

VALUATION ANALYSIS
of
HILIKS TECHNOLOGIES LIMITED
by
CA RAJESH JASTI
B. CoM, MBA, FCA, RV, IP
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Kukatpally, Hyderabad-500085, Telangana, India12th Sept.2023

Ref: Val/2023-24/HTL/01L

The Audit Committee / Board of Directors

HILIKS TECHNOLOGIES LIMITED,

Shop No. 205, 2nd Floor

Sidharth Towers, Opp: Khandelwal Gokhal

Near Thane Railway Station

Thane Maharashtra- 400602 India.

Dear Sir/Madam,

Subject: Report on determination of Floor Price for Preferential Allotment of Equity Shares, evaluated in accordance with Regulation 164(1) and Regulation 166 & 166A of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amended from time to time, of HILIKS TECHNOLOGIES LIMITED

I, **CA Rajesh Jasti**, Registered Valuer in respect of Asset Class – Securities or Financial Assets (SFA) (hereinafter referred to as “I”, “We”, “Us”) have been appointed by the Audit Committee or Board of Directors of **HILIKS TECHNOLOGIES LIMITED**(hereinafter referred to as “HTL” or “**the Company**”), through the LoE or Appointment letter dated **4th Sept.2023** for determination of floor price of Equity Shares ("the Securities") of HTL as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ("ICDR Regulations" or "SEBI (ICDR) Regulations, 2018"), in accordance with the terms set out in the said Letter of Engagement or Appointment Letter.

This valuation report (“Report”) sets out our opinion on the valuation of HTL and has been prepared in accordance with the terms set out in LoE or Appointment Letter.

Based on discussions with the management, we understand that the Company is proposing to issue its Securities to identified investors on preferential basis ("the Proposed Transaction") and we are expected to determine the floor price of the Securities as per the SEBI ICDR Regulations.

We are glad to present herewith our report on the same. We enclose our report providing our opinion as on 12th Sept. 2023 ("Valuation Date"). The attached report details the valuation methodologies, calculations, and conclusions with

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respect to this valuation.

The scope of our services is to conduct the valuation exercise and determine the fair value attributable to the equity shareholders of the company in accordance with internationally accepted valuation standards and Valuation Standards issued by ICAI for the limited purpose mentioned in para above. The report is confidential to the company and may not be used for any purpose other than as specified above.

Our report will be issued by us on the express understanding that it shall not be copied, disclosed, or circulated or referred to in correspondence or discussion with any third party or used for any other purpose other than for submitting it to regulatory authorities in relation to the purpose mentioned above without our prior written consent. We will not accept any responsibilities to any third party to whom the report may be shown or who may acquire a copy of the report.

This report is based on the information and representations received by us from clients till 12th Sept. 2023. Any update of additional information which might be brought to our knowledge after the issuance of this valuation report could change the information herein and hence there could be a material change in our valuation.

This letter forms an integral part of the report.

Thanks and Regards



CA RAJESH JASTI
SFA Registered Valuer
Reg. No.: IBBI/RV/06/2020/13665
UDIN : 23217254BGXLDG5352

Place - Hyderabad
Date: 12.09.2023

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1. BRIEF OVERVIEW & BACKGROUND OF HTL

M/s. HILIKS TECHNOLOGIES LIMITED ("Company") was incorporated on 19/02/1985 vide registration Number L72100MH1985PLC282717 under the provisions of Companies Act, 1956 and the rules made thereunder.

The Registered office of M/s. HILIKS TECHNOLOGIES LIMITED is situated at Shop No. 205, 2nd Floor, Sidharth Towers Opp Khandelwal Gokhal Near Thane Railway Station, Thane Maharashtra - 400602 India.

It is a trusted technology partner, business consulting services organization. Established the ODC in India, Hyderabad, with state-of-the-art facilities to deliver pioneering IT solutions across the Government, Fintech, Transport, Manufacturing, Healthcare customers to help accelerate their Digital Transformation. With Global presence having offices in India, USA and UK. HiLiks Technologies Limited delivers IT Services through both On-shore and Off-shore Models with dedicated ODC facilities.

Hiliks, work with our technology partners and customers to outperform the competition. It takes an agile, collaborative approach to create bespoke IT solutions across the Managed Services value chain.

Its core expertise in Consulting, Technology Delivery, Digital Innovation, Product Development, Application Development & Maintenance, Cloud and Infrastructure Management turns into a strategic asset and Product Implementation with Support Services have led to a unique potential that offered remarkable outcomes for the Global clients, partners & imminent shareholders. Hiliks helps get you the re, whether you need to run your business more resourcefully or accelerate revenue growth.

VISION

To be a global IT Outsourcing company with empathetic values as a pivot to all stakeholders.

MISSION

To achieve thought leadership in Key verticals 20+ years of deep experience in Open Source, win, Embedded, Web, Mobile, Cloud Computing, Distributed, AI, Data Science, RPA, Cutting-edge technologies in the industry to help the Hiliks clients deliver a substantial array of technology-driven solutions and services apart.

Process & Culture

Culture is the first-principles of our Technology & Delivery Excellence.

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Differentiators

Design-Thinking Approach- Our first-principle enables the customers to build strong technology architectures, keeping customers at the center to deliver impactful digital-next experiences.

Technology Innovation

We built the fundamental platforms of powering digitally-led innovative solutions with cutting-edge technologies for over 15 years that helped our clients attain rapid business results.

End to End Delivery

With an extremely skilled, internationally distributed team of architecture, design, technology, product engineering, product management, customer success, and industry experts; we cohort with you through the transformation journey, from defining the strategy to delivering business solutions that drive the large-scale business results.

The objectives of the company are as follows:

1.To carry on the business of providing services/solutions of information technology, information systems, Hardware and Software development, system networking and satellite communications, protocols, call centers, medical transcription, medical billing, system development, computer training in software and networking, infrastructure for software development, networking and to provide manpower consulting in software, hardware and networking and other business process outsourcing activities, training center, and help desk services and provide services relating to products, product support services, software education, system integration, embedded systems development, software testing services, software support services, CRM [Customer Relation Management] tools, open source systems and applications, protocols and ERP [Enterprise Resource Planning] software development, networking solutions and software counseling and consultancy related to software and networking and also dealing with smart cards, bio-metric, iris capturing, data entry related solutions, Data processing, warehousing and database management, technical auditing and digitization services. To carry on the business of manufacturers, dealers, importers and exporters of all kinds of computers, computer peripherals, control equipments, communication equipments, electronic high fidelity systems, mobile virtual private networks, mobile network core and other allied products.

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2.To carry on the business of providing services/solutions of information technology, information systems, Hardware and Software development, system networking and satellite communications, protocols, call centers, medical transcription, medical billing, system development, computer training in software and networking, infrastructure for software development, networking and to provide manpower consulting in software, hardware and networking and other business process outsourcing activities, training center, and help desk services and provide services relating to products, product support services, software education, system integration, embedded systems development, software testing services, software support services, CRM [Customer Relation Management] tools, open source systems and applications, protocols and ERP [Enterprise Resource Planning] software development, networking solutions and software counseling and consultancy related to software and networking and also dealing with smart cards, bio-metric, iris capturing, data entry related solutions, Data processing, warehousing and database management, technical auditing and digitization services. To carry on the business of manufacturers, dealers, importers and exporters of all kinds of computers, computer peripherals, control equipments, communication equipments, electronic high fidelity systems, mobile virtual private networks, mobile network core and other allied products.

The equity shares of the Company are listed and traded on Bombay Stock Exchange (BSE) and MSEI (Metropolitan Stock Exchange of India Ltd)

The Articles of Association of the Company do not categorically mention about the pricing of Preferential Issue.

Services provided by the Company:

Digital Services

Cloud Services

Network Services

Consulting Services

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Kukatpally, Hyderabad-500085, Telangana, India**a) The Share Capital of the Company as on Valuation date 12.09.2023**Authorized, Issued, Subscribed & Fully Paid-up share capital of the company

Particulars	Amount (in INR)
Authorized Share Capital -60,00,000 Equity Shares of 10 each	6,00,00,000/-
Issued, Subscribed & Fully Paid-up Share Capital	
50,79,000 Equity shares of INR 10/- each	5,07,90,000/-

Share Holding Pattern of the Company as on Valuation date

Particulars	Category	No of Shares	% of Share Holding
Equity Shares of INR 10/- Each Fully Paid-up			
Extros Developers Private Limited	Promoter	5,00,000	9.84%
Total Promoter Group		5,00,000	9.84%
Public	Public	45,79,000	90.16%
Total Paid up capital		50,79,000	100.00

b) Directors and Key Managerial Persons:

S. No.	Name	Designation	DIN/PAN	Date of Appointment
1	RAJEEV RAMCHANDRA PADHYE	Director	07064915	23/08/2017
2	JHANSI LAKSHMI ADIVISHNU	Director	07348873	30/09/2022
3	NAGAVENKATA PADMA BHASKAR VEDANABHATLA	Director	08105714	12/04/2018
4	SANDEEP COPPARAPU	Whole Time Director	08306534	12/03/2019
5	BRINDA. MAHAJAN	Independent Director	BWPPS7310M	05/07/2023
6	Mridul Tripathi	CFO	ARLPT8962A	18/04/2019

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2. PURPOSE OF VALUATION AND APPOINTING AUTHORITY:

We refer to our LoE or Appointment letter dated 4th Sept. 2023 as Independent Registered Valuers of HTL. 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.

Based on the discussions held with the management, we understand that this valuation shall assist in the determination of the Fair Value of equity shares of the company for allotment of equity shares ("Securities") on preferential basis in accordance with the provisions of regulation 166A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with Regulation 164 of the said Regulations.

Regulation 166A requires Valuation of Equity Shares from an Independent Registered Valuer which needs to be considered for determining the price of such Preferential Issue. Accordingly, we have been appointed by the Audit Committee or Board of Directors as a Registered Valuer for determination of the Fair Value of equity shares of the company to meet the pricing guidelines of SEBI.

Proposed Transaction:

During the financial year 2023-24, Company is evaluating the possibility of preferential allotment of equity shares. In this context, the management of HILIKS TECHNOLOGIES LIMITED (the "Management") has requested us to estimate the value of the Equity Shares - "Proposed Transaction".

3. 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.

4. SCOPE OF WORK:

The Analysis of the Value of Equity shares of the HILIKS TECHNOLOGIES LIMITED of the Company has been carried out as per Regulation 164 and 166A of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements), 2018. The value arrived is as on the relevant date 12th Sept. 2023.

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- Date of Appointment- 4th Sept. 2023
 - Valuation Date-12th Sept. 2023
 - Relevant Date- 12th Sept. 2023
 - Date of Report- 12th Sept. 2023
 - Base of value- Fair Value
 - Valuation Currency- INR

5. METHODOLOGY FOR VALUATION OF EQUITY SHARES

The objective of the valuation process is to make a best reasonable judgment of the value of the equity share/division of the Company. Globally, numerous methodologies have been used for valuation of companies/businesses using the historical and forecast financials of the company. The Valuation Standard 103, issued by ICAI sets out commonly used valuation methodologies as follows:

Market Approach: Stock Market Value Approach

The value of a company by using this approach is derived by multiplying the stock price of the company with the total number of shares outstanding. This approach is applicable to companies Listed and actively traded on recognized stock exchanges in India or outside India. This approach assumes that the market is always correct in determining the fair value of the shares traded.

The Market Price of an equity shares as quoted on a stock exchange is normally considered as the value of the equity shares of that Company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the Shares.

Since the Company is Listed on Stock Exchanges and subject to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. **We have used this methodology to arrive at value of Equity Shares.**

Asset Approach: Net Asset Value (NAV) Approach

The Net Asset Value, as at the latest audited balance sheet date or as per the provisional balance sheet date is calculated starting from the total assets of the Company and deducting all liabilities including debts, dues, borrowing, current liabilities, likely contingent liabilities and preference capital, if any.

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In other words, the value so arrived at should represent the true net worth of the business after providing for all outside present as well as potential liabilities.

The net assets value as calculated from the assets side of the balance sheet in the above manner is cross checked with equity share capital plus free reserves and surplus, less the likely contingent liability. **Using this methodology, we have computed the value of Equity Share.**

Income Approach:**Discounted Free Cash Flow Method**

In this method, the projected consolidated free cash flows are discounted at a discount rate which reflects perceived risk of the projected cash flows in order to arrive at their present value. Then, the terminal value is calculated based on salvage value of project cost. This terminal value is then discounted to get the present terminal value. The present value of free cash flows for the projected period and present value of terminal value is added to arrive at the enterprise value. Thereafter, adjustment for non-operating assets and Liabilities, surplus Cash and Cash Equivalents and debt is made to arrive at the final equity value. To arrive at value per Equity Share Final Equity Value is divided by number of Equity Shares on a fully diluted basis as on the valuation date.

The Discounted Cash Flow Method involves forecasting the Free Cash Flows Available to Equity (FCFE) & Estimated Terminal Value and discounted back to the valuation date with Cost of Equity (K_e) for the company to arrive at the Value available to equity shareholders.

We have not carried out the valuation of the Company using the Discounted Cash Flow (DCF) Method since the its business plan containing projections, estimates and assumptions in respect of the future cash flows of the Company's business were not made available for the purpose of our evaluation. The management of the Company has mentioned that since the data related to the projections, estimates and assumptions of future cash flows is a forward price sensitive information, it cannot be shared. Therefore, the DCF method is not considered for valuation of the shares of the Company.

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Profit Earning Capacity Value (PECV) Method

This method is used while valuing a going concern business with a good profitability history. In its simplest form, this method basically divides the expected stable earnings of a business by the capitalization rate. It involves determining the future maintainable earning level of the entity from its normal operations. Normal profit is arrived at by considering the normal business profits after adjusting the non-recurring / extraordinary items of income and expense. This maintainable profit, considered on a post-tax basis, is then capitalized at a rate, which combines an adequate expectation of reward from enterprise and risk, to arrive at the business value. The earnings figure to be capitalized should be one that reflects the true nature of the business, such as the last three years' average, current year or projected year excluding the impact of any extraordinary items not expected to accrue in future. In the current valuation report, since the Company is IT Service Company, Capitalization Rate of 17 1/2% has been taken as per CCI guidelines. We have used this method to arrive at value of Equity Shares.

6. METHODOLOGY ADOPTED FOR VALUATION OF THE COMPANY

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.

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In respect of going concern, certain valuation techniques have evolved over time and are commonly in vogue.

7. SOURCES OF INFORMATION

This valuation report is prepared based on information and representations made by the management of HTL. For determining the valuation, we have relied upon the information & data representation received assuming it to be accurate and complete, fair in its manner of portrayal and therefore forms a reliable basis for valuation.

The key information received and used for determining the valuation includes:

- ✚ Discussion with the Management;
- ✚ Company's/Group's website and Company's Annual Reports;
- ✚ Audited & standalone financial statements of HTL for the year ended 31st March 2023 and audited standalone financial statements of HTL for the year ended 31st March 2022;
- ✚ Total Traded Quantity and Turnover data from the Bombay Stock Exchange ("BSE") for computing the 90 trading days' volume weighted average price (VWAP) and 10 trading days' volume weighted average price (VWAP) preceding the Relevant date;
- ✚ SEBI Preferential Allotment pricing guidelines as per ICDR Regulations, 2018'
- ✚ Public Documents available on external sources such as stock exchanges;
- ✚ Memorandum and Articles of Association of the Company;

As per the information provided to us the present issue of Equity Shares shall not result in change in control of the Company.

In addition to the above, we have also obtained such other information and explanations from the Company as were considered relevant for the purpose of the valuation. Besides the above information and documents, there may be other information provided by the Client which may not have been perused by me in any detail, if not considered relevant for the defined scope. It may be mentioned that the Management has been provided the opportunity to review our draft report as part of our standard practice to make sure that factual inaccuracies are avoided in our final report.

For the purpose of our calculation in this engagement, we have based our calculation as prescribed by Regulation 164 and 166A of the SEBI (ICDR) Regulations, 2018 read with SEBI (SAST) Regulations 2011. We have used the publicly available information and other information from secondary sources

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to gather industry related information.

We were not required to and have not performed any audit, review, or examinations of any of the historical financial information or forecast financial information and key assumptions provided to us for our analysis. We do not express any opinion or offer any form of assurance regarding the completeness, reasonableness, or accuracy of these data. We have not carried out any due diligence exercise or any other validation procedure on the assets and liabilities as part of the valuation analysis.

Extracts of Pricing provisions of Chapter V - Preferential Issue, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

Regulation 166A (1) 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.

Pricing of frequently traded shares

Regulation 164. (1) If the equity shares of the issuer have been Listed on a recognized 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 recognized stock exchange preceding the relevant date; or
- b. the 10 trading days' volume weighted average prices of the related equity

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shares quoted on a recognized 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.

Relevant date

Regulation 161. For the purpose of this Chapter, "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:
- b) in case of a preferential issue of convertible securities, either the relevant date referred to in clause (a) of this regulation or a date thirty days prior to the date on which the holders of the convertible securities become entitled to apply for the equity shares.

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.

HILIKS TECHNOLOGIES LIMITED (HTL) is a Listed company on BSE and MSEI In India. The equity shares of HTL are frequently traded on BSE in terms of Regulation 164(5) of SEBI ICDR Regulations, 2018. Therefore, we have considered the share prices quoted on BSE for determining the floor price of the Company.

CONDITIONS AND 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.

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

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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.

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Kukatpally, Hyderabad-500085, Telangana, India**CAVEATS & LIMITATIONS**

This report is based on information and representations provided to us by the management of the company. We have relied on the representation made to us by the management. We have assumed such representation to be reliable and our conclusion are dependent on such information being assumed to be complete and accurate in all material respects.

Our findings do not constitute a recommendation as to whether to carry out the transaction based on this valuation.

Our work was not designed to verify the accuracy, reliability or achievability of the information provided to us and nothing in this report should be taken to imply that we have conducted procedures, audits or investigations in an attempt to verify any of the information supplies to us.

This report has been prepared for the exclusive use of the client. We disclaim any responsibility to any other party to whom the report may be shown or who may acquire a copy of the report.

DISCLAIMER:

1. No representation or warranty, express or implied, is given by us or any of their respective partners, officers, affiliates, employees, advisors or agents (and any warranty expressed or implied by statute in hereby excluded) as to the accuracy or completeness of the contents of this Report or any other documents or information supplied, or which may be supplied at any time or any opinions or projections expressed herein or therein, nor is any such party under any obligation to update the Report or correct any inaccuracies or omissions in it which may exist or become apparent. In particular, for reasons of commercial sensitivity, information on certain matters has not been included in the Report.
2. This report has been prepared for the exclusive use of the clients and shall not be given or reproduced or quoted to any third parties without our prior written consent except for the fulfillment for the purpose mentioned in Para 2 of this Report.
3. In case due to carrying out this assignment, we are being called or asked for any explanations, Client shall be responsible for paying us the requisite amount as per our time involved.

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Kukatpally, Hyderabad-500085, Telangana, India

-
4. Our findings do not constitute a recommendation as to whether to carry out the transaction based on this valuation. No responsibility or liability is accepted for any loss or damage howsoever arising that you may suffer as a result of this Report and any and all responsibility and liability is expressly disclaimed by us or any of them or any of their respective partners, officers, affiliates, advisers or agents.

 5. For the purpose of this engagement and report, we have made no investigation of, and therefore assume no responsibility for the good and valid title of land, assets, receivable by, or liabilities against HILIKS TECHNOLOGIES LIMITED. Our conclusion of value assumes that the title to the assets and liabilities of HILIKS TECHNOLOGIES LIMITED reflected in the statement of assets and liabilities is intact, as at the valuation date. Further, for the purpose of this assignment, we are not required to carry out valuation of any other tangible /intangible assets of HILIKS TECHNOLOGIES LIMITED

OPINION ON VALUE OF EQUITY SHARES:**Preferential issue shall be higher of the following-**

- a) Our calculation (Annexure-A) is based on as prescribed by Regulation 164 of the SEBI (ICDR) Regulations 2018 read with SEBI (SAST) Regulations 2011, wherein the minimum issue price of the equity shares as at the relevant date 12th Sept. 2023 **is INR 13.79 per share.**
- b) Additionally, based on our valuation exercise (Annexure-B, C & D) as per **Regulation 166A**, the minimum issue price of the equity shares as at the relevant date 12th Sept. 2023 **is INR 12.27 per share.**

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



Thanks and Regards

CA RAJESH JASTI
SFA Registered Valuer
Reg. No: IBBI/RV/06/2020/13665
UDIN: 23217254BGXLDG5352

Place: Hyderabad
Date: 12.09.2023

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Kukatpally, Hyderabad-500085, Telangana, India**Annexure A – Share Price as per VWAP method:**

<u>Share price as per VWAP Method:</u>	Rs
(a) Volume Weighted Average Price (VWAP) of 90 Trading Days	10.49
(b) Volume Weighted Average Price (VWAP) of 10 Trading Days	13.79
Share Price (Higher of a & b above) (in Rs.):	13.79

Working of 10 days VWAP preceding the relevant date

Date	WAP	No. of Shares	No. of Trades	Total Turnover (Rs.)
11-Sep-23	14.70983483	5328	2	78374
08-Sep-23	14	1	1	14
07-Sep-23	14.14997635	23257	7	329086
06-Sep-23	13.88	52500	10	728700
05-Sep-23	13.60794899	68537	16	932648
04-Sep-23	13.03705263	4750	10	61926
01-Sep-23	13.08552632	152	1	1989
30-Aug-23	13.18421053	152	3	2004
28-Aug-23	12.64620536	896	4	11331
25-Aug-23	12.83809524	105	3	1348

No of Shares Traded in 10 Days	155678
Total Turnover in 10 days	2147420
10 days Average	13.793985

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Date	WAP	No. of Shares	No. of Trades	Total Turnover (Rs.)					
11-Sep-23	14.70983483	5328	2	78374	28-Jun-23	11.98274445	3651	20	43749
08-Sep-23	14	1	1	14	27-Jun-23	11.47960848	1226	11	14074
07-Sep-23	14.14997635	23257	7	329086	26-Jun-23	10.7046683	2035	9	21784
06-Sep-23	13.88	52500	10	728700	23-Jun-23	10.41935484	310	2	3230
05-Sep-23	13.60794899	68537	16	932648	22-Jun-23	9.92980478	2510	9	24924
04-Sep-23	13.03705263	4750	10	61926	21-Jun-23	9.46	50	3	473
01-Sep-23	13.08552632	152	1	1989	20-Jun-23	9	20	2	180
30-Aug-23	13.18421053	152	3	2004	19-Jun-23	8.59	2300	5	19757
28-Aug-23	12.64620536	896	4	11331	16-Jun-23	8.19	300	1	2457
25-Aug-23	12.83609524	105	3	1348	15-Jun-23	7.799342105	304	1	2371
24-Aug-23	13.61393152	6776	8	92248	14-Jun-23	7.42721519	316	1	2347
23-Aug-23	13.35991141	903	3	12064	13-Jun-23	7.077809798	347	2	2456
22-Aug-23	13.08589744	1560	7	20414	07-Jun-23	6.749174917	303	2	2045
21-Aug-23	12.84878049	205	3	2634	05-Jun-23	6.429667519	782	2	5028
18-Aug-23	12.69061362	1659	8	21067	01-Jun-23	6.121621622	74	1	453
17-Aug-23	12.595	600	7	7557	26-May-23	5.84	200	2	1168
16-Aug-23	12.35609594	3002	10	37093	23-May-23	6.139303483	201	2	1234
14-Aug-23	12.18	400	2	4872	17-May-23	5.760209424	955	2	5501
11-Aug-23	12.0877193	171	4	2067	16-May-23	6	10	1	60
10-Aug-23	11.66796875	256	7	2987	15-May-23	6.055555556	54	2	327
09-Aug-23	11.65680473	169	5	1970	11-May-23	6.059459459	370	3	2242
08-Aug-23	11.63636364	22	2	256	09-May-23	6.065333333	1500	4	9098
07-Aug-23	11.41793644	2297	6	26227	03-May-23	6.25	20	1	125
04-Aug-23	11.05761661	8383	12	92696	02-May-23	6.5625	16	2	105
03-Aug-23	11.01275847	2273	9	25032	28-Apr-23	6.475073314	1023	4	6624
02-Aug-23	10.8099642	3352	7	36235	27-Apr-23	6.257142857	35	1	219
01-Aug-23	10.6	265	4	2809	25-Apr-23	6.5	10	1	65
27-Jul-23	10.4009957	51220	6	532739	24-Apr-23	6.93	100	2	693
26-Jul-23	10.4	53255	9	553852	21-Apr-23	6.6	400	1	2640
25-Jul-23	10.19634711	121	1	1234	19-Apr-23	6	1	1	6
24-Jul-23	10.00349267	34644	10	346561	11-Apr-23	6.6	70	3	462
21-Jul-23	10.38993641	8963	4	93125	05-Apr-23	6.555555556	27	7	177
20-Jul-23	9.916613333	75000	16	743746	31-Mar-23	6.272727273	22	2	138
19-Jul-23	9.7	450	2	4365	21-Mar-23	6.42	50	4	321
18-Jul-23	9.222222222	45	1	415	15-Mar-23	6.571428571	21	1	138
17-Jul-23	9.179994559	95564	18	877277	03-Mar-23	6.6	15	1	99
14-Jul-23	8.757375131	117964	28	1033055	28-Feb-23	6.5	2	1	13
13-Jul-23	8.65437788	434	3	3756	13-Feb-23	6.76372315	419	4	2834
12-Jul-23	9.132107176	109502	47	999984	08-Feb-23	6.617647059	170	1	1125
11-Jul-23	9.485714286	315	5	2988	03-Feb-23	6.9	10	4	69
10-Jul-23	9.88	125	5	1235	01-Feb-23	7.3	10	1	73
07-Jul-23	9.818181818	11	2	108	31-Jan-23	7.3	10	3	73
06-Jul-23	10.61176471	85	5	902	30-Jan-23	7.695652174	138	4	1062
05-Jul-23	10.9	30	2	327	27-Jan-23	8.089552239	134	7	1084
03-Jul-23	11.70509383	746	8	8732					
30-Jun-23	12.09610544	12140	19	146871					

No of Shares Traded in 90 Days	769106
Total Turnover in 90 days	8070023
90 days Average	10.4927

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We have calculated the equity value of the company as per audited balance sheet as on 31 st March 2023 using Net Asset Value Methodology as follows:

Particulars	Amount (Rs.In Thousand s)	Total Amount (Rs.in Thousands)
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	111	
Capital Work in Progress	-	
Investments	15,000	
Loans	29,585	
Deferred Tax Assets	361	
Other Non-Current Assets	-	
		45,056
Current Assets		
Inventories	-	
Trade Receivables	-	
Cash & Cash Equivalents	868	
Other Current Assets	39,520	
Total Current Assets		40,387
Total value of Assets	[A]	85,443
LIABILITIES		
Non-Current Liabilities		
Borrowings	475	
Deferred Tax Liabilities	--	
Other Non-Current Liabilities	--	
		475
Current Liabilities		
Borrowings	-	
Trade Payables	-	
Other Financial Liabilities	530	
Other Current Liabilities	26,166	
Current Tax Liabilities	--	26,696
Total value of Liabilities	[B]	27,172
Book Value	[C=(A-B)]	58,271
No. of Fully paid up equity shares (D)		5079000
Book Value per share (in Rs.)	[E=(C/D)]	11.473

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Share Price as per Profit Earning Capacity Value (PECV) Method				
Particulars	FY 2020- 21	FY 2021-22	FY 2022-23	Total in Rs 000
Profit After Tax (Rs. Lakhs)	2012	34	838	
Weights	1	2	3	6
Product	2012	68	2514	4594
Weighted Average Profit After Tax				765.67
Capitalization Rate				17 1/2%
Capitalization Value (Rs. Lakh)				4375.24
Total Shares				5079000
Per Share Price (Rs.)				0.861

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Method	Per Share Price	Weight	Weighted Average Price
Volume Weighted Average Price	13.79	80%	11.032
Net Asset Value	11.473	10%	1.1473
Profit Earning Capacity Value	0.861	10%	0.0861
Total		100%	12.2654
Average Per Share Price (Rs.)			12.27

Note: HTL is a listed company on BSE, India and its equity shares are frequently traded, to arrive at its Fair Equity Value per share, therefore, we have given highest weightage to VWAP.

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