of the cash flows;
- c) choose the most appropriate type of cash flows for the asset, viz., pre-tax or post tax cash flows, free cash flows to equity or free cash flow to firm;
- d) determine the discount rate and growth rate beyond explicit forecast period; and
- e) apply the discount rate to arrive at the present value of the explicit period cash flows and for arriving at the terminal value.

The following are important inputs for the DCF method:

- (a) Cash flows;
- (b) Discount rate; and
- (c) Terminal value

ACPL nature of business is non-banking financial company and due to its nature of business ACPL had not provided future projections hence Income Approach cannot be used for its valuation.

(B). Market Approach

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

The market multiples are generally computed on the basis of following inputs:

- a) trading prices of market comparable in an active market; and
- b) financial metrics such as Earnings Before Interest, Tax, Depreciation and amortization (EBITDA), Profit After Tax (PAT), Sales, Book Value of assets, etc.

The following valuation methods are commonly used under the market approach:

- (a) Market Price Method;
- (b) Comparable Company Multiple (CCM) Method; and
- (c) Comparable Transaction Multiple (CTM) Method.

If market participants are using market multiple based on non-financial metrics for valuing an asset, such multiples may also be considered in addition to market multiple based on the financial metrics.

Although ACPL is a listed company but being an infrequently traded company due to low liquidity market price method cannot be applicable and also there are no closely comparable listed peers, market approach cannot be used for its valuation. Further Average Industry Multiple can't be used because the ratio of its expenses may significantly differ due to its unique business model.

(C). Assets Based Approach

Under this approach, the book value / replaceable value / realizable value of the underlying assets of the company is determined to arrive at the value of the business, depending on the facts and circumstances applicable to a company.

Usually under the assets-based approach, the methods that may be applied are Net Book Value Method, Net Replaceable Value, Net Realizable Value.

As the income approach is not possible hence asset-based approach is appropriate for valuation of equity of ACPL.

FAIR VALUE as on 31st December, 2023 as per Net Book Value Method

On the basis of Unaudited Financial Statements as on 31.12.2024

Amount in 000	
Particulars	Amount
<u>ASSETS :</u>	
Non Current Investments	
68330 No of Equity Share of Sonu Colonisers Private Limited at realisable value of Rs 13.79 per share (FMV as per audited financial statements as on 31.03.2024)	942.40
Cash & Cash Equivalents	2,954.63
Loans	27,254.73
Short Term Loans & Advances	7,840.35
Other Current Assets	100.23
Non Current Assets	1,551.53
Total Assets (A)	40,643.87
<u>LIABILITIES :</u>	
Financial Liabilities (Current Liabilities)	371.60
Non-Financial Liabilities	396.51
Total Current Liabilities (B)	768.11
Net Book Value C= (A-B)	39,875.76
No of Paid Up & Subscribed Equity Share of Rs 10/- each (D)	32,10,500
Book Value Per Share (C/D)	12.42

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CONCLUSION

For the purpose mentioned in this report, fair value of equity of **Aurum Capital Projects Limited** (ACPL) is Rs. 39875.76 as on 31st December, 2024 as per Net Book Value Technique.

Based on above the Fair Value of one equity share of the company of face value of Rs. 10/- as on 31st December 2024 is determined at Rs. 12.42/- (Rupees Twelve and forty two paise only).

UDIN: **25400027BMGAUW6578**

Alok Bansal
Registered Valuer
IBBI/RV/06/2021/14407

Date : 11th Mar 2025
Place: Kanpur