

**Report on Fair valuation of equity  
shares of  
Ruchi Infrastructure Limited**

Prepared by CA Sumit Kumar Malani

Registered Valuer

ICAI Membership Number 154553

IBBI Membership Number IBBI/RV/06/2019/11955

Valuation of equity shares of 'Ruchi Infrastructure Limited'

31<sup>st</sup> December 2022

To,

The Board of Directors,

Ruchi Infrastructure Limited

706, Tulsiani Chambers, Nariman Point Mumbai 400021

Dear Sir(s),

Sub: Valuation report on determination of fair equity valuation of Ruchi Infrastructure Limited as per the provisions of the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022 ("ICDR Regulations")

Ruchi Infrastructure Limited ("RUCHI INFRA" or "the Company") is an Indian Company listed on the National Stock Exchange of India Limited (NSE) and BSE Limited ("BSE"). The Board of Directors of the Company is considering preferential issue of warrants, each convertible into one equity share of the Company in accordance with the provisions of Chapter V SEBI ICDR Regulations.

The equity shares of the Company are frequently traded as per provisions of Regulation 164(5) of the SEBI ICDR Regulations. The Articles of Association ("AOA") of the Company do not categorically mention about the pricing of preferential issue. As such, the Company needs fair valuation to compute the price for preferential issue of warrants convertible into equity shares.

In this regard, the Company has engaged CA Sumit Kumar Malani, Chartered Accountant (ICAI Membership No: 154553), in his capacity as a Registered Valuer under the category Securities or Financial Assets ("SFA"), registered with the Insolvency and Bankruptcy Board of India ("IBBI"); IBBI Registration No. IBBI/RV/06/2019/11955 ("SKM" or "We") as defined in Regulation 2(kkk) of ICDR Regulations, to report on the fair valuation of the equity shares of RUCHI INFRA for the proposed preferential issue.



Valuation of equity shares of 'Ruchi Infrastructure Limited'

On the basis of our valuation as discussed under 'Valuation Analysis' Section of this report, the fair equity value of the Company as at January 2, 2023 ("relevant date or Valuation date") is summarized as under

Valuation Approach	Valuation Method	Unit	Annexure Reference	Value per Share	Weight	Value per Share
Market Approach	Market Price	INR Per Share	E.1	10.22	100%	10.22
Income Approach	DCF Method	INR Per Share	E.2	8.33	0%	-
Assets Approach	Net Assets Value	INR Per Share	E.3	7.77	0%	-
Fair Value per Share		INR Per Share			100%	10.22

Note : Since the value under the Market Price Method (as per the Regulation 164(1) - ICDR Regulations) is the maximum, we have given 100% weight to the value computed using the Market Price Method

Please find enclosed herewith our narrative report containing our valuation analysis and valuation conclusions. We have been informed that the Board is proposed to consider the preferential issue at a price of Rs. 10.30 per warrant, each convertible into one equity share of the Company.

For S.K. Malani and Co.

Chartered Accountants

Firm Registration No. 139090W



Sumit Kumar Malani

Proprietor

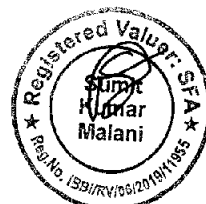
Membership No. 154553

Registered Valuer, SFA – IBBI/RV/06/2019/11955

UDIN: 22154553BGNNWY8701

Date: 31<sup>st</sup> December 2022

Place: Pune



Valuation of equity shares of 'Ruchi Infrastructure Limited'

Ruchi Infra	Ruchi Infrastructure Limited
DCF	Discounted Cash Flow
Capex	Capital Expenditure
FY	Financial Year
WACC	Weighted Average Cost of Capital
COE	Cost of Equity
EBT	Earning before Tax
Management	Management of the Ruchi Infrastructure Limited
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
Valuer/us	Sumit Kumar Malani
FEMA Rules	Foreign Exchange Management (Non-Debt Instruments) Rules, 2019
Companies Act	Companies Act 2013
ESOP	Employee Stock Ownership Plan
CAGR	Compounded Annual Growth Rate
FCFF	Free Cash Flows
WDV	Written Down Value
INR	Indian National Rupee
BSE	BSE Limited
NSE	National Stock Exchange of India Limited
UDIN	Unique Document Identification number
SEBI	The Securities & Exchange Board of India
ICDR	Issue of Capital and Disclosure Requirements
IBBI	The Insolvency and Bankruptcy Board of India
ICAI	The Institute of Chartered Accountants of India
RV(SFA)	Registered Valuer (Securities & Financial Assets)
VWAP	Volume Weighted Average Price



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## **A. Background of the report**

The Board of Directors of the Company is considering preferential issue of warrants each convertible into one equity share of the Company in accordance with the provision of Chapter V of the SEBI ICDR regulations.

The equity shares of the Company are traded on the BSE and NSE. In terms of the definition of "frequently traded shares" as per regulation 164(5) read with Explanation to regulation 164(5) of the SEBI ICDR Regulations, the equity shares of the Company are frequently traded on the NSE.

The Articles of Association("AOA") of the Company do not categorically mention about the pricing of preferential issue. The Company, hence, needs a fair valuation report on valuation of equity shares of RUCHI INFRA for computation of the price for preferential issue of warrants convertible into equity shares in compliance with the provisions of regulation 164(1) of the SEBI ICDR Regulations.

In this regard, the Company has engaged CA Sumit Kumar Malani, Chartered Accountant (ICAI Membership No: 154553), in his capacity as a Registered Valuer under the category Securities & Financial Assets IBBI/RV/06/2019/11955. ("SKM" or "We") as defined in Regulation 2(kkk) of ICDR Regulations (i.e. a valuer registered under section 247 of the Companies Act, 2013 and the relevant rules framed thereunder or as specified by the Board), to report on the fair valuation of the equity shares of RUCHI INFRA for the proposed preferential issue, governed by Engagement letter dated 20th December, 2022 in compliance with the provisions of SEBIICDR Regulations. CA Sumit Kumar Malani has more than 10 years of work experience. It is our understanding that this report will not be used for any other purpose, other than that stated herein.

This valuation report is our deliverable for this engagement. In line with Regulation 164(1) of SEBI ICDR Regulations, since the equity shares of RUCHI INFRA are frequently traded, the price for preferential issue has been determined as the minimum issue price as prescribed under Part IV of Chapter V of SEBI ICDR Regulations.



**Base and premise of Valuation**

For the purpose of arriving at the valuation of RUCHI INFRA, I have considered the valuation base as "Fair Market Value". My valuation and this report are based on the premise of 'Going Concern'. Any change in the valuation base or premise could have a significant impact on my valuation exercise and therefore, this valuation report.

**Disclosure of Valuer Interest**

I have no present or prospective contemplated financial interest in RUCHI INFRA, and I have no personal interest with respect to the Promoters & Board of Directors of RUCHI INFRA. I have no bias/prejudice with respect to any matter that is the subject of the valuation report or to the parties involved with this engagement.

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**B. Background of the entity****About the entity and general business profile**

Ruchi Infra was incorporated on 28<sup>th</sup> August 1984 and has its registered office no 706, Tulsiani Chambers, Nariman Point Mumbai 400021

**Shareholding as on 23<sup>rd</sup> December 2022****Capital Structure**

Particulars	Number of Shares	Amount in Lakhs
Equity Shares		
Authorized Equity Shares	50,00,00,000	5,000.00
Issued, paid up and subscribed	20,52,39,942	2,052.40

**Share Holding pattern as on 23-12-2022**

Particulars	Number of Shares
Equity Shares	
PROMOTER & PROMOTER GROUP	65.65%
PUBLIC	34.35%
TOTAL	100.00%

The Company is engaged in the business of infrastructure viz. storage of liquid commodities, Agri Warehousing Facilities, Wind power generation, trading of various commodities and manufacturing of soap.

**Board of Directors**

S.No	Name	Designation
1	Mr.Krishna Das Gupta	Independent Director
2	Mr.Mohan Das Kabra	Independent Director
3	Mrs.Ruchi Joshi Meratia	Independent Director
4	Mr.Ashutosh Pandey	Director
5	Mr.Parag Choudhary	Whole-time Director
6	Mr.Narendra Shah	Executive Director
7	Mr.Ravindra Kumar Kakani	Chief Financial Officer
8	Mr.Ashish Mehta	Company Secretary





**C. Sources of information:**

We have referred the below mentioned documents and reports for the purpose of providing estimate on the value of business of the Company:

- Considered audited financial statements of Ruchi Infra for year ended 31st March 2022 along with comparatives of 31st March 2021.
- Unaudited Financial Results till 30-09-2022 and 30-11-2022
- Management projections of Ruchi Infra for five years ended 31st March 2027.
- Revenue Growth Projections and Cost Projection provided by the Management.
- Inputs from the Management
- Information available in public domain and databases such as Money Control, National Stock Exchange and Bombay Stock Exchange
- Terms of Issuance of Preferential Issue
- Terms of Conversion of Warrants into equity shares.

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## D. Valuation Approach

The shares of the Company should be valued as per commonly used and internationally accepted methods of valuation to determine fair price of such shares. We have considered the ICAI Valuation Standards 2018 as issued by the Institute of Chartered Accountants of India as well as other International Valuation Standards.

For the valuation, we have considered the following commonly used and accepted methods, to the extent relevant and applicable:

- Market Price method
- Discounted Cash Flows method
- Net Asset Value method

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic condition, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market condition, the condition and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.

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



### 1. **Market Price Method (Market Approach)**

The value of an equity share, 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. RUCHI INFRA is a listed on the NSE and BSE.

The shares of RUCHI INFRA are frequently traded in terms of regulation 164(5) of the ICDR Regulations at NSE. Regulation 164(5) of Chapter IV of SEBI ICDR Regulations reads as under

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

Explanation: For the purpose of this regulation, 'stock exchange' means any of the recognized stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date."

Relevant date in case of preferential issue of equity shares is defined in regulation 161(a) "the date thirty days prior to the date on which the voting of shareholders is held to consider the proposed preferential issue". In this case, the approval of shareholders is being sought through postal ballot (including e-voting) which will start from 03-01-2023 and will end on 01-02-2023. Accordingly, the date of passing of resolution (if approved) shall be 01-02-2023 and as such the relevant date for computation of trading volume is 02-01-2023. Trading Volume in NSE was higher then volume of BSE so we have considered data of NSE.

As such, we have considered the value under this method to be higher of the following two prices, in compliance with the pricing guidelines of regulation 164(1) of ICDR Regulations-

- Volume weighted Average Price ("VWAP") of 90 trading days preceding the relevant date
- Volume weighted Average Price ("VWAP") of 10 trading days preceding the relevant date



## **2. Net Worth Method /Net Asset Value (NAV) Methodology**

The asset-based valuation technique is based on the value of the underlying net assets of the business. Since the Company has net assets, the Net Asset Value method is considered under the Cost Approach for current valuation of the Companies based on the unaudited financial statements of the Company for the period ended 30th September, 2022.

## **3. Income Approach – Discounted Cash Flows ('DCF') Method**

Income approach is a valuation approach that converts maintainable or future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted or capitalized) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

Under the DCF method, the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm. Using the DCF analysis involves determining the following:

### **Estimating future free cash flows:**

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital - both debt and equity. Financial Projections have been provided by the Management and we have relied on the same for our value analysis. We understand that considering uncertainty in nature of operations we have relied on assumptions made by management and performed our analytics on the same.

### **Appropriate discount rate to be applied to cash flows i.e. the cost of capital:**

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk. Considering that Ruchi Infra is start-up with significant high revenue growth rate, weighted average cost of capital of 12.12% has been used for discounting the cash flows.



Valuation of equity shares of 'Ruchi Infrastructure Limited'

For the purpose of DCF valuation, the free cash flow forecasted based on financial projections for the five years ended 31st March 2027, as provided by the Management. We must emphasize that realisation of free cash flow forecasted will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material. While carrying out this engagement, we have relied extensively on information made available to us by the Management and the Financial Projections for future related information. We did not carry out any validation procedures or due diligence with respect to the information provided/extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the financial forecast, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.

To arrive at the equity value, value arrived above under DCF method for Ruchi Infra is adjusted for the surplus assets (cash and cash equivalents, amount receivable on exercise of ESOP) etc. as deemed appropriate as at Valuation Date.



**E. Valuation Conclusion and Analysis**

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgment considering all the relevant factors. There will always be several factors, e.g. quality and integrity of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.

We understand that the AOA of the Company does not categorically provide for a method of determination which results in a floor price higher than that determined under the ICDR regulations. The minimum value of equity shares of a frequently traded listed company should be in accordance with pricing provisions of Chapter V of SEBI ICDR Regulations as amended from time to time.

Since the value of equity shares of RUCHI INFRA under the Asset and Income approach is lower than the value of equity shares of RUCHI INFRA as per the ICDR Regulations (captured in market approach), we have given due cognizance to the base price derived using the formula given in the ICDR regulations to assign appropriate weights to the values computed under each method. Based on the above, we have given 0% weight to value of RUCHI INFRA computed under the asset and income approach and given 100% weight to value of RUCHI INFRA computed as per ICDR Regulations under Market approach.

Our valuation Results using the various methods are summarized as under

Valuation Approach	Valuation Method	Unit	Annexure Reference	Value per Share	Weight	Value per Share
Market Approach	Market Price	INR Per Share	E.1	10.22	100%	10.22
Income Approach	DCF Method	INR Per Share	E.2	8.33	0%	-
Assets Approach	Net Assets Value	INR Per Share	E.3	7.77	0%	-
Fair Value per Share		INR Per Share			100%	10.22
Note : Since the value under the Market Price Method (as per the Regulation 164(1) - ICDR Regulations) is the maximum, we have given 100% weight to the value computed using the Market Price Method						



Valuation of equity shares of 'Ruchi Infrastructure Limited'

**E.1 Valuation analysis under Market Approach**

S.No	Particulars	Annexure	Unit	Price INR
A	Average of 90 trading days volume weighted average price ("VWAP") preceding the relevant date	1	INR per Share	10.22
B	Average of 10 trading days volume weighted average price ("VWAP") preceding the relevant date	2	INR per Share	9.23
C	Market price as per ICDR			10.22
	Higher of A and B			

Date of Closing of Voting through Postal Ballot to consider the proposed preferential issue	01/02/2023
Relevant date - Thirty days prior to the date on which the closure of Postal Ballot to consider the proposed preferential issue	02/01/2023
Date of Trading preceding the relevant date	30/12/2022

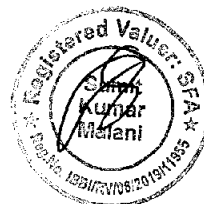
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Valuation of equity shares of 'Ruchi Infrastructure Limited'

**Annexure 1 - Day wise volume weighted average price for 90 trading days prior to the relevant date**

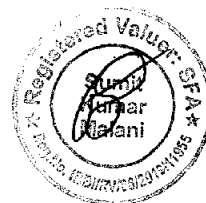
Trading Days	Date	Volume	Value
1	30-Dec-22	1,55,992.00	14,45,893.15
2	29-Dec-22	4,83,022.00	43,30,118.75
3	28-Dec-22	2,00,115.00	18,37,954.20
4	27-Dec-22	3,05,341.00	27,02,576.20
5	26-Dec-22	3,78,400.00	33,05,422.80
6	23-Dec-22	1,36,190.00	11,75,385.50
7	22-Dec-22	2,23,587.00	20,29,370.20
8	21-Dec-22	4,12,602.00	39,90,044.95
9	20-Dec-22	1,32,075.00	13,08,960.25
10	19-Dec-22	3,44,620.00	34,45,661.95
11	16-Dec-22	4,79,744.00	49,11,514.80
12	15-Dec-22	3,29,517.00	35,21,624.85
13	14-Dec-22	3,24,650.00	35,10,050.40
14	13-Dec-22	3,23,712.00	36,79,039.10
15	12-Dec-22	1,60,827.00	17,66,290.50
16	09-Dec-22	1,74,774.00	18,87,208.15
17	08-Dec-22	1,05,466.00	11,65,347.25
18	07-Dec-22	1,59,485.00	17,64,788.55
19	06-Dec-22	1,38,164.00	15,38,872.95
20	05-Dec-22	1,71,617.00	19,09,423.30
21	02-Dec-22	1,40,080.00	15,59,299.40
22	01-Dec-22	80,330.00	8,96,244.35
23	30-Nov-22	1,09,224.00	12,09,333.35
24	29-Nov-22	1,13,119.00	12,61,399.95
25	28-Nov-22	1,21,376.00	13,58,999.70
26	25-Nov-22	1,29,871.00	14,77,253.70
27	24-Nov-22	1,01,948.00	11,79,998.10
28	23-Nov-22	1,59,750.00	19,03,043.40
29	22-Nov-22	1,28,800.00	14,56,157.25
30	21-Nov-22	78,303.00	8,59,321.60
31	18-Nov-22	82,455.00	9,15,625.75
32	17-Nov-22	1,65,235.00	18,20,224.65
33	16-Nov-22	2,49,620.00	28,78,323.55
34	15-Nov-22	2,28,596.00	27,40,623.55
35	14-Nov-22	2,66,339.00	32,01,410.50
36	11-Nov-22	4,18,537.00	48,51,622.65
37	10-Nov-22	2,42,391.00	26,94,334.65
38	09-Nov-22	6,84,531.00	81,69,395.50
39	07-Nov-22	2,55,630.00	30,93,123.00
40	04-Nov-22	1,56,105.00	18,03,012.75





## Valuation of equity shares of 'Ruchi Infrastructure Limited'

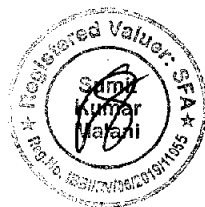
Trading Days	Date	Volume	Value
41	03-Nov-22	5,25,909.00	57,72,546.30
42	02-Nov-22	56,411.00	5,92,315.50
43	01-Nov-22	54,242.00	5,42,420.00
44	31-Oct-22	1,55,065.00	14,80,870.75
45	28-Oct-22	48,464.00	4,43,860.10
46	27-Oct-22	32,065.00	2,90,156.35
47	25-Oct-22	31,053.00	2,80,118.90
48	24-Oct-22	33,214.00	2,98,553.95
49	21-Oct-22	26,621.00	2,40,423.70
50	20-Oct-22	72,367.00	6,62,844.75
51	19-Oct-22	1,05,495.00	9,57,981.45
52	18-Oct-22	73,559.00	6,42,906.60
53	17-Oct-22	54,815.00	4,83,286.20
54	14-Oct-22	42,540.00	3,81,196.85
55	13-Oct-22	64,476.00	5,82,638.75
56	12-Oct-22	49,006.00	4,47,159.15
57	11-Oct-22	33,029.00	3,03,147.70
58	10-Oct-22	70,449.00	6,47,845.25
59	07-Oct-22	55,891.00	5,16,403.10
60	06-Oct-22	59,665.00	5,58,852.60
61	04-Oct-22	62,886.00	5,91,838.85
62	03-Oct-22	87,038.00	8,40,781.55
63	30-Sep-22	74,859.00	7,35,831.10
64	29-Sep-22	1,55,296.00	15,78,236.75
65	28-Sep-22	3,41,215.00	33,81,186.05
66	27-Sep-22	1,38,569.00	13,03,538.80
67	26-Sep-22	94,279.00	8,56,929.45
68	23-Sep-22	92,809.00	8,77,132.30
69	22-Sep-22	68,717.00	6,39,141.15
70	21-Sep-22	46,966.00	4,31,677.35
71	20-Sep-22	1,06,289.00	9,84,325.35
72	19-Sep-22	1,22,531.00	11,24,838.65
73	16-Sep-22	1,06,117.00	10,01,007.45
74	15-Sep-22	83,683.00	8,20,411.35
75	14-Sep-22	2,22,986.00	21,27,371.25
76	13-Sep-22	2,71,509.00	25,97,934.15
77	12-Sep-22	3,64,181.00	38,38,396.70
78	09-Sep-22	2,91,137.00	30,53,748.20
79	08-Sep-22	2,91,795.00	28,81,469.55
80	07-Sep-22	89,968.00	8,59,194.40



Valuation of equity shares of 'Ruchi Infrastructure Limited'

Trading Days	Date	Volume	Value
81	06-Sep-22	45,298.00	4,12,211.80
82	05-Sep-22	1,02,525.00	8,87,337.10
83	02-Sep-22	1,21,717.00	10,04,453.70
84	01-Sep-22	79,081.00	6,41,174.05
85	30-Aug-22	64,050.00	5,12,016.65
86	29-Aug-22	70,744.00	5,63,332.65
87	26-Aug-22	1,41,185.00	11,60,488.85
88	25-Aug-22	1,84,024.00	14,81,430.40
89	24-Aug-22	75,129.00	5,86,262.00
90	23-Aug-22	1,14,572.00	8,89,201.50
		1,48,07,631.00	15,13,42,722.20
<b>VWAP for 90 Days</b>			<b>10.22</b>

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Valuation of equity shares of 'Ruchi Infrastructure Limited'

Annexure 2 - Day wise volume weighted average price for 10 trading days prior to the relevant date

Trading Days	Date	Volume	Value
1	30-Dec-22	1,55,992.00	14,45,893.15
2	29-Dec-22	4,83,022.00	43,30,118.75
3	28-Dec-22	2,00,115.00	18,37,954.20
4	27-Dec-22	3,05,341.00	27,02,576.20
5	26-Dec-22	3,78,400.00	33,05,422.80
6	23-Dec-22	1,36,190.00	11,75,385.50
7	22-Dec-22	2,23,587.00	20,29,370.20
8	21-Dec-22	4,12,602.00	39,90,044.95
9	20-Dec-22	1,32,075.00	13,08,960.25
10	19-Dec-22	3,44,620.00	34,45,661.95
		<b>27,71,944.00</b>	<b>2,55,71,387.95</b>
<b>VWAP for 10 Days</b>			9.23

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Valuation of equity shares of 'Ruchi Infrastructure Limited'

**E.2 Valuation analysis under DCF Approach**

**RUCHI INFRASTRUCTURE LTD  
DISCOUNTED CASH FLOW METHOD**

Rs in crores

Particulars		2022-23	2023-24	2024-25	2025-26	2026-27
		4 Months	12 Months	12 Months	12 Months	12 Months
Profit before Taxes		14.19	7.48	10.70	12.64	16.93
<b>Add:</b>						
Interest		0.76	1.38	0.10	-	-
Depreciation and Amortisation		3.28	9.35	8.36	7.52	6.78
<b>EBITDA</b>		<b>18.23</b>	<b>18.21</b>	<b>19.16</b>	<b>20.16</b>	<b>23.72</b>
<b>Less: Outflows</b>						
Capital Expenditure		6.49	-	-	-	-
Incremental Working Capital		7.22	0.10	0.11	0.11	0.12
Loan Paid along with Interest		4.66	17.25	4.11	-	-
Redemption of Preference Shares including dividend			13.69	45.20	28.84	
Tax		0.36	2.47	3.33	3.84	5.01
<b>Total Outflows</b>		<b>18.73</b>	<b>33.51</b>	<b>52.74</b>	<b>32.79</b>	<b>5.13</b>
<b>Free Cash Flows (FCFF)</b>		<b>(0.50)</b>	<b>(15.30)</b>	<b>(33.58)</b>	<b>(12.63)</b>	<b>18.59</b>
<b>Discounting Factor</b>	<b>12.12%</b>	0.96	0.86	0.76	0.68	0.61
<b>Net Present Value of Cash Flows</b>		<b>(0.48)</b>	<b>(13.11)</b>	<b>(25.66)</b>	<b>(8.61)</b>	<b>11.30</b>

**RUCHI INFRASTRUCTURE LTD  
DISCOUNTED CASH FLOW METHOD**

Calculation of Perpetuity Value		Rs in crores
EBITDA for 2026-27		23.72
Growth Rate		4%
PBDIT for perpetuity		24.67
<b>Less:</b>		
Tax	27.82%	-6.86
Incremental Working Capital		-
<b>Net Cash Flow for Perpetuity</b>		<b>17.80</b>
<b>Capitalised Value for Perpetuity</b>		<b>219.26</b>
Add: Tax Benefit on WDV as at the end of explicit period		39.74
<b>Total Capitalised Value</b>		<b>259.00</b>
Discounting Factor		0.61
<b>Present Value of Perpetuity</b>		<b>157.44</b>

Calculation of Enterprise Value		Rs in crores
NPV of Explicit Period		(36.57)
Present Value of Perpetuity		157.44
<b>Enterprise Value</b>		<b>120.87</b>
<b>Add/(Less): Adjustments</b>		
Cash		7.37
Investments		42.77
<b>Adjusted Value for Equity Shareholders</b>		<b>171.00</b>
No of Equity Shares Outstanding		20,52,39,942
<b>Value per share (Face Value INR 10 each) as on 30-11-2022</b>		<b>8.33</b>



Valuation of equity shares of 'Ruchi Infrastructure Limited'

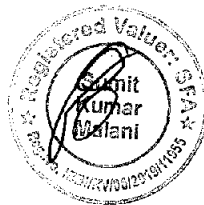
Particulars	%	Source
Risk Free Rate of return	7.33%	10-year GOI Bond yield as at valuation date
Equity risk premium	6.85%	Equity risk premium for India
Re-levered Beta of peer group	0.63	Based on unlevered beta
Cost of Equity	11.62%	
Company specific risk premium	0.50%	
Weighted Average Cost of Capital	12.12%	

- In calculation of DCF we have consider projection statement of 4 months.
- Redemption of Existing Cumulative Redeemable Preference Shares is considered as per schedule.
- Investment in subsidiary is considered as per financial statement provided by management further step-down valuation was not made.
- We have not considered impact of contingent liability

**E.3 Valuation analysis under Net Assets Approach**

**Net Assets of the Company as on 30-09-2022**

Particulars	Rs
Equity Share Capital	20.52
Other Equity	138.98
Net Assets of the Company	159.50
Number of Equity Shares	20,52,39,942.00
Value Per Share	<b>7.77</b>



## F. Scope of Work and Limitations

- We have been appointed by the management of Ruchi Infra to issue fair value of equity shares.
- We have to value equity shares as per Valuation Rules under the companies Act 2013.
- We have also been appointed to calculate the fair value of equity shares for allotment pursuant to proposed preferential issue of the company.
- The value of equity shares is calculated in accordance with the pricing guidelines laid down in Regulation 164(1) of Issue of Capital and Disclosure Requirement Regulations 2018 as amended in January 2022 which deals with equity shares/ convertibles to be allotted pursuant to preferential issue by listed companies.
- Our report has been prepared solely for use by Ruchi Infra, for the purpose of submission to stock exchanges in respect of application for in-principal approval and enable company to comply with requirements of Companies Act and SEBI ICDR Regulations. The purpose indicated above and should not be relied upon for any other purpose.
- Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our previous consent in writing.

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## G. Disclaimers

- This valuation report is being furnished for determination of fair value of equity shares for allotment pursuant to preferential issue of Ruchi Infra on a going concern basis.
- A report of this nature is necessarily based on the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.
- The conclusion rendered in this report is based upon information available till the Valuation Date. Further, the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no indisputable single value. While we have provided our assessment of fair market value based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion. While we normally express our assessment as falling within a likely range, as per requirements of this Engagement, we are providing a single value.
- You acknowledge and agree that the subscribers of warrants convertible into equity shares and the Company have the final responsibility for the determination of the terms of the proposed transaction and factors other than our report will need to be considered in such determination; these will include their own assessment of the proposed transaction and may include the input of other professional advisors.
- In the course of the engagement, we were provided with written information, including financial and market data. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, the accuracy of information made available to us by the Management including till date, other than the audited financial statements or any information available in public domain. We have not carried out a due diligence or audit for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided. We are not legal or regulatory advisors with respect to legal and regulatory matters for the Transaction. We do not express any opinion or offer any form of assurance regarding the accuracy and completeness of the financial information or other information provided to us.



Valuation of equity shares of 'Ruchi Infrastructure Limited'

- Our conclusions are based on review of the financial statements of Ruchi Infra and certain information provided by Management. We assume no responsibility for any errors in the information furnished to us, and their impact on the report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.
- We owe responsibility to only Ruchi Infra which has retained us, and nobody else. We do not accept any liability to any third party in relation to the issue of this report. This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.
- We have been given to understand by the Management that it has made sure that no relevant and material factors have been omitted or concealed or given inaccurately by people assigned to provide information and clarifications to us for this exercise and that it has checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. We have assumed that the information provided to us presents a fair image of the Company's activities and the shares being valued at the Valuation Date. Therefore, valuer will accept no responsibility for any error or omission in the Report arising from incorrect information provided by Management. Also, we assume no responsibility for technical information furnished by the Management and believed to be reliable.
- In accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements.
- The Report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that it will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to the following matters –
  1. Matters of a legal nature, including issues of legal title and compliance with local laws, and
  2. Litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Company.
- This report is subject to the laws of India

