

CA Harsh Chandrakant Ruparelia

Registered Valuer – Securities or Financial Assets

(IBBI Registration No. IBBI/RV/05/2019/11106 and

Membership No. ICAI RVO/S&FA/00054)

STRICTLY PRIVATE & CONFIDENTIAL

23rd August 2024

To,

The Audit Committee and Board of Directors, Innovassynth Investments Limited Shop No.17, C-Wing, S.No-55, CT.S.No.-1655, Leena Heritage Co Op. Housing Society, Khopoli, Raigarh(MH), Khopoli, Maharashtra – 410 203.	The Audit Committee and Board of Directors, Innovassynth Technologies (India) Limited Old Mumbai – Pune Road, Raigarh, Khopoli, Maharashtra – 410 203.
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Sub: Report on Recommendation of Share Exchange Ratio for the proposed Scheme of Merger by Absorption of Innovassynth Technologies (India) Limited with Innovassynth Investments Limited

Dear Madam / Sirs,

I refer to my engagement letter dated 14th August 2024, whereby CA Harsh Chandrakant Ruparelia, Registered Valuer – Securities or Financial Assets (hereinafter referred to as "the Valuer" or "I") has been appointed by the management of Innovassynth Investments Limited [CIN: L67120MH2008PLC178923] (hereinafter referred to as "IIL" or "the Transferee Company") and Innovassynth Technologies (India) Limited [CIN: U24110MH2001PLC134105] (hereinafter referred to as "ITIL" or "the Transferor Company") for the proposed merger of ITIL with IIL under the proposed Scheme of Merger by Absorption (as defined hereinafter).

ITIL and IIL are hereinafter individually referred to as "the Company" and collectively referred to as "Companies", as the case maybe in terms of the Scheme and the context stated therein.

Page 1 of 15

Phone No: +91 22 40144464
 Cell No: +91 90043 57775
 e-mail: harsh.ruparelia@yahoo.com
harsh@arch-associates.com



B/702, Jyoti Tower,
 Kandivali Jyoti Park CHS Ltd,
 Opp. Anand Ashram,
 S.V. Road, Kandivali (West),
 Mumbai – 400 067

CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

I am a Registered Valuer as notified under section 247 of the Companies Act, 2013. I hereby further state that I have carried out the valuation exercise in my capacity as an Independent Valuer. I further state that I am not related to the Companies or their promoters or their directors or their relatives. I have been associated with the Group in my independent professional capacity. As on the date of this report, I have no interest or conflict of interest with respect to the valuation exercise under consideration.

In the following paragraphs, I have summarized my understanding of the key facts; key information relied upon, basis of recommendation and exclusions to my scope of work.

The report is structured as under:

1. Purpose of this Report
2. Background
3. Sources of Information
4. Valuation Approach
5. Share Exchange Ratio
6. Exclusions and Disclaimers

1. PURPOSE OF THIS REPORT

- 1.1 I understand that the management of the Companies are contemplating a Scheme of Merger by Absorption under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules & regulations framed thereunder for the proposed merger of ITIL with and into IIL in accordance with Section 2(1B) of the Income-tax Act, 1961 ("the Proposed Scheme" or "the Draft Scheme" or "the Scheme"). The merger is proposed to take effect from the appointed date as provided in the Scheme i.e., 1st October 2024.
- 1.2 In this regard, CA Harsh Chandrakant Ruparelia, Registered Valuer – Securities or Financial Assets has been appointed by the Companies for recommendation of Fair Share Exchange Ratio for the proposed merger of the Companies. The recommendation of Fair Share Exchange Ratio under the Scheme has been carried out as on 30th June 2024, being the Valuation Date and for the purpose of this report, as confirmed by the management of the Companies the Relevant Date is 23rd August 2024.
- 1.3 Further, a share swap is also proposed prior to the proposed merger of the companies, wherein, 37,06,250 equity shares of ITIL are proposed to be acquired by IIL from identified shareholders of ITIL and as a consideration, equity shares of IIL would be issued to the identified shareholders of ITIL. The proposed share swap is based on the fair value of the Companies, wherein it is proposed that 37,06,250 number of equity shares of IIL are proposed to be



CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

issued, based on the share swap ratio of 1 equity share of IIL for every 1 equity share of ITIL.

- 1.4 The valuation exercise is undertaken in accordance with the Indian Valuation Standards issued by the Institute of Chartered Accountants of India (ICAI), wherever applicable as per procedures laid down therein.

2. BACKGROUND

2.1 INNOVASSYNTH INVESTMENTS LIMITED ("IIL")

- 2.1.1 IIL was incorporated on 15th February 2008 under the provisions of the erstwhile Companies Act, 1956. The registered office of IIL is currently situated at Shop No.17, C-Wing, S.No-55, CT.S.No.-1655, Leena Heritage Co Op. Housing Society, Khopoli, Raigarh(MH), Khopoli, Maharashtra – 410 203.

- 2.1.2 The summarized equity shareholding pattern of IIL as on June 2024 is as under:

Sr. No.	Category of the Shareholder	No. of shares (FV INR 10)	Shareholding (%)
1.	Promoter & Promoter Group	88,03,738	36.26%
2.	Public	1,54,74,297	63.74%
Total		2,42,78,035	100.00%

Source: <https://www.bseindia.com>

Note: The above shareholding is as on the date of this report. It is proposed that prior to the proposed merger, there would be a share swap i.e. 37,06,250 equity shares of ITIL are proposed to be acquired by IIL from identified shareholders of ITIL and as a consideration, equity shares of IIL would be issued to the identified shareholders of ITIL. Based on the share swap, it is proposed that 37,06,250 number of equity shares of IIL are proposed to be issued, which will form part of Public Category.

- 2.1.3 IIL holds Investments in ITIL and does not carry on any material commercial operations. The equity shares of IIL are listed on BSE.

2.2 INNOVASSYNTH TECHNOLOGIES (INDIA) LIMITED ("ITIL")

- 2.2.1 ITIL was incorporated on 4th December 2001 under the provisions of the erstwhile Companies Act, 1956. The registered office of ITIL is currently situated at Old Mumbai – Pune Road, Raigarh, Khopoli – 410 203.

- 2.2.2 The equity shareholding pattern of ITIL as on the date of this report is as under:

Sr. No.	Name of the Shareholder	No. of shares (FV INR 10)	Shareholding (%)
1	Innovassynth Investments Limited	2,38,50,070	31.79%
2	Viren Rajan Raheja	1,87,55,340	25.00%
3	Akshay Rajan Raheja	1,87,55,340	25.00%



CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

4	Suman R Raheja	37,51,070	5.00%
5	Chanakya Corporate Services Pvt Ltd	34,06,250	4.54%
6	R Raheja Investments Private Limited	20,00,000	2.67%
7	Globus Stores Private Limited	20,00,000	2.67%
8	Rajan B Raheja	15,43,500	2.06%
9	Kalpeshkumar Kishorbhai Morbia	3,00,000	0.40%
10	Others	6,59,781	0.88%
Total		7,50,21,351	100.00%

Source: Management Information

Note: The above shareholding is as on the date of this report. It is proposed that prior to the proposed merger, there would be a share swap i.e. 37,06,250 equity shares of ITIL are proposed to be acquired by IIL from Chanakya Corporate Services Pvt. Ltd. and Kalpeshkumar Kishorbhai Morbia and as a consideration, equity shares of IIL would be issued to these shareholders of ITIL.

2.2.3 ITIL is engaged in the business of developing, scaling up and manufacturing of specialty chemicals and pharmaceuticals intermediates.

2.3 PROPOSED SCHEME

The Proposed Scheme would help in achieving benefits, as provided for in Rationale to the Draft Scheme.

3. SOURCES OF INFORMATION

For the purpose of the recommendation of the Share Exchange Ratio, I have relied upon the following information, as provided by the management of the Companies:

- Audited financial statements of the Companies for the year ended 31st March 2024;
- Audited financial statements of ITIL for the period 1st April 2024 to 30th June 2024;
- Limited Review financial statements of IIL for the period 1st April 2024 to 30th June 2024;
- Projected financial statements (including key underlying assumptions) comprising of Balance Sheet and Statement of Profit and Loss of ITIL for the period 1st July 2024 to 31st March 2025 and for FY 2025-26 to FY 2028-29;
- Market price and volume information for IIL as available on BSE;
- Shareholding pattern of the Companies as on the date of this report;
- Draft Scheme of Merger by Absorption;
- Other relevant details of the Companies such as their history, details of share swap, past and present activities, future plans and prospects, and other relevant information; and



CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

- (i) Such other information and explanations as required and which have been provided by the management of the Companies.

Besides the above information and documents, there may be other information provided by the Companies which may not have been perused by me in detail, if not considered relevant for the defined scope. The Companies have been provided with the opportunity to review the draft report as part of the standard practice to make sure that factual inaccuracy & omissions are avoided in the final report.

I have been informed that Kunvarji Finstock Private Limited have been appointed by the Companies, to provide fairness opinion on the Share Exchange Ratio for the purpose of the aforementioned Scheme. Further, I have had discussions with fairness opinion providers appointed by Companies on the valuation approach.

4. VALUATION APPROACH

4.1. "Value is a word of many meanings". The term "value" can have different connotations depending upon the purpose for which it is intended to be used. The Valuation of equity shares of any company would need to be based on a fair value concept. The purpose of fair value is to enable valuer to exercise his discretion and judgement in light of all circumstances, in order to arrive at a value, which is fair to all parties.

4.2. For the purpose of the valuation exercise, generally the following valuation approaches are adopted:

- (a) the 'Underlying Asset' approach;
- (b) the 'Income' approach; and
- (c) the 'Market' approach

4.3. 'Underlying Asset' Approach

(a) In case of the 'Underlying Asset' approach, the value per equity share is determined by arriving at the Net Assets (Assets Less Liabilities) of the company. The said approach is considered taking into account fair value of assets and liabilities, to the extent possible, the respective asset would fetch or liability is payable as on the Valuation Date. The following adjustments be made to arrive at the Fair Value per Share as per the 'Underlying Asset' Approach at Fair Values:

- The Fair Value of quoted shares/securities held by the company, if any, be considered at Market Value of such shares/securities;
- The Fair Value of unquoted shares/securities held by the company, if any, in other entities be arrived at as per suitable approach to that entity to arrive at Fair Value of Investments held by the company;
- The Fair Value of Immovable properties, if any, held by the company be considered at Market Value / Ready Reckoner Value as on the Valuation Date, made available by the management of the company;



CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

- Adjustments may be made to book value of any other assets for their recoverability on conservative basis after taking into account the management representations and their estimate of the recoverability of the same;
 - Liabilities of the company be considered at their respective Book Values or their payable amounts as on the Valuation Date; and
 - Potential Contingent Liability, if any, be considered based on the discussions with the management and their reasonable estimate of the outflow on account of the same.
- (b) Alternatively, the value may be determined considering the book value of the net assets (Assets Less Liabilities) of the company and/or replacement cost basis, to the extent possible.

I have not considered it appropriate to value ITIL as per 'Underlying Asset' approach since the present valuation is proposed to be carried out on a going concern basis for the purpose of proposed merger and actual realization of operating and/or non-operating assets is not contemplated pursuant to the proposed merger. Further, assets of ITIL may not truly reflect the earning potential, nor asset base dominate earning capacity of ITIL. For the present valuation exercise, other methodologies may hold more relevance for the stated purpose of valuation.

I have taken into consideration the 'Underlying Asset' approach for IIL as it derives value from the assets (investments) it holds.

4.4. 'Income' Approach

Under the 'Income' approach, the equity shares of the company can be valued using Discounted Cash Flow (DCF) method – FCFF approach or FCFE approach or such other approaches.

DCF Method – FCFF Approach (for instance)

- (i) Under the DCF method, the projected free cash flows from business operations after considering fund requirements for projected capital expenditure, incremental working capital and other adjustments are discounted at the Weight Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.
- (ii) Using the DCF method involves determining the following:
- *Estimating the future free cash flows:*

Future Free cash flows are the cash flows expected to be generated by the entity that are available to the providers of entity's capital. The free cash flows under the FCFF method are determined by adjusting



the Profit after tax for Depreciation and other Non-Cash Items, Interest, Incremental working capital requirements and capital expenditure.

- *Time Frame of such cash flows:*

The time frame for free cash flows is determined by separating the value of the business in the explicit projection period and the post explicit projection period.

- *Appropriate Discount rate (WACC):*

Under DCF-FCFF Method, the time value of money is recognized by applying a discount rate viz. WACC to the future free cash flows to arrive at their present value as on the date of valuation. WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the company. In other words, WACC is generally the weighted average of the company's cost of equity capital and debt. Normally, in stable growth companies, the cost of equity is determined by using Capital Asset Pricing Model ('CAPM').

- *Terminal or perpetuity value:*

The Perpetuity value of an ongoing business is determined as present value of the estimated future free cash flows by capitalizing the free cash flows of the last year of the explicit projection period into perpetuity using appropriate rate of return and perpetual growth rate.

- *Valuation of Investment in other entities:*

The investment of the company in other entities, if any is to be valued as per the valuation methodologies suitable to that entity.

- *Value for Equity Shareholders:*

The Value of Business so arrived considering the Net Present Value of the explicit period and terminal or perpetuity value is adjusted for net of cash & cash equivalents, investments, debt, lease liabilities, etc. as on the valuation date to arrive at the value for equity shareholders as on the Valuation Date.

Considering the nature of the Business of ITIL and based on review of projected financial statements made available by the management considering the past performance and best estimates of the future performance and taking into considerations economic conditions, I am of the view that 'Income' approach may be appropriate for the current valuation exercise for arriving at fair value of ITIL, as the assets may not provide true reflection of the earning capacity of ITIL.



As IIL only holds investments in ITIL and does not carry on any material commercial operations, it would derive value from the investments it holds and therefore, I have not considered it appropriate to value IIL as per 'Income' approach.

4.5. 'Market' Approach

(a) Market Price Method ("MP Method")

The market price of an equity share is the barometer of the true value of the company in case of listed companies. The market value of shares of the company quoted on a recognised stock exchange, where quotations are arising from regular trading reflects the investor's perception about the true worth of the listed companies. The valuation is based on the principles that market valuations arising out of regular trading captures all the factors relevant to the company with an underlying assumption that markets are perfect, where transactions are being undertaken between informed buyers and informed sellers on the floor of the recognised stock exchange.

However, as the stock markets and stock prices are subject to volatility, and as the equity shares of IIL has been frequently traded as per the definition provided under Chapter V - Preferential Issue of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("the Regulations") and considering the proposed merger, in my opinion, it is thought appropriate to arrive at the Market Price of IIL as per the Pricing Formula provided under Regulation 164(1) under Chapter V - Preferential Issue of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for frequently traded shares listed on a recognised stock exchange as on the relevant date, being the date of the Board Meeting.

"Frequently traded shares" means shares of the issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of the shares of the issuer.

The Regulations provide that the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than the higher of the following:

- i) the 90 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date; or



CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

- ii) the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

The equity shares of ITIL are not listed or quoted on any recognized stock exchange and hence, market price method may not be applicable for valuation of equity shares of ITIL for the present valuation exercise and has only been applied for valuation of shares of IIL as per the said method.

(b) Comparable Companies Multiple ("CCM") Method

Under the CCM method, the value of the equity share of an unlisted company is determined based on publicly available information of the market valuations of the comparable companies on the basis of multiples derived from such market information after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. This method is applied on the premise that markets are perfect and have captured all the information and factors, which are reflected through their market valuations.

Based on the analysis and in my opinion, it may not be appropriate to consider CCM method for the current valuation exercise, since the present nature or size of operations, financial parameters, etc. of the Companies may not be comparable with those of the benchmark companies.

(c) Comparable Transaction Multiple ("CTM") Method

Under the CTM Method, the value of the equity share of an unlisted company is determined considering the past transactions of similar companies as well as the market value of comparable companies that have an equivalent business model to the company being valued.

Under the CTM Method, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Due to different purposes of investments, transaction rationale and synergy benefits, different control premiums and minority discounts are embedded in the transaction values. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued. The multiples of comparable transactions include premiums and discounts for which information



is not available in the public domain. Due to lack of information on premium and discount of comparable transactions, I have not applied the said method for the purpose of current valuation exercise.

- 4.6. The value so arrived at under any of the approaches is divided by the outstanding number of equity shares to arrive at the value per equity share of the Company(ies).
- 4.7. It is universally recognized that the valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. The application of any particular method of valuation depends upon various factors including nature of its business, overall objective of the transaction and the purpose of valuation.

5. SHARE EXCHANGE RATIO

- 5.1 It is recognized that valuation of any company or assets as a matter is inherently subjective and subject to various factors, which are difficult to predict and beyond control. Valuation exercise involves various assumptions with respect to the specific industry, general business and economic conditions, which are beyond the control of the Companies. The assumptions and analysis of market conditions, comparables, prospects of the industry as a whole and the Companies, which influences the valuation of companies are subject to change over a period of time and even differ between the valuers at the given point of time.
- 5.2 In the ultimate analysis, recommendation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g., present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:
'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation



CA Harsh C. Ruparelia

Registered Valuer – Securities or Financial Assets

possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'

- 5.3 The fair basis of Share Exchange Ratio for the merger under the Scheme would have to be determined after taking into consideration all the factors and approach mentioned hereinabove. It is however important to note that in doing so, I am not attempting to arrive at the absolute value per share of the Company(ies). The exercise is to work out relative value of the Transferor Company and the Transferee Company to facilitate the determination of a share exchange ratio solely for the purpose of the Proposed Scheme.
- 5.4 As consideration for the proposed merger, equity shareholders of ITIL would be issued equity shares of IIL (other than for shares already held / to be held by IIL in ITIL).
- 5.5 In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined herein in this report (including exclusions and disclaimers, provided below), in my opinion, it is thought fit to consider value per equity share of IIL determined as per 'Market Price Method', being higher than the value per share arrived at under the 'Underlying Asset' approach, in the ultimate analysis, as the fair value per equity share of IIL, which works out to **INR 29.39/- (Rupees Twenty-Nine and paise Thirty-Nine only)** per equity share having face value of INR 10 each.
- 5.6 In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined herein in this report (including exclusions and disclaimers, provided below), in my opinion, it is thought fit to consider fair value per equity share of ITIL as per 'Income' approach – DCF method, in the ultimate analysis, which works out to **INR 29.46/- (Rupees Twenty-Nine and paise Forty-Six only)** per equity share having face value of INR 10 each.
- 5.7 Based on the aforementioned recommendation of fair value per share of IIL and ITIL, in my opinion, I recommend that the fair equity share exchange ratio for the proposed merger, may be considered as fair and reasonable as under:
"1 (One) equity share of IIL of the face value of INR 10 each, fully paid-up for every 1 (One) equity share of ITIL of face value of INR 10 each, fully paid-up.
- The Share Exchange Ratio as provided hereinabove with respect to the Scheme has been rounded off to nearest integer, wherever relevant.
- 5.8 Accordingly, valuation approaches as indicated in the format as prescribed under Part I - Para (A)(4) of Annexure II of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June 2023, for the purpose of the current exercise, I have provided following weights to the valuation methodologies and other various factors relevant to the valuation exercise for recommendation of Share Exchange Ratio:



Registered Valuer – Securities or Financial Assets

Valuation Approach	IIL (A)		ITIL (B)	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach	26.75	0%*	16.54	0%#
Market Approach	29.39	100%^	NA	NA^
Income Approach (DCF Method)	NA	NA*	29.46	100%
Relative Value per Share	29.39		29.46	
Fair Share Exchange Ratio (B:A) (rounded-off)	1:1			

NA stands for Not Adopted / Not Applicable

** As IIL only holds investments in ITIL and does not carry on any material commercial operations, it would derive value from the investments it holds and therefore, I have not considered it appropriate to value IIL as per 'Income' approach. The value under the Asset Approach considering the proposed share swap would work out to INR 27.11, however, as the minimum price as per the SEBI regulations under Market Approach is higher than under the Asset Approach, I have considered it appropriate to consider the value as per the Market Approach.*

The valuation exercise is undertaken on a going concern basis and the value of assets may not provide true reflection of the earning capacity of the Company.

^ Market Price method has been considered for IIL only as ITIL is not listed on any recognized stock exchange. Further, based on the analysis and in my opinion, it may not be appropriate to consider CCM method for the current valuation exercise, since the present nature or size of operations, financial parameters, etc. of the Companies may not be comparable with those of the benchmark companies. Also, under the CTM Method, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Due to different purposes of investments, transaction rationale and synergy benefits, different control premiums and minority discounts are embedded in the transaction values. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued. The multiples of comparable transactions include premiums and discounts for which information is not available in the public domain. Due to lack of information on premium and discount of comparable transactions, I have not applied the said method for the purpose of current valuation exercise.

Note:

A share swap is also proposed prior to the proposed merger, wherein, 37,06,250 equity shares of ITIL are proposed to be acquired by IIL from identified shareholders of ITIL and as a consideration, equity shares of IIL would be issued to the identified shareholders of ITIL. The proposed share swap is based on the fair value of the Companies, wherein it is proposed that 37,06,250 number of equity shares of IIL are proposed to be issued, based on the share swap ratio of 1 equity share of IIL for every 1 equity share of ITIL. Considering the share swap ratio for the abovementioned and the Share Exchange Ratio under the abovementioned Scheme of Merger by Absorption based on the fair value of the Companies and also considering the proposed share swap is also, 1:1, the same will not have any impact on the aforesaid share exchange ratio.



6. EXCLUSIONS AND DISCLAIMERS

- 6.1 The report is subject to the exclusions and disclaimers 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.
- 6.2 No investigation of the title of assets of the Companies has been made for the purpose of my recommendation and their claim to such rights has been assumed to be valid as represented by the management of the Companies. Therefore, no responsibility is assumed for matters of a legal nature.
- 6.3 The recommendation is based on the estimates of future financial performance of the ITIL as provided to me by the management, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to the past performance and best estimates of the future performance and taking into considerations economic conditions, market conditions and performance of ITIL. But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the projected financial statements may vary from those contained in the statement and the variation may be material. The fact that I have considered the projections in this valuation exercise should not be construed or taken as I being associated with or a party to such projections.
- 6.4 The work does not constitute certification of the historical financial statements including the working results of the Companies referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report is as per agreed terms of the engagement. It may not be valid or used for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 6.5 A valuation of this nature involves consideration of various factors based on prevailing stock market, financial, economic and other conditions including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the Companies have drawn my attention to all material information, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on my opinion, on the fair value of the shares of the Companies, including any significant changes that have taken place or are likely to take place in the financial position, subsequent to the report date. I have no responsibility to update this report for events and circumstances occurring after the date of this report.



CA Harsh C. Ruparelia

Registered Valuer – Securities or Financial Assets

- 6.6 The valuation analysis was completed as on the date of this report, a date subsequent to the Valuation Date and accordingly I have taken into account such valuation parameters and over such period, as I considered appropriate and relevant, up to a date close to such completion date.
- 6.7 This Report does not look into the business / commercial reasons behind the proposed transaction or address any potential synergies to the Companies and other parties connected thereto.
- 6.8 In the course of issuing this report, I was provided with both written and verbal information. I have evaluated the information provided to me by the management of the Companies through broad inquiry, analysis and review. I assume no responsibility for any errors in the above information furnished by the management of the Companies and consequential impact on the recommendation of the Share Exchange Ratio. I do not express any opinion or offer any assurance regarding accuracy or completeness of any information made available to me.
- 6.9 The report is not, nor should it be construed as me opining or certifying any compliance with the provisions of any law, whether in India or any other country including companies, taxation and capital market related laws or as regards any legal implications or issues arising from any transaction proposed to be contemplated based on this Report.
- 6.10 The information contained herein and the report is confidential. Any person/party intending to provide finance/invest in the shares/securities/businesses of the Companies, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, can be done only with prior permission in writing. However, no such permission would be required in matters relating to giving effect of the Scheme once the same is approved by the NCLT like quoting it in official communication, in notes to the financial statements etc.
- 6.11 This report is prepared exclusively for the Board of Directors of the Transferor Company and the Transferee Company for the purpose of recommending the fair share exchange ratio for the proposed merger and for submission to the regulatory authorities, court, tribunal and such other authorities, regulators, if required under the applicable provisions of the governing law in relation to the aforesaid Scheme of Merger by Absorption. Further, the fees for this engagement is not contingent upon the recommendation considering the facts and purpose of recommendation.
- 6.12 The decision to carry out the transaction (including consideration thereof) lies entirely with the management / Board of Directors of the Companies and the



CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

work and the finding shall not constitute recommendation as to whether or not the management / the Board of Directors of the Companies should carry out the transaction.

- 6.13 By its very nature, my work cannot be regarded as an exact science, the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions / approach, opinions may differ due to application of the facts and assumptions / approach, formulas used and numerous other factors. There is, therefore, no indisputable single or standard methodology / approach for arriving at my recommendation. Although the conclusions are in my opinion reasonable, it is quite possible that others may not agree.
- 6.14 CA Harsh Chandrakant Ruparelia, nor its employees or agents or any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the report is issued. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the report. I am not liable to any third party in relation to issue of this report. In no event, I shall be liable for any loss, damage, cost or expense arising in any way from any acts carried out by the Companies referred herein or any person connected thereto.

If you require any clarifications on the above, I would be happy to clarify the same. I am thankful to your team for kind co-operation and support during this assignment.

Thanking you,
Yours faithfully,



CA HARSH CHANDRAKANT RUPARELIA

REGISTERED VALUER – Securities or Financial Assets

IBBI Registration No. IBBI/RV/05/2019/11106

Membership No. ICAI RVO/S&FA/00054

ICAI Membership No. 160171

Date: 23rd August 2024

Place: Mumbai

UDIN: 24160171BKDZSG5446

