

Subodh Kumar

Registered Valuer (Securities or Financial assets)

Reg No: IBBI/RV/05/2019/11705

Dated: February 28, 2024

To
The Board of Directors
Vuenow Infotech Private Limited
816, 8th Floor, I-Thum Tower-A
A-40, Sec-62, Gautam Buddha Nagar,
Noida, Uttar Pradesh – 201301

Subject: Determination of share swap ratio for the proposed scheme of amalgamation between Vuenow Infratech Limited (Transferee Company), Vuenow Marketing Services Limited (Transferor Company 01) and Vuenow Infotech Private Limited (Transferee Company 02).

Dear Sir,

We refer to the engagement letter dated February 25, 2024 wherein Vuenow Infotech Private Limited ("Company") has requested Subodh Kumar, Registered Valuer (hereinafter referred as "Valuer") to recommend fair value required under section 230 read with section 232 and other relevant provision of Companies Act, 2013 and SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 in connection with the Proposed scheme of amalgamation between Vuenow Infratech Limited (Transferee Company), Vuenow Marketing Services Limited (Transferor Company 01) and Vuenow Infotech Private Limited (Transferee Company 02).

We hereby enclose the report on valuation of Equity Shares. The valuation is prepared in compliance with **International Valuation Standards**. The sole purpose of this report is to assist the company to determine the **fair value of Equity Shares** of the Company for merger with Vuenow Infratech Limited.

As per your request, rather than preparing a self-contained comprehensive report, we have provided a restricted appraisal report which is advisory in nature and indented to be used for offering subject business as referred above.

Please refer to the statement of limiting conditions contained in the report. For the purposes of business appraisal, fair market value is defined as the expected price at which the subject business would change hands between a willing buyer and a willing seller, neither being under a compulsion to conclude the transaction and both having full knowledge of all the relevant facts.

We have appraised a fully marketable, controlling ownership interest in the assets of the subject business. The appraisal was performed under the premise of value in continued use as a going concern business enterprise.

We have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of this report. We have appraised the subject business in accordance with the International Valuation Standards.



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Based on the Scope and limitations of work, Sources of information and Valuation methodology of the report and the explanations therein, the fair value of the equity shares of the Company amounts to **INR 679.53 per share as on January 31, 2024.**

Please feel free to contact us in case you require any additional information or clarifications.

Yours Sincerely



Subodh Kumar
IBBI Registered Valuer
Securities and Financial Assets
Reg No: IBBI/RV/05/2019/11705
UDIN: 2439657A1G0GQT6LJH

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VALUATION ANALYSIS

We refer to our Engagement Letter dated February 25, 2024 confirming our appointment as independent valuers of Vuenow Infotech Private Limited (the "Company"). In the following paragraphs, we have summarized our Valuation Analysis (the "Analysis") of the business of the Company as informed by the Management and detailed herein, together with the description of the methodologies used and limitations on our scope of work as mentioned in herein below in this report.

1. Context and Purpose

Based on discussion with the management, we understand that the Company's Board of Directors wants to know the Fair of equity share for buyback of shares. The management of Vuenow Infotech Private Limited (the "Management") wishes to estimate Fair Value of Equity Shares as per the provisions under the Companies Act, 2013 and applicable rules thereunder. In the context of the proposed transaction, the Board of Directors requires our assistance in determining the fair value of Equity Shares of the Company - "Proposed Transaction.

2. Conditions and major Assumptions

Conditions

The historical financial information about the company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report, and it should not be used by anyone to obtain credit or for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country. We have not audited, reviewed, or compiled the Financial Statements and express no assurance on them. The financial information about the company presented in this report includes normalization adjustments made solely for the purpose to arrive at value conclusions presented in this report.

Normalization adjustments as reported are hypothetical in nature and are not intended to present restated historical financial results or forecasts of the future.

This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.

We acknowledge that we have no present or contemplated financial interest in the Company. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.



We have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not to be required 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 in part 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 concerning the value and useful condition of all investments in securities or partnership interests, 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 through any sale, reorganization or reduction of any owner's/manager's participation in the existing activities of the Company.

We have been informed by management that there are no environmental or toxic contamination problems, any significant lawsuits, or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

3. Background of the company and Industry

Vuenow Infotech Private Limited is a private company limited by shares. It was incorporated on November 27, 2019, under the provisions of the Companies Act, 2013. Its Corporate Identification Number is U72900UP2019PTC123921. Its Registered Office is situated at 816, 8th Floor, I-Thum Tower-A, A-40, Sec-62, Gautam Buddha Nagar, Noida, Uttar Pradesh – 201301.



4. **Background information of the asset being valued**

Vuenow Infotech Private Limited is a private company limited by shares. It was incorporated on November 27, 2019, under the provisions of the Companies Act, 2013. Its Corporate Identification Number is U72900UP2019PTC123921. Its Registered Office is situated at 816, 8th Floor, I-Thum Tower-A, A-40, Sec-62, Gautam Buddha Nagar, Noida, Uttar Pradesh – 201301.

The Directors and Key Managerial Persons were as follows:

<u>DIN</u>	<u>Full Name</u>	<u>Designation</u>
03273089	Sukhwinder Singh Kharour	Director
02974417	Nitin Srivastava	Director

Shareholding pattern of Vuenow Infotech Private Limited as on January 31, 2024 is given below:

<u>Equity shareholder</u>	<u>No of shares</u>	<u>% holding</u>
Promoter & Promoter Group	1,00,000	100.00
Total	1,00,000	100.00

5. **Purpose of valuation and appointing authority**

To derive the fair value of its equity shares **as per the provisions of the Companies Act, 2013 and applicable rules thereunder**. The Board of Directors requires our assistance in determining the **fair value of Equity Shares** of the Company - "Proposed Transaction.

6. **Identity of the valuer and any other experts involved in the valuation**

Subodh Kumar, Registered Valuer- Securities or Financial Assets having Registration No. IBBI/RV/05/2019/11705.

7. **Disclosure of valuer interest/conflict, if any**

Nil.

8. **Date of appointment, valuation date and date of report**

Date of appointment	25-02-2024
Valuation date	31-01-2024
Date of report	28-02-2024



9. **Basis/ bases of value used**

Bases of value (sometimes called standards of value) are statements of the fundamental measurement assumptions of a valuation. They describe the fundamental assumptions on which the reported values will be based (e.g., the nature of the hypothetical transaction, the relationship and motivation of the parties, the extent to which the asset is exposed to the market, and the unit of account for the valuation). It is critical for any valuation to be performed using the basis (or bases) of value that is appropriate to the terms and purpose of the valuation assignment, as a basis of value may influence or dictate a valuer's selection of methods, inputs and assumptions, and the ultimate opinion of value. We have used "**Fair Value**", as basis of Valuation.

Fair Value is defined as 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 measurement date.

10. **Valuation Standards**

The Report has been prepared in compliance with the International Valuation Standards.

11. **Valuation Methodology, Approach and Procedures adopted in carrying out the valuation.**

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 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 are available.



The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorized as follows:

- i. Cost Approach/ Net Asset Value
- ii. Income Approach
- iii. Market Approach

i. Asset Approach

The value arrived at under this approach is based on the audited financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted for any contingent liabilities that are likely to materialize.

The Net Asset Value is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern.

Net Asset Value represents a fair and accurate picture of a company's worth. The figure is determined using historical company data and isn't typically a subjective figure. It means that investors and market analysts get a reasonable idea of the company's worth.

For the purpose of valuation, this method of valuation is concerned.

ii. Market Based – Approach Market Price Method

Comparable Company Market Multiple Method

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The difficulty here in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, profitability and accounting practices.

Whereas no publicly traded company provides an identical match to the operations of a given company, important information can be drawn from the way comparable enterprises are valued by public markets. In case of early-stage company and different business model the problem aggravates further.

We have not used the Market Multiple Approach because as per management there are no comparable listed companies.



iii. Income Approach

Discounted Cash Flows (DCF)

The DCF technique is one of the most rigorous approaches for valuation of business. In this technique, the projected free cash flows from business operations are discounted at the weighted average cost of capital to the providers of capital to the business, and the sum of the present value of such free cash flows is the value of the business.

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 by estimating the Free Cash Flows (FCF) to Firm and discounting the same with Weighted Average cost of capital (WACC). The DCF method using the FCF, values Company as an overall. This is estimated by forecasting the free cash flows available for the Company (which are derived on the basis of likely future earnings of the companies) and discounting these cash flows to their present value at the WACC. Since the proposed transaction requires historical value and the future cashflows cash flows will have no impact on the value of proposed transaction we have not considered the same.

Valuation Methodology

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose.

Our choice of methodology and valuation has been arrived using usual and conventional methodologies adopted for purposes of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of similar nature.

Keeping in mind the context and purpose of the Report, we have used Asset Based Approach

12. Equity Valuation of the company

The equity valuation of the Company has been done on the basis Asset Approach Method, Detail of Calculation is attached herewith as Annexure –I

13. Major factors that influenced the valuation:

Not Identified.



14. Sources of Information

The Analysis is based on a review of the business plan of the Company provided by the Management and information relating to the services sector in which the Company is operating as available in the public domain. Specifically, the sources of information include:

- Details of Shareholding and numbers of Equity Shares as on January 31, 2024;
- Audited Final Accounts as on March 31, 2023.
- Audited Provisional Financial as on January 31, 2024.
- Discussions with the Management of the Company;
- All Company specific information were sourced from the management of the Company, either in the written hard copy or digital form;
- Management representation letter dated February 25, 2024;
- Other information / data available in public domains..

15. Caveats, limitations and disclaimers

Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice. The services do not represent accounting, assurance, financial due diligence review, consulting, transfer pricing or domestic/international tax-related services that may otherwise be provided by us.

Our review of the affairs of the Company and their books and account does not constitute an audit in accordance with Auditing Standards. We have relied on explanations and information provided by the Management of the Company and accepted the information provided to us as accurate and complete in all respects. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided. Nothing has come to our attention to indicate that the information provided had material misstatements or would not afford reasonable grounds upon which to base the Report.

The valuation worksheets prepared for the exercise are proprietary to Subodh Kumar, Valuer and cannot be shared. Any clarifications on the workings will be provided on request, prior to finalizing the Report, as per the terms of our engagement.

The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them.

The Valuation Analysis contained herein represents the value only on the date that is specifically stated in this Report. This Report is issued on the understanding that the Management of the Company has drawn our attention to all matters of which they are aware, which may have an impact on our Report up to the date of signature. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.



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

Our Valuation Analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction with the Company.

16. Distribution of report

The Analysis is confidential and has been prepared exclusively for the purpose of allotment of equity shares. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of Subodh Kumar. Such consent will only be given after full consideration of the circumstances at the time. However, we do understand that the Report will be shared with the shareholders of the company.

17. Opinion of value of the business and valuation summary: The equity value of the company is summarized in the following table:

Summary of Various methods used to determine fair value as on 31-01-2024			
Valuation Approach	Value/ Equity Shares (INR)	Weights	Weight Value
Asset Approach	679.53	100%	679.53
		Total	679.53

As per the calculation the value per share of the company as on January 31, 2024 is INR 679.53/- per share.

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

You're faithfully



Subodh Kumar
IBBI Registered Valuer
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Annexure - I

VUENOW INFOTECH PRIVATE LIMITED	
Rule 11 UA - Book Value as on 31.01.2024	
(Amount in Rs. Lakhs)	
Particulars	Amount (Rs.)
Non-Current Assets	
- Tangible Assets	138.21
- WIP	-
- Other Intangible Assets	-
Financial Assets	
- Investments	-
- Loans & Advances	-
- Other Financial Assets	-
Other Tax Assets	0.81
Other Non Current Assets	24.60
Total Non -Current Assets	163.62
Current Assets	
Inventories	2,235.82
Trade Receivables	9,714.66
Cash and Cash Equivalents	3,400.18
Short Term Loans & Advances	31,064.17
Current Investments	-
Other Financial Assets	-
Other Current Assets	3,446.55
Total Current Assets	49,861.37
Total Assets	50,024.98
Less	
Share Application Money	-
Non Current Liabilities	
Long Term Borrowings	229.99
Other Financial Liabilities	-
Provisions	-
Other Non Current Liabilities	-
Total Non -Current Liabilities	229.99
Current Liabilities	
Short Term Borrowings	-
Trade Payables	2,064.68
Deffered Tax Liability	-
Other Financial Liabilities	-
Other Current Liabilities	46,997.42
Short Term Provisions	52.55
Total Current Liabilities	49,114.65
Total Liabilities	49,344.65
Net Asset Value	680.34
Less: Deferred Tax	0.81
Net Asset Value	679.53
No of shares	1,00,000
Price Per Share (In Rs.)	679.53

