



VALUATION ANALYSIS

FOR THE PROPOSED AMALGAMATION OF

**MIDDLE PATH TRADING PRIVATE LIMITED
(TRANSFEROR COMPANY 1)**

AND

**SHIRAJ MARKETING PRIVATE LIMITED
(TRANSFEROR COMPANY 2)**

AND

**PURSHOTTAM INVESTOFIN LIMITED
(TRANSFEREE COMPANY)**

UNDER SECTION 230 - 232 OF THE COMPANIES ACT, 2013





To
The Board of Directors
Purshottam Investofin Limited
L-7, Menz Floor, Greenpark Extension,
New Delhi – 110016

To
The Board of Directors
Middle Path Trading Private Limited
Unit No. 4, Pocket -7 Sector- B4, Narela New Delhi – 110040

To
The Board of Directors
Shiraj Marketing Private Limited
Unit No. 4, Pocket -7 Sector- B4, Narela New Delhi - 110040

Dear Sir/ Ma'am,

Sub: Recommendation of Equity Share Exchange Ratio pursuant to the proposed Scheme of amalgamation of Middle Path Trading Private Limited (Transferor Company 1) and Shiraj Marketing Private Limited (Transferor Company 2) with Purshottam Investofin Limited (Transferee Company).

We refer to our discussion for recommendation of share exchange ratio for the proposed Amalgamation of Middle Path Trading Private Limited (Transferor Company 1) and Shiraj Marketing Private Limited (Transferor Company 2) with Purshottam Investofin Limited (Transferee Company), pursuant to a Scheme of Amalgamation under Sections 230 to 232 and other applicable clauses of the Companies Act, 2013. In accordance with the terms of the engagement, we are enclosing our Valuation Report along with this letter. In attached report, we have summarized the recommendation of equity share exchange ratio with effect from 30th September, 2021 together with the description of methodologies used and limitation on our Scope of Work.

This Valuation Analysis is confidential and has been prepared exclusively for the Management of the Companies. It should not be used, reproduced or circulated to any other person, in whole or in part, without the prior written consent of any directors of the companies. Such consent will only be given after full consideration of the circumstance at the time. We are however aware that the conclusion in this report may be used for the purpose of certain statutory disclosures and we provide consent for the same.





Ajay Kumar Siwach
FCS, LL.B, IP, RV, MBA

Registered Valuer – SFA
Insolvency Professional
Certified Independent Director

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

Yours Faithfully,

Regards,



Ajay Kumar Siwach
Registered Valuer – Securities or Financial Assets
Registration No.: IBI/RV/05/2019/11412
Date: 24th December, 2021



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SECTION I – APPOINTMENT FOR DETERMINATION OF SHARE EXCHANGE RATIO

This Valuation Report has been prepared by Ajay Kumar Siwach, Registered Valuer to determine share exchange ratio in the Scheme of Arrangement for Amalgamation of Middle Path Trading Private Limited (Transferor Company 1) and Shiraj Marketing Private Limited (Transferor Company 2) with Purshottam Investofin Limited (Transferee Company) under the provisions of Section 230-232 of the Companies Act, 2013. The Appointed Date for this amalgamation has been kept as 20th December, 2021.

BRIEF OF THE COMPANIES INVOLVED UNDER THIS ARRANGEMENT

- PURSHOTTAM INVESTOFIN LIMITED (herein after also referred to as ‘PIL’ or ‘Transferee Company’)** bearing CIN L65910DL1988PLC033799 was incorporated on 04th November, 1988 under the provisions of Companies Act, 1956 as a private limited company with the name and style of ‘Satya Financing Services Private Limited’. Subsequently, the Transferee Company was converted into public limited company and name of the Company was changed to ‘Satya Financing Services Limited’ upon issuance of fresh certificate of Incorporation dated 24th November, 1994. Further, the name of the company was changed to ‘D.B. Merchant Banking Services Limited’ on 7th December, 1994. The name of the company was again changed to its present name ‘Purshottam Investofin Limited’ on 27th November, 2002. The Registered office of the Transferee Company is presently situated at L-7, Menz. Floor, Green Park Extension South Delhi - 110016. The Transferee Company is widely held listed company and the equity shares are listed on BSE limited.

The Transferee Company is a Non-Banking Financial Company (NBFC) registered with Reserve Bank of India vide certificate of registration B-14.01044.

The Transferee Company provides/ is engaged in the business of providing loans and advance, investment in shares and other securities and other related activities

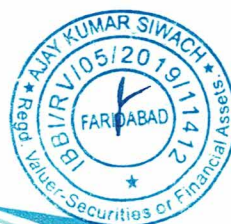
- MIDDLE PATH TRADING PRIVATE LIMITED (herein after also referred to as ‘MPTPL’ or ‘Transferor Company 1’)**, bearing CIN U51100DL2009PTC186443 was incorporated on 06th January, 2009 under the provisions of Companies Act, 1956. The Registered office of the Transferor Company 1 is presently situated at Unit No.4, Pocket - 7 Sector – B4, Narela, New Delhi North West - 110040. Transferor Company 1 is engaged in the business of general trader, merchant, transactions in nature of hedging, spot-trading, options market, investment and other related activities.
- SHIRAJ MARKETING PRIVATE LIMITED (herein after also referred to as ‘SMPL’ or ‘Transferor Company 2’)**, bearing CIN U51100DL2009PTC186445 was incorporated on 06th January, 2009 under the provisions of Companies Act, 1956. The Registered office of the Transferor Company 2 is presently situated at Unit No. 4, Pocket - 7 Sector – B4, Narela, New Delhi North West - 110040. Transferor Company 2 is engaged in the business of general trader, merchant, transactions in nature of hedging, spot-trading, options market, investment and other related activities.





1. OBJECTIVES AND RATIONALE OF THE SCHEME:-

- The Transferor Company -1 and Transferor Company -2 were not engaged in any business activities however both the companies have surplus fund which were unutilized since long hence, the management of the Transferor Companies have decided to amalgamate Transferor Companies with Transferee Company and utilize the surplus fund of Transferor Companies in line of business activities of the Transferee Company. The proposed amalgamation of the Transferor Company 1 and Transferor Company 2 with Transferee Company will strengthening the financial business activity of Transferee Company as both the Transferor Companies business activities are in line of the business activities of the Transferee Company. The scheme of arrangement shall provide a similar kind of business to the Transferee Company which has growth potential and shall also provide the shareholders of Transferor Companies liquidity through listing and hence there is significant synergy for consolidation of all the entities at one place.
- The independent operations of the Transferor Companies and Transferee Company leads to incurrance of significant costs and the amalgamation would enable economies of scale by attaining critical mass and achieving cost saving. The amalgamation will thus eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities and also prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operations would be substantially cost-efficient. This Scheme would result in simplified corporate structure of the Transferee Company and its businesses, thereby leading to more efficient utilization of capital and creation of a consolidated base for future growth of the Transferee Company.
- The amalgamation will contribute in furthering and fulfilling the objectives and business strategies of both the companies thereby accelerating growth, expansion and development of the respective businesses through the Transferee Company. The amalgamation will thus enable further expansion of the Transferee Company and provide a strong and focused base to undertake the business more advantageously. Further, this arrangement would bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and shall also help enhance the efficiency and control of the Transferor Companies and Transferee Company.
- The synergies created by scheme of arrangement would increase operational efficiency and integrate business functions.
- The proposed arrangement will provide greater integration and flexibility to the Transferee Company and strengthen its position in the industry, in terms of the asset base, revenues, product and service range.
- Further This Scheme of Arrangement for Amalgamation of the Transferor Companies with the Transferee Company would result, inter-alia, in the following additional benefits to their respective members:
 - Optimum and efficient utilization of capital, resources, assets and facilities;
 - Enhancement of competitive strengths including financial resources;





- Consolidation of businesses and enhancement of economic value addition and shareholder value;
- Obtaining synergy benefits;
- Better management and focus on growing the businesses.
- The amalgamation would result in reduction of overheads, administrative, managerial and other expenditure and bring about operational rationalization, efficiency and optimum utilization of various resources.
- A larger growing company will mean enhanced financial and growth prospects for the people and organization connected therewith, and will be in public interest. The amalgamation will conducive for better and more efficient and economical control over the business and financial conduct of the Companies.

2. SCOPE OF SERVICES:-

The companies have appointed Ajay Kumar Siwach, Registered Valuer to independently analyze and undertake the valuation of Middle Path Trading Private Limited (Transferor Company 1) and Shiraj Marketing Private Limited (Transferor Company 2) with Purshottam Investofin Limited (Transferee Company), companies involved in the proposed scheme of arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

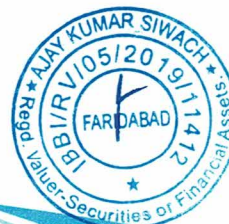
3. SCOPE & LIMITATIONS:-

SCOPE OF WORK

- **Date of Appointment** – 20th December, 2021
- **Valuation Date** - 30th September, 2021
- **Date of Report** – 24th December, 2021
- **Base of value** - Fair value
- **Valuation Currency** – INR

THE VALUATION EXERCISE WAS CARRIED OUT UNDER THE FOLLOWING LIMITATIONS:

- To arrive at share exchange ratio under the said Proposed Scheme of Arrangement'; We have relied upon:
 - Audited Balance Sheet as on 30th September, 2021 of Middle Path Trading Private Limited (Transferor Company 1) and Shiraj Marketing Private Limited (Transferor Company 2) and Limited Review Report Balance Sheet as on 30th September, 2021 of Purshottam Investofin Limited (Transferee Company).
 - Discussions with management of the companies.
 - Management Representations.
 - Capitaline database other information in public domain.
- 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. There may be matters,





other than those noted herein, which might be relevant in the context of the transaction and which a wider scope might uncover.

- Draft Scheme of Arrangement as provided by the management.

EXTENT OF INVESTIGATION UNDERTAKEN

We would like to expressly state that though we have reviewed the financial data for the limited purpose of valuation assessment but we have not performed an Audit and have relied upon the historical financials. (P&L Account and Balance Sheet) as prepared and submitted to us by the management of the companies. The management has represented to us that it has been taken due care in preparation of such financial statements.





SECTION – II Companies Assessment

1. **PURSHOTTAM INVESTOFIN LIMITED (herein after also referred to as ‘PIL’ or ‘Transferee Company’)** bearing CIN L65910DL1988PLC033799 was incorporated on 04th November, 1988 under the provisions of Companies Act, 1956 as a private limited company with the name and style of ‘Satya Financing Services Private Limited’. Subsequently, the Transferee Company was converted into public limited company and name of the Company was changed to ‘Satya Financing Services Limited’ upon issuance of fresh certificate of Incorporation dated 24th November, 1994. Further, the name of the company was changed to ‘D.B. Merchant Banking Services Limited’ on 7th December, 1994. The name of the company was again changed to its present name ‘Purshottam Investofin Limited’ on 27th November, 2002. The Registered office of the Transferee Company is presently situated at L-7, Menz. Floor, Green Park Extension South Delhi - 110016. The Transferee Company is widely held listed company and the equity shares are listed on BSE limited.

The Transferee Company is a Non-Banking Financial Company (NBFC) registered with Reserve Bank of India vide certificate of registration B-14.01044.

The Transferee Company provides/ is engaged in the business of providing loans and advance, investment in shares and other securities and other related activities

Limited Review Report Balance Sheet of Purshottam Investofin Limited as on 30th September, 2021:

Particulars	Amt in INR Million
Share Capital	62.84
Reserve and Surplus	252.69
Total Shareholder's Fund	315.53
Financial Liabilities	150.3
Non-Financial Liabilities	0.011
Total Equity and Liabilities	465.84
Financial Assets	462.51
Non-Financial Assets	3.323
Total Assets	465.84

The Capital Structure of the Company as on 30th September, 2021:





Particulars	Amt in INR
Authorized Share Capital	
1,51,00,000 Equity Shares of INR 10/- each	15,10,00,000
Total	15,10,00,000
Issued, Subscribed and Paid up Share Capital	
62,83,575 Equity Shares of INR 10/- each	6,28,35,750
Total	6,28,35,750

2. **MIDDLE PATH TRADING PRIVATE LIMITED** (herein after also referred to as ‘MPTPL’ or ‘Transferor Company 1’), bearing CIN U51100DL2009PTC186443 was incorporated on 06th January, 2009 under the provisions of Companies Act, 1956. The Registered office of the Transferor Company 1 is presently situated at Unit No.4, Pocket - 7 Sector – B4, Narela, New Delhi North West - 110040. Transferor Company 1 is engaged in the business of general trader, merchant, transactions in nature of hedging, spot-trading, options market, investment and other related activities.

Audited Balance Sheet of Middle Path Trading Private Limited as on 30th September, 2021:

Particulars	Amt in INR Million
Share Capital	12.18
Reserve and Surplus	97.54
Total Shareholder's Fund	109.72
Non-Current Liabilities	-
Current Liabilities	35.04
Total Equity and Liabilities	144.76
Non-Current Assets	0.25
Current Assets	144.52
Total Assets	144.76

The Capital Structure of the Company as on 30th September, 2021:

Particulars	Amt in INR
Authorized Share Capital	
12,50,000 Equity Shares of INR 10/- each	1,25,00,000
Total	1,25,00,000
Issued, Subscribed and Paid up Share Capital	
12,18,250 Equity Shares of INR 10/- each	1,21,82,500
Total	1,21,82,500





3. **SHIRAJ MARKETING PRIVATE LIMITED** (herein after also referred to as ‘SMPL’ or ‘Transferor Company 2’), bearing CIN U51100DL2009PTC186445 was incorporated on 06th January, 2009 under the provisions of Companies Act, 1956. The Registered office of the Transferor Company 2 is presently situated at Unit No. 4, Pocket - 7 Sector – B4, Narela, New Delhi North West - 110040. Transferor Company 2 is engaged in the business of general trader, merchant, transactions in nature of hedging, spot-trading, options market, investment and other related activities.

Audited Balance Sheet of Shiraj Marketing Private Limited as on 30th September, 2021:

Particulars	Amt in INR Million
Share Capital	10.7
Reserve and Surplus	97.33
Total Shareholder's Fund	108.03
Non-Current Liabilities	-
Current Liabilities	13.82
Total Equity and Liabilities	121.85
Non-Current Assets	0.27
Current Assets	121.59
Total Assets	121.86

The Capital Structure of the Company as on 30th September, 2021:

Particulars	Amt in INR
Authorized Share Capital	
11,00,000 Equity Shares of INR 10/- each	110,00,000
Total	110,00,000
Issued, Subscribed and Paid up Share Capital	
10,70,000 Equity Shares of INR 10/- each	107,00,000
Total	107,00,000





SECTION III - METHODS OF VALUATION ADOPTED

In case of a merger valuation, the emphasis is on arriving at the “relative” values of the shares of the merging companies to facilitate determination of the “share exchange ratio”. Hence, the purpose is not to arrive at absolute values of the shares of the companies.

Judicial Pronouncements:-

Hindustan lever Employees’ Union v/s Hindustan lever Limited and others (1995) 83 Company cases 30 (SC)

The jurisdiction of the Court in sanctioning a claim of merger is not to ascertain mathematical accuracy if the determination satisfied the arithmetical test. A company court does not exercise an appellate jurisdiction. It exercises a jurisdiction founded on fairness. It is not required to interfere only because the figure arrived at by the valuer was not as good as it would have been if another method had been adopted. What is imperative is that such determination should not have been contrary to law and that it was not unfair for the shareholders of the company which was being merged.

The Hon’ble Supreme Court held “We do not think that the internal management, business activity or institutional operation of public bodies can be subjected to inspection by the court. To do so, is incompetent and improper and, therefore, out of bounds.”

The **dominance of profits for valuation of share was emphasised in “McCathies case”** (Taxation, 69 CLR 1) where it was said that “*the real value of shares in a company will depend more on the profits which the company **has been making and should be capable of making, having regard to the nature of its business, than upon the amount which the shares would realize on liquidation**”.* This was also re-iterated by the Indian Courts in **Commissioner of Wealth Tax v. MahadeoJalan’s case (S.C.) (86 ITR 621)** and **Additional Commissioner of Gift Tax v. Kusumben D. Mahadevia (S.C.) (122 ITR 38)**.

In the ultimate analysis, valuation 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.

Based on the facts of the case, we have valued PIL as per Comparable Companies Method (CCM) and have valued MPTPL and SMPL as per Net Asset Value (NAV) Method.





SECTION – IV Valuation Analysis

There are three approaches to Valuation namely Income, Asset and Market Approaches.

Approach	Valuation Methodologies	Basis of Consideration
Asset	Adjusted Net Asset Value (NAV) Method	<p>The Asset based method views the business as a set of assets and liabilities that are used as building blocks of a business value. The difference in the value of these assets and liabilities on a Book Value basis or Realizable Value basis or Replacement Cost basis is the business value. However, this methodology recognizes historical cost of net assets only without recognizing its present earnings, comparative financial performance of its peers and their enterprise values etc. Therefore, in general Net Asset Value only reflects the minimum proxy value of the company.</p> <p>In the instant case, the MPTPL is in loss as on Valuation date and SMPL has fluctuating revenue; therefore, we deemed it appropriate to apply this methodology for this valuations.</p> <p>Additionally, PIL is into NBFC industry and they have business; therefore, we have ignored this methodology.</p>
Market	Comparable Companies Multiples (CCM) Method	<p>This methodology uses the valuation ratio of a publicly traded company and applies that ratio to the company being valued. The valuation ratio typically expresses the valuation as a function of a measure of financial performance or Book Value (e.g., Revenue, EBITDA, EBIT, Earnings per Share or Book Value). A key benefit of Comparable Companies Trading Multiple analysis is that the methodology is based on the current market price which is generally viewed as one of the best valuation metrics.</p> <p>MPTPL is in loss as on Valuation date. And SMPL has fluctuating revenue; therefore, we deemed it appropriate to ignore this methodology for this valuations.</p> <p>PIL is into NBFC industry and additionally PIL is also having business; therefore. We have considered the methodology.</p>
	Market Price Method (26 Weeks - 2 Weeks)	<p>In the method the average of the maximum and minimum weekly VWAP (Volume Weighted Average Price) of the latest 26 weeks and 2 weeks are taken. These averages are then added and are divided by the number of weeks the shares are traded in latest 26 weeks and 2 weeks. The maximum of the two is then taken as the fair market value.</p> <p>MPTPL and SMPL are unlisted companies, hence, this methodology is not applicable on them.</p> <p>Further, since, the shares of the PIL are not regularly traded and</p>





		during last 12 months, the shares of the Company was traded 84 times only and total trading turnover is 23.05%, out of which the only 9 times trading turnover constitutes 20.08% of the Company which is not reflecting true liquidity position of the Company. The trading in the shares of company are intermittent and it is not reflecting the true value of the Company. Further, Market price of shares of the Company as calculated Sub- Regulation 1 of Regulation 164 of “SEBI (ICDR) Regulations, 2018” is Rs. 12.28/- which is much lower than the Net Asset Value of the Company. Hence, we have not considered the market price method for determining the valuation of shares of the company.
Income	Discounted Free Cash Flow to Equity (DFCE) Method	The DFCE method expresses the present value of the business as a function of its future cash earnings capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. The value of the firm is arrived at by estimating the Free Cash Flows (FCF) to Equity and discounting the same with Cost of Equity (Ke). The DFCE method using the FCF, values company as an overall. The DFCE methodology is considered to be the most appropriate basis for determining the earning capability of a business. It expresses the value of a business as a function of expected future cash earnings in present value terms. In the DFCE approach, the appraiser estimates the cash flows of any business after all operating expenses, taxes, and necessary investments in working capital and Capex is being met. In this Instant case, due to unavailability of projections for all the companies, we have not applied this methodology for the valuation of the companies.

1. Purshottam Investofin Limited (Transferee Company)

Computation of Equity value per share of the Company as on 30th September, 2021

Method of Valuation

Comparable Companies Multiples (CCM) WORKING:

As per Price to Book Value multiple

Particulars	Amount INR Millions
	for 12 Months ended 30.09.2021
Book Value as on 30.09.2021	315.53
Industry Mean Multiple as on 23rd December, 2021	1.85
Equity Value	584.90
No. of shares	6,283,575
Value per Equity share (INR)	93.08





Note: To arrive at the value of equity share, we have calculated the price to book value multiple, wherein the book value of the company as on 30th September, 2021 is multiplied with the 23rd December, 2021 average price to book value multiple of listed peer companies belonging to the financial services Industry.

We have considered Comparable Companies as follow-on the basis of the following parameters:

- 1. Business Model:** -We have considered only those companies whose Industry classification and business model (in terms of the principal products/services) is similar to company's business model. For Industry classification, we have relied upon the BSE and Capitaine database.
- 2. Turnover, Profit Margins and Return on Capital Employed (ROCE):** - We have considered only those companies, whose risk and return characteristics fall within close range to that of company. The risk and return metrics have been evaluated in terms of the Turnover, Profit margins and ROCE which segment the broad industry into bifurcate cha turnover is close to Company's turnover.
- 3. Trade Volume:** -Only those companies have been considered, whose shares are frequently traded at National Stock Exchange (NSE) or Bombay Stock Exchange (BSE) in accordance with the SEBI (ICDR) Regulations, 2018.

Based on our analysis of the Company and subject to our caveats as further detailed in this report, the fair value determined at INR 584.90 Million and the fair value per share is INR 93.08 as on 30th September, 2021.

2. Middle Path Trading Private Limited (Transferor Company 1)

Computation of Equity value per share of the Company as on 30th September, 2021

Methodology Used:

Net Asset Value (NAV) Method

NAV - MIDDLE PATH TRADING PRIVATE LIMITED as on 30.09.2021	
Particulars	All Amount in INR Million
Equity Share Capital	12.18
Reserves & Surplus	97.54
(Appreciation)/(Diminution) in value of Investments post tax*	-
Net Asset Value	109.72
No. of Equity Shares	1,218,250
Value per Equity Share	90.07

*There is diminution in the investments of the Company as on 23rd December, 2021; therefore, we have not considered the same.

Based on our analysis of the Company and subject to our caveats as further detailed in this report, the fair value determined at INR 109.72 Million and the fair value per share is INR 90.07 as on 30th September, 2021.





3. Shirai Marketing Private Limited (Transferor Company 2)

Computation of Equity value per share of the Company as on 30th September, 2021

Methodology Used:
Net Asset Value (NAV) Method

NAV - SHIRAJ MARKETING PRIVATE LIMITED as on 30.09.2021	
Particulars	All Amount in INR Million
Equity Share Capital	10.70
Reserves & Surplus	97.33
Net Asset Value	108.03
No. of Equity Shares	1,070,000
Value per Equity Share	100.96

Based on our analysis of the Company and subject to our caveats as further detailed in this report, the fair value determined at INR 108.03 Million and the fair value per share is INR 100.96 as on 30th September, 2021.





SECTION V – SHARE EXCHANGE RATIO

SHARE EXCHANGE RATIO FOR AMALGAMATION:-

BSE Circular No. LIST/COMP/02/2017-18 dated 29 May 2017 require the valuation report for a Scheme of Arrangement to provide certain requisite information in a specified format. The disclosures as required under BSE Circular is mentioned below:

All Amount INR Million										
		Purshottam Investofin Limited (Transferee Company)			Middle Path Trading Private Limited (Transferor Company 1)			Shiraj Marketing Private Limited (Transferor Company 2)		
Valuation Approach	Methodology Applied	Weight	Equity Value	Weighted Average Equity Value	Weight	Equity Value	Weighted Average Equity Value	Weight	Equity Value	Weighted Average Equity Value
Asset	Adjusted Book Value	NIL	NIL	NIL	100%	109.72	109.72	100%	108.03	108.03
Market	Price to Book Value	100%	584.90	584.90	NIL	NIL	NIL	NIL	NIL	NIL
	Preferential Allotment	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Income	Discounted Cash Flow	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Weighted Average Equity Value				584.90			109.72			108.03
No. of Equity Shares				6,283,575			1,218,250			1,070,000
Value per Equity share (INR)				93.08			90.07			100.96

On the basis of above analysis the share exchange ratio has been arrived at and accordingly the Transferee Company shall, without any further act or deed and without any further payment, issue and allot equity shares on a proportionate basis to each member of the Transferor Companies whose names are recorded in the Register of Members/ List of Beneficial Owners for shares in dematerialized form of the Transferor Companies on the Record Date.

CALCULATION OF EXCHANGE RATIO			
Particulars	Purshottam Investofin Limited (Transferee Company)	Middle Path Trading Private Limited (Transferor Company 1)	Shiraj Marketing Private Limited (Transferor Company 2)
Equity Value (INR MN)	584.90	109.72	108.03
No of shares	6,283,575.00	1,218,250.00	1,070,000.00
Value Per Share (INR)	93.08	90.07	100.96
Exchange Ratio	1.00	0.97	1.08
Exchange Ratio For 100 Shares	100.00	97.00	108.00





Transferee Company shall issue and allot 97 (Ninety Seven) Equity Shares of face value of INR 10/- (INR Ten) each in PIL to the shareholders of Transferor Company 1 for every 100 (One Hundred) equity share of face value of INR 10/- (INR Ten) each held by them in Transferor Company -1.

Transferee Company shall issue and allot 108 (One Hundred Eight) Equity Shares of face value of INR 10/- (INR Ten) each in Transferee Company to the shareholders of Transferor Company -2 for every 100 (One Hundred) equity share of face value of INR 10/- (INR Ten) each held by them in "Transferor Company 2.





SECTION VI - CAVEATS

- This Valuation Report has been issued on the specific request of companies for determining the Share exchange ratio for the said proposed Scheme of Arrangement in accordance with the Companies Act, 2013 and rules made thereunder. This Report is prepared exclusively for the above stated purpose and must not be copied, disclosed or circulated or referred to in correspondence or discussion with any other party. Neither this report nor its content may be used for any other purpose without our prior written consent.
- No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in accounts. Therefore, no responsibility is assumed for matters of legal nature.
- In Accordance with the customary approach adopted in Valuation exercise, we have summarized the share exchange ratio of equity shares of the companies based on the information as was provided to us by the management of the company both written, verbal and other publicly available information. We do not assume any responsibility for the accuracy or reliability of such documents on which we have relied upon in forming our opinion.
- This Report does not look into the business/commercial reasons behind the transaction nor the likely benefits arising out of the same. In addition, we express no opinion or recommendation, and the shareholders are expected to exercise their own discretion.
- We have no present or planned future interest in the Company and the fee for this Valuation analysis is not contingent upon the values reported herein. The Valuation Analysis contained herein is not intended to represent the value at any time other than the date that is specifically stated in this Report.
- The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- In no circumstances shall the liability of a valuer, its partners, directors or employees, relating to the services provided in connection with the engagement set out in this Valuation report shall exceed the amount paid to such valuer in respect of the fees charged by it for these services.
- Our valuation report should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.

