

VALUATION REPORT
on
Fair Value of Equity Shares

Mayukh Dealtrade Limited



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Valuation Analysis

We refer to our Engagement Letter dated 17th October 2022 as independent valuers of **Mayukh Dealtrade 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 2022-23, Company is evaluating the possibility of issuing further securities to prospective investors. In this context, the management of **Mayukh Dealtrade 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

MAYUKH DEALTRADE LIMITED (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. Registered Office: Office No. 101 on 1st Floor, Crystal Rose C.H.S Datta Mandir Road, Mahavir Nagar, Kandivali West, Mumbai, MH – 400067 Being a Public Limited Company its shares are listed on BSE stock exchanges. The company's Principal Business in Investment like Loans & Advance and Investments.

Company URL: <https://www.mayukh.co.in/>

Further data of the company is as under:

CIN	L51219MH1980PLC329224
Company / LLP Name	MAYUKH DEALTRADE LIMITED
ROC Code	RoC-Mumbai
Registration Number	329224
Company Category	Company limited by Shares
Company Subcategory	Non-govt company
Class of Company	Public
Authorised Capital (Rs)	50000000
Paid up Capital (Rs)	32000000
Number of Members (Applicable in case of company without Share Capital)	0
Date of Incorporation	14/08/1980
Registered Address	Office No. 101 on 1st Floor, Crystal Rose C.H.S Datta Mandir Road, Mahavir Nagar, Kandivali West Mumbai Mumbai City MH 400067 IN
Email Id	info@mayukh.co.in
Whether listed or not	Listed
Date of last AGM	30/09/2021
Date of Balance Sheet	31/03/2021
Company Status (for e filing)	Active

Directors and Key Managerial Persons:

DIN/PAN	Name	Begin date	Designation
0006520600	Mit Tarunkumar Brahmhatt	14/08/2018	Managing Director
0008415000	Khushboo Vasudev	31/12/2021	Director
0009452936	Kapil Purohit	31/12/2021	Director
CCHPN4984R	Khushboo Negi	31/12/2021	Company Secretary
EIYPK2804N	Atish Ananta Kamble	01/09/2022	CFO(KMP)

Shareholding Details:

Particulars	No. of Shares	% Holdings
Promoter & Promoter Group	9,58,940	14.98%
Public	54,41,060	85.02%
Total	64,00,000	100.00%

Face Value Per Share is Rs. 5.00/-

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 **Mayukh Dealtrade Limited** has been carried out as on **18th October 2022**.

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 Extraordinary General Meeting of Members on 17th November 2022 to approve the proposed preferential issue and hence, the relevant date is 18th October 2022.
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 **Mayukh Dealtrade 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 is as under:

Method		in INR
As per Regulation 164 SEBI, ICDR	A	9.05
Price determined under the valuation report from the independent registered valuer	B	6.55
Higher of A & B	C	9.05

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: 18th October 2022

Place: Mumbai

UDIN: **22119158BAR6HU6506**

12 Annexure 1

As per Regulation 164 SEBI, ICDR

Method		in INR
90 trading days' volume weighted average price (*)	A	9.05
10 trading days' volume weighted average price (*)	B	8.07
Higher of A & B	C	9.05

Volume Weighted Average Price for 90 trading Days

Sr. No.	Date	No. of Shares Traded	Total Turnover Traded (Rs.)
1	17-Oct-22	23,096	1,89,963
2	14-Oct-22	31,578	2,53,329
3	13-Oct-22	42,802	3,43,692
4	12-Oct-22	19,051	1,53,566
5	11-Oct-22	28,894	2,35,431
6	10-Oct-22	12,427	99,414
7	07-Oct-22	6,302	50,907
8	06-Oct-22	4,659	37,572
9	04-Oct-22	23,697	1,90,906
10	03-Oct-22	7,565	59,083
11	30-Sep-22	10,606	85,283
12	29-Sep-22	4,564	35,884
13	28-Sep-22	10,434	82,633
14	27-Sep-22	28,557	2,18,172
15	26-Sep-22	9,956	79,054
16	23-Sep-22	11,001	88,514
17	22-Sep-22	15,379	1,25,642
18	21-Sep-22	11,778	96,347
19	20-Sep-22	41,742	3,36,431
20	19-Sep-22	58,345	4,69,399
21	16-Sep-22	11,941	96,770
22	15-Sep-22	5,764	47,084
23	14-Sep-22	19,083	1,56,212
24	13-Sep-22	3,188	26,215
25	12-Sep-22	10,801	88,419
26	09-Sep-22	15,331	1,25,002
27	08-Sep-22	67,261	5,42,113
28	07-Sep-22	6,278	52,446
29	06-Sep-22	4,500	37,209

30	05-Sep-22	64,294	5,26,878
31	02-Sep-22	33,458	2,84,269
32	01-Sep-22	84,138	7,02,055
33	30-Aug-22	16,955	1,42,666
34	29-Aug-22	6,824	58,478
35	26-Aug-22	7,966	68,601
36	25-Aug-22	36,473	3,15,374
37	24-Aug-22	3,675	32,556
38	23-Aug-22	985	8,946
39	22-Aug-22	4,207	37,899
40	19-Aug-22	42,010	3,65,866
41	18-Aug-22	17,251	1,57,685
42	17-Aug-22	8,923	81,818
43	16-Aug-22	10,220	95,581
44	12-Aug-22	14,866	1,35,178
45	11-Aug-22	47,611	4,71,455
46	10-Aug-22	15,878	1,50,021
47	08-Aug-22	10,722	1,03,197
48	05-Aug-22	1,04,218	9,98,095
49	04-Aug-22	7,029	60,193
50	03-Aug-22	2,605	22,759
51	02-Aug-22	16,644	1,42,889
52	01-Aug-22	12,858	1,10,089
53	29-Jul-22	5,886	50,730
54	28-Jul-22	38,158	3,25,606
55	27-Jul-22	8,174	71,977
56	26-Jul-22	14,296	1,21,605
57	25-Jul-22	20,257	1,82,351
58	22-Jul-22	42,558	3,79,831
59	21-Jul-22	48,662	4,23,182
60	20-Jul-22	98,710	8,09,797
61	19-Jul-22	7,578	67,921
62	18-Jul-22	41,714	3,75,862
63	15-Jul-22	3,229	30,396
64	14-Jul-22	27,772	2,61,166
65	13-Jul-22	10,741	98,027
66	12-Jul-22	19,103	1,67,876
67	11-Jul-22	13,079	1,18,934
68	08-Jul-22	12,666	1,14,401
69	07-Jul-22	66,769	6,43,271
70	06-Jul-22	25,959	2,29,074
71	05-Jul-22	22,751	2,15,397
72	04-Jul-22	54,054	5,55,450
73	01-Jul-22	61,125	6,22,335
74	30-Jun-22	5,845	58,591
75	29-Jun-22	2,905	29,218

76	28-Jun-22	83,712	8,51,108
77	27-Jun-22	9,192	97,476
78	24-Jun-22	87,690	8,82,595
79	23-Jun-22	47,056	4,31,169
80	22-Jun-22	37,081	3,30,007
81	21-Jun-22	77,264	7,01,506
82	20-Jun-22	62,579	5,57,721
83	17-Jun-22	43,284	4,06,550
84	16-Jun-22	55,867	5,18,275
85	15-Jun-22	83,287	8,32,295
86	14-Jun-22	36,304	3,74,257
87	13-Jun-22	22,921	2,35,149
88	10-Jun-22	38,980	3,93,749
89	09-Jun-22	1,778	19,599
90	08-Jun-22	70,139	7,99,457
Total		25,25,515	2,28,59,151

Total Turnover	2,28,59,151
Total No. of Shares traded	25,25,515
Volume Weighted Average Price for 90 trading Days	9.05

Volume Weighted Average Price for 10 trading Days

Sr. No.	Date	No. of Shares Traded	Total Turnover Traded (Rs.)
1	17-Oct-22	23,096	1,89,963
2	14-Oct-22	31,578	2,53,329
3	13-Oct-22	42,802	3,43,692
4	12-Oct-22	19,051	1,53,566
5	11-Oct-22	28,894	2,35,431
6	10-Oct-22	12,427	99,414
7	07-Oct-22	6,302	50,907
8	06-Oct-22	4,659	37,572
9	04-Oct-22	23,697	1,90,906
10	03-Oct-22	7,565	59,083
Total		2,00,071	16,13,863

Total Turnover	16,13,863
Total No. of Shares traded	2,00,071
Volume Weighted Average Price for 10 trading Days	8.07

13 Annexure 2

(In INR)

Method	Value per share	Weight	Product
NAV Method	5.79	1	5.79
CCM Method	7.31	1	7.31
PECV Method (*)	1.60	0	0
Weight Average Value per share			6.55

(*) Value per share as per PECV Method is lower than NAV Method, hence is not considered

NAV Method

(In INR)

Particulars	As on 30 th September 2022	
	Book Value	Market Value
Assets		
Non-Current Assets		
Non-current investments	3,04,169.00	3,04,169.00
Other Non-Current Assets	15,33,057.00	15,33,057.00
Current Assets		
Inventories	1,19,04,420.00	1,19,04,420.00
Trade receivables	1,92,70,821.00	1,92,70,821.00
Cash and cash equivalents	5,89,487.00	5,89,487.00
Short term Loans and advances	1,08,95,947.00	1,08,95,947.00
Total Assets	A	4,44,97,901.00
Non-Current liabilities		
Deferred Tax Liabilities	7,602.00	7,602.00
Current liabilities		
Short Term Borrowings	10,00,000.00	10,00,000.00
Trade payables	37,73,502.00	37,73,502.00
Short Term Provision	2,83,904.00	2,83,904.00
Other current liabilities	23,53,878.00	23,53,878.00
Total Liabilities	B	74,18,886.00
Net Worth	A - B	3,70,79,015.00
No. of Equity Shares	C	64,00,000
Value Per Share	(A - B) / C	5.79

Comparable Companies Method (CCM)

Particulars	EV/EBITDA
Multiples as per Listed Peers (Note 1)	15.32
EBITDA of Company (in INR Lakhs) (TTM)	30.79
Enterprise Value (in INR Lakhs)	471.76
Less: Debt (in INR Lakhs)	10.00
Add: Cash (in INR Lakhs)	5.89
Equity Value (in INR Lakhs)	467.65
No. of Shares	64,00,000
Value per share (in INR)	7.31

Note 1: -

P/E Multiple of Listed Peer Company

Particulars	EV/EBITDA
Kothari Products Ltd.	12.54
Ace Men Engg Works Ltd.	20.30
MK Exim India Ltd.	13.13
Average	15.32

PECV Method

Particulars	FY2020	FY2021	FY2022
Profit After Tax	16,354	44,10,578	1,85,948
Average Profit (In INR)			15,37,627
Capitalization Rate			15%
Capitalization Value (In INR)			1,02,50,844.44
No. of Shares			64,00,000
Value per Share (Rs.)			1.60

Capitalization Rate

Organisation Specific Discount Rate

- Cost of Equity of 15.00% is taken as Capitalization rate, calculated using,

- Historical Market Return of BSE 500 of Last Five Years is 13.25 %
- We have considered Premium of 2.00% towards risk and illiquidity

	Rate	Source
Market Return (Rm)	13.25 %	Return of BSE 500 of Last Five Years.
Company Specific Risk	2.00 %	Contingency of revenues, projected high profitability, achievability of projections

Based on the above parameters, the Cost of Equity has been calculated at **15.00 %**. (Rounded off)