



EQUITY SHARE VALUATION REPORT

(Valuation as on 28th February, 2023)

LAXMI INDIA FINANCE PRIVATE LIMITED

(PREVIOUSLY KNOWN AS
LAXMI INDIA FINLEASECAP PRIVATE LIMITED)

BY:

CA RV HIMANSHU VIJAY
[FCA, REGISTERED VALUER-SFA, CS, CAIIB]

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1. Letter to the Management

Dated: 20th March 2023

To,

The Board of Directors

Laxmi India Finance Private Limited (previously Known as Laxmi India Finleasecap Private Limited)
2, DFL Gopinath Marg MI Road,
Jaipur-302001, Rajasthan.

Subject: To determine the fair market value of Equity Shares to be issued by Laxmi India Finance Private Limited (previously Known as Laxmi India Finleasecap Private Limited) as per Rule 11 UA of Income Tax Act, 1961

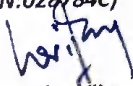
I refer to engagement letter dated 15th March, 2023 vide which I ("I" or "Me") have been appointed by Laxmi India Finance Private Limited (previously Known as Laxmi India Finleasecap Private Limited)("Company") (herein referred as LIFPL) to determine the fair market value of its equity share as on 28th February, 2023 as per Rule 11 UA read with section 56(2)(viib) of the Income Tax Act, 1961 and the rules thereof, of Equity Shares to be issued by the Company.

The sole purpose of the report is to present it before the statutory auditor of the Company for the purpose of audit and for reporting to the Income Tax authorities and MCA.

The report has been presented containing various information provided to me by the management of the Companies including the Management Representation Letter dated 17th March 2023. A summary of the analysis is presented in the accompanying report, as description of the methodology and procedure I used, and the factor / premise considering in preparing the report. In addition, I have listed the scope of work in the course of my assignment, noting any limitations on my assignment. This report is subject to the attached limiting conditions and to all terms and conditions of this engagement. The report has to be read in conjunction with the premise, considerations, limitations, etc. for this engagement in totality.

Based on the information provided by the management, I, Himanshu Vijay, Chartered Accountant and IBBI Registered Valuer for Securities or financial assets, hereby certify that I have arrived at the fair value of Equity Shares of LIFPL as on 28th February, 2023 as per as per rule 11UA of the Income tax rules of Income Tax Act 1961 as amended by Income tax (20th Amendment), Rules, 2017. Based on our calculations as per the rules, the Value of the shares of the company should be **Rs.92/share**. The computation of Fair value of the Company has been incorporated in the report.

Yours faithfully
For Himanshu Vijay & Co.
Chartered Accountants
(FRN:028784C)


Himanshu Vijay
Chartered Accountant and Registered Valuer
ICAI MRN: 413992
IBBI Reg. No.: IBBI/RV/06/2020/13732
Place: Jaipur
UDIN: 23413992BGQMBS4602



2. EXECUTIVE SUMMARY

Company / LLP Name	LAXMI INDIA FINANCE PRIVATE LIMITED (previously Known as Laxmi India Finleasecap Private Limited)
CIN	U65929RJ1996PTC073074
Constitution	Private Limited Company
Authorized Capital (Rs)	200000000
Paid up Capital (Rs)	158902300
Date of Incorporation	10/05/1996
Registered Address	2 DFL, Gopinath Marg MI Road Jaipur RJ 302001 IN
Whether Listed or not	Unlisted
Line of Activity	Non-Banking Finance Company (NBFC)

The company has engaged us to fair value of Equity Shares of LIFPL as on 28th February, 2023 as per as per rule 11UA of the Income tax rules of Income Tax Act 1961 as amended by Income tax (20th Amendment), Rules, 2017.

Accordingly, the valuation of the Company is being done as on the valuation date considering the Management Certified Financial Statements as on 28.02.2023, other information's, documents provided by the management.

The standard of value used in our valuation of Equity Share of the Company is method prescribed under rule 11UA of the Income tax rules of Income Tax Act 1961 i.e. Net Assets Value (NAV) Method.

Based on our analysis of the Company and subject to our comments and caveats as further detailed in this report, we have arrived at the "Fair Value" of the equity shares of the Company at Rs.92/ share as on 28.02.2023.



2. BASIC INFORMATION

1) Company Background

Company is engaged in the business of lending and is a RBI registered NBFC. The company is headquartered at 2, DFL Gopinath Marg MI Road Jaipur-302001, Rajasthan. The Laxmi India Finance Private Limited (previously Known as Laxmi India Finleaseap Private Limited) is 26+ years old company.

2) Purpose of this report

The company has proposed to issue right shares to the existing shareholders. In this connection, I have been appointed by the Company to determine the fair value of Equity Shares of LIFPL as on 28th February, 2023 as per as per rule 11UA of the Income tax rules of Income Tax Act 1961 as amended by Income tax (20th Amendment), Rules, 2017. The valuation of shares is done as per the aforesaid rule.

3) Sources of Information

For the purpose of arriving at the fair value, we have essentially relied on the information provided to us by the management, which we believe to be reliable and our conclusions are dependent on and subject to such information being complete and accurate in all material respects.

The principal sources of information used in undertaking our assessment include:

- Provisional Financial Statements (certified by the Management) of the Company as on 28th February, 2023.
- SBI Mutual Fund Statement for the period 01.04.2022 to 28.02.2023 for determining market value of mutual funds as on 28.02.2023.
- Valuation Report of Immovable Properties of the company by external valuer Mr. Deepak Sood, S.G. Consultants Jaipur dated 28.07.2021 for determining DLC value of the immovable properties as on 31.12.2021 as informed by the management vide MRL dated 17.03.23 the DLC value as on 31.12.2021 is same as of 28.07.21.
- Other documents/information provided by the management.

4) Identity of Valuer

- a. Name of the Valuer: Himanshu Vijay
- b. Address: C-55, Shubhlaxmi, Ambabari, Jaipur -302039
- c. Contact details and Email Id : 9099931634, cahimanshuvijayco@gmail.com
- d. Credentials: Chartered Accountant (ICAI MRN: 413992) and IBBI Registered Valuer (IBBI Reg. No.: IBBI/RV/06/2020/13732)
- e. Qualifications: B.com (Hons.), FCA, CS, CAIIB.
- f. Other Certifications:
 - KYC&AML- Indian Institute of Banking & Finance.
 - Trade Finance -Indian Institute of Banking & Finance.
 - SME finance for Bankers -Indian Institute of Banking & Finance.
 - Course of Life Insurance- Insurance Regulator and Development Authority
 - Concurrent Audit - Institute of Chartered Accountants of India

The valuation opinion is in the capacity of Chartered Accountant under the provisions of Income Tax Act 1961, by Himanshu Vijay, Proprietor Himanshu Vijay & Co. Chartered Accountants. My analysis and report are in conformity with Rule 11 UA read with section 56(2)(viib) of the Income Tax Act, 1961 and the rules thereof.



5) Disclosure of interest or conflicts

We have no present or planned future interest in the Company and the fee for this Report is not contingent upon the values reported herein.

6) Date of appointment and Appointing Authority

I have been appointed by the company vide engagement letter dated 15th March 2023.

7) Valuation Base and Premise of Value

We have used fair value Base of Valuation and Going Concern Premise for the valuation of shares as stated in ICAI Valuation Standard 102 Valuation Bases.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.

Going concern value is the value of a business enterprise that is expected to continue to operate in the future.

8) Valuation Standards

My analysis and report are in conformity with the "ICAI Valuation Standards" (IVS) issued by the Institute of Chartered Accountants of India. In addition to the general standards/ guidelines of the IVS, my report specifically complies with ICAI Valuation Standard 102 - Valuation Bases, ICAI Valuation Standard 103 - Valuation Approaches and Methods, ICAI Valuation Standard 201 - Scope of Work, Analyses and Evaluation and ICAI Valuation Standard 202 - Reporting and Documentation.

9) Valuation Date

The reference date for the purpose this valuation exercise is 28th February 2023.

10) Report Date

My Valuation report date is 20th March, 2023.

11) Restriction for use of report

The Report is issued for limited purpose for use of the company in respect of issuance of Equity shares on Right Issue basis and undertake filing with regulatory authorities. We give our consent to share the report with the auditor of the Company in relation to their attestation function.

12) Inspection / Investigation Undertaken

- I have enquired and understand Provisional financial statement (certified by the management) as on valuation date as on 28th February 2023.
- I have taken DLC value of the immovable properties from valuation report by the external Valuer, Mr. Deepak Sood (Income Tax registered valuer for immovable properties), S.G. Consultants Jaipur dated 28.07.21.
- I have taken NAV of the Mutual funds SBI Mutual Fund as on the valuation date from Mutual fund statement for the period 01.04.2022 to 28.02.2023.
- Other documents/Information provided by the management.



13) Procedures adopted in carrying out the valuation

- Execution of valuation engagement letter.
- Requested and received financial and qualitative information.
- Discussed (email / over call) with concerned officials of the company to understand the financial statements as on valuation date, business model, key assumptions, factors affecting revenue and cost.
- Selection of generally accepted valuation methodology/(ies) as considered appropriate by us.

14) Exclusions and Limitations

- i. My report is subject to the limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- ii. The scope of my assignment did not involve us performing audit test for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by us during the course of my work. The assignment did not involve us to conduct the financial or technical, feasibility study. I have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the company and have considered them at the value as disclosed by them in their regulatory filings or in submissions, oral or written, made to us.
- iii. In addition, I do not take any responsibility for any changes in the information used by us to arrive at my conclusion as set out here in which may occur subsequent to the date of my report or by virtue of fact that the details provided to us are Incorrect or Inaccurate.
- iv. I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us; I have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the company. Nothing has come to my knowledge to indicate that the material provided to us was misstated or incorrect or would not afford reasonable grounds upon which to base my report.
- v. This report should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued. I will not accept any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report, without my written consent.
- vi. Further, this report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to us or used by us up to the date hereof. Subsequent developments in the aforementioned conditions may affect this report and the assumptions made in preparing this report and I shall not be obliged to update, revise or reaffirm this report if information provided to us changes.
- vii. This Report is based on the information received from the sources mentioned herein and discussions with the representatives of the company. I have assumed that no information has been withheld that could have influenced the purpose of my report.
- viii. Whilst all reasonable care has been taken to ensure that the factual statements in the report are accurate, neither us, nor any of my partners, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, I make no representation or



warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. I expressly disclaim any and all liabilities, which may arise based upon the information used in this report. I am not liable to any third party in relation to the issue of this report.

- ix. By this report I am not purporting to advice the investor or investee companies on the prudence of the investment. Neither my firm nor any of my employee undertakes responsibility in any way whatsoever to any person in respect of any errors in this report arising due to limited time and information available to us.
- x. I have not undertaken responsibility to update this report for the events and circumstances occurring after the valuation date. This report is based on Net asset method as on 28.02.2023 based management certified provisional financial statements. This report is based on rule based valuation as per income tax act 1961. My, liability if any, shall be limited to the professional fees paid to us for rendering these services. My, liability if any, shall be limited to the professional fees paid to us for rendering these services.
- xi. I/We shall not be held responsible for any liability (in contract or tort or under statute or otherwise) for any economic loss or damage suffered by the Company, or any third party, arising out of or in connection with this engagement, however the loss or damage is caused, including our negligence but not our willful default, our liability shall be limited to the amount of one times the fees actually received by us for such work, and that the Client will indemnify and hold harmless Valuer and its partners, employees, affiliates and agents as concerns any such liability in excess of the foregoing limit.
- xii. In rendering this report, I have not provided legal, regulatory, tax, accounting or actuarial advice and not required to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein and accordingly I do not assume any responsibility or liability in respect thereof.



3. VALUATION APPROACH & METHOD

As per ICAI Valuation Standard 2018, IVS -103, "Valuation Approaches and Method" provides guidance for following three main valuation approaches:

- (a) Market approach;
- (b) Cost approach; and
- (c) Income approach.

A valuer can make use of one or more of the processes or methods available for each approach.

Valuation is not an exact science and is dependent on various factors such as specific nature of business, economic life cycle in which the industry and company is operating, past financial performance of the business, future growth potential of the business, business model, management of the company, relevance of technology in the business model, liquidity of equity and much more. The results of the valuation exercise may vary significantly depending on the basis used, the specific circumstances and the judgement of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue.

We may use techniques such as Net Asset Value Method, Price-Earnings Multiple Method, EV/EBITA Multiple Method, Discounted Cash Flow Method among others to value. The choice of valuation approach depends on the purpose of valuation and various other business specific and industry specific factors. In some cases, a single valuation technique will be appropriate, whereas in others multiple valuation techniques will be appropriate.

We have been engaged by the company specifically to determine the value of Equity Share of the Company as on 28.02.2023. **As per Rule 11UA, Income tax rules and for the purposes of section 56 of the Act.**

As per Rule 11UA, Income tax rules and for the purposes of section 56 of the Act, the fair market value of Unquoted Equity Shares will be determined as under.

The fair market value of unquoted equity shares shall be the value, on the valuation date, of such unquoted equity shares as determined in the following manner, namely: —

The fair market value of unquoted equity shares = $(A+B+C+D - L) \times (PV)/(PE)$, where,

A= Book value of all the assets (other than jewellery, artistic work, shares, securities and immovable property) in the balance-sheet as reduced by, —

- i. any amount of income-tax paid, if any, less the amount of income-tax refund claimed, if any; and
- ii. any amount shown as asset including the unamortized amount of deferred expenditure which does not represent the value of any asset;

B = The price which the jewellery and artistic work would fetch if sold in the open market on the basis of the valuation report obtained from a registered valuer;

C = fair market value of shares and securities as determined in the manner provided in this rule;

D = the value adopted or assessed or assessable by any authority of the Government for the purpose of payment of stamp duty in respect of the immovable property;

L= book value of liabilities shown in the balance sheet, but not including the following amounts, namely: —



- (i) the paid-up capital in respect of equity shares;
- (ii) the amount set apart for payment of dividends on preference shares and equity shares where such dividends have not been declared before the date of transfer at a general body meeting of the company;
- (iii) reserves and surplus, by whatever name called, even if the resulting figure is negative, other than those set apart towards depreciation;
- (iv) any amount representing provision for taxation, other than amount of income-tax paid, if any, less the amount of income-tax claimed as refund, if any, to the extent of the excess over the tax payable with reference to the book profits in accordance with the law applicable thereto;
- (v) any amount representing provisions made for meeting liabilities, other than ascertained liabilities;
- (vi) any amount representing contingent liabilities other than arrears of dividends payable in respect of cumulative preference shares;

PV= The paid up value of such equity shares;

PE = Total amount of paid up equity share capital as shown in the balance-sheet.



4. CALCULATIONS FOR VALUATIONS

PARTICULARS	Amount (Rs. In lacs)	Amount (Rs. In lacs)
BOOK VALUE OF ASSETS		
FURNITURE & FIXTURES	79.05	
VEHICLES	63.99	
OFFICE EQUIPMENT	11.98	
COMPUTER & PERIPHERALS	44.95	
SOFTWARE LICENSCE	6.09	
SOFTWARE WIP	22.65	
RIGHT OF USE ASSET	29.18	
OTHER NON CURRENT ASSETS	1034.02	
CASH & CASH EQUIVALENT	4591.14	
Other Bank Balance	4099.15	
RECEIVABLES UNDER FINANCING ACTIVITY	61969.17	
OTHER CURRENT ASSETS	343.97	
DEFFERD TAX ASSET	21.43	
TOTAL	72316.77	
LESS:		
INCOME TAX REFUND	0	
PREPAID EXPENSES	18.63	
DEFFERED TAX ASSETS	21.43	
TOTAL A		72276.71
	0	
JEWELLERY & ARTISTIC WORK	0	
TOTAL B		0
FMV of SHARES & SECURITIES (Note:1)		
Investment in Mutual Funds	40.73	
TOTAL C		40.73
IMMOVABLE PROPERTIES (DLC)(Note:2)		
Flat NO.-F-A-01, Shri Bankey Bihari Apartment, first floor, Plot No.-23, Scheme NO.-40, Gulab Vihar, muhana, Saganer,Jaipur.	12.95	
Flat no.-401, 4 th floor, Kings park, plot No.-501 &502, Gali No.-5, Rajapark, Jaipur.	19.91	
Plot No.-2, New colony, Near Vatenary Hospital, Gopinath Marg, MI Road, Jaipur.	201.20	
FLAT NO.-S-A-01, Shri Bankey Bihari Apartment, first floor, Plot No.-23, Scheme NO.-40, Gulab Vihar, muhana, Saganer, Jaipur.	12.39	



Valuation Report-LIFPL

Plot No.-2-B, North Part, Villa Princess, Krishna Nagar, Gopalpura Bye Pass, Jaipur.	22.31	
Flat no.-402, 4 th floor, Kings park, plot No.-501 & 502, Gali No.-5, Rajapark, Jaipur.	44.73	
Plot No.-169-C, Himmat Nagar, Tonk road, Jaipur.	142.99	
Land at chennai, Servay No 330/1B2 situated in No. 146, Keezhkvalam village, Maduranthagam panchayat	6.49	
TOTAL D		462.97
TOTAL (A+B+C+D)		72780.41
BOOK VALUE OF LIABILITIES		
Non Convertible Debentures	2409.16	
Term Loans from Banks, NBFCs& Fls	55317.18	
Provisions	316.86	
Current Liabilities	66.09	
Impairment Loss Allowance on Loans	762.71	
Other Current Liabilities	367.54	
TOTAL	59239.54	
Less:		
Provision on Advances	762.71	
Provision for Gratuity	123.79	
PROVISION FOR TAXATION	183.73	
DEFERRED TAX LAIBILITIES	0	
Other Provision	9.34	
TOTAL	1079.57	58159.97
(A+B+C+D)- L		14620.44
The paid up value of such equity shares		10
Total amount of paid up equity share capital as shown in the balance-sheet as on 28.02.2023		1589.02
FMV		92.009

The fair market value of unquoted equity shares
of the company = (A+B+C+D - L) × (PV)/(PE)

$$FMV = 14620.44 \times (10/1589.02)$$

$$FMV = \text{Rs.} 92.009 \text{ i.e. Rs. } 92/ \text{ share}$$



Notes:

1. FMV of the Mutual Funds is taken as on the valuation date as per the mutual fund statement.
2. I have taken DLC value of the immovable properties from valuation report by the external Valuer, Mr. Deepak Sood (Income Tax registered valuer for immovable properties), S.G. Consultants Jaipur dated 28.07.2021. As informed by the management vide their MRL dated 17.03.2023, that there is no change is in the DLC value as on 31.12.2021 from the DLC value mention in valuation Report dated 28.07.21, hence no new valuation is undertaken and values as per last valuation report to be taken.
3. Provision/Impairment Loss Allowance on Advances /Loans is not considered as liabilities as they are made for unascertained liabilities basis IRAC norms issued by RBI guidelines. Further provisions on Gratuity and Provision for undrawn loan commitment is also not considered as it is not an ascertained liability as on 28.02.2023.



4. CONCLUSION

As per the documents, information's provided, assumptions made and calculations done enumerated in the earlier part of this report, **the Fair value per share of Laxmi India Finance Private Limited (previously Known as Laxmi India Finleaseap Private Limited) should be Rs.92 as on 28.02.2023** as per rule 11UA of the Income tax rules of Income Tax Act 1961 as amended by Income tax (20th Amendment), Rules, 2017.

For Himanshu Vijay & Co.
Chartered Accountants
(FRN:028784C)



Himanshu Vijay

Chartered Accountant and Registered Valuer

ICAI MRN: 413992

IBBI Reg. No.: IBBI/RV/06/2020/13732

ICAI RVO MN.: ICAIRVO/06/RV-p00144/2020-2021

UDIN: 23413992BGQMBS4602

Place: Jaipur

Date:20.03.2023



THANK YOU

HIMANSHU VIJAY & CO.

Chartered Accountants

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