

MANISH GADIA

B.Com, FCA,DISA(ICAI)
Registered Valuer (IBBI)
Regn. No. IBBI/RV/06/2019/11646

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To

Date: August 21, 2023

The Board of Directors
Annapurna Swadisht Limited
Chatterjee International Building,
13th Floor, Unit No A02 and AO2,
33A, Jawaharlal Nehru Road,
Kolkata WB 700071 IN
CIN: L15133WB2022PLC251553

Sub: Addendum to our Report on Fair Value of Equity Shares of Your Company dated August 7, 2023
(UDIN: 23059677BGUIAR3203)

Ref: Engagement Letter dated 31st July, 2023

In terms of the above-mentioned engagement letter, Annapurna Swadisht Limited is evaluating the fair market value of equity shares under preferential issue of shares under the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR 2018). Since, the Board of the Directors proposed to issue equity shares more than 5% to some of the proposed allottees acting in concert, the company requires Valuation of its shares for issuing shares in terms of the amended Regulation 166A read with regulation 164 of SEBI ICDR 2018.

I hereby issue an addendum to the Valuation Report, which includes the other valuation methods that were not previously included. This addendum should be read along with and as a continuation to my valuation Report dated August 7, 2023.

Summary:

- Valuation as per Income Approach (DCF method): Rs. 283.00
- Fair Value arrived as per regulation 164 of SEBI (ICDR) Regulations, 2018: Rs. 294.01

Please find attached the Annexure-A containing valuation under other methods of valuation, as requested.

Request you to take this on your record.

Thanking you

MANISH
GADIA

Digitally signed by MANISH GADIA
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Certified to be True Copy
Shareel Ahmed

Manish Gadia

ICAI Mem. No. 059677
(Regn. No. IBBI/RV/06/2019/11646)
(RVO Mem. No. ICAIRVO/06/RV-P00074/2019-2020)
Date: 21-08-2023
Place: Kolkata
UDIN: **23059677BGUIAX7108**

Manish Gadia, Registered Valuer (IBBI)

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VALUATION METHODOLOGY

The determination of fair value of equity shares of the company has been done by Income approach and Market approach.

Income approach (i.e. DCF method) is a strong valuation tool as it concentrates on cash generation potential of a business. This method is based on the capacity of a company to generate cash flow in future. The free cash flows are projected for a certain number of years and then discounted at a discount rate that reflects a company's cost of capital and risk associated with the cash flow it generates.

BUSINESS VALUATION OF ANNAPURNA SWADISHT LIMITED						
Discounted Cash Flow method						
Valuation as on August 4, 2023						Amount in INR Lakhs
Discount Rate - WACC / Cost of Equity (Ke)	13.18%					
Terminal Growth Rate	5.00%					
Tax Rate	25.17%					
Particulars	2023-24	2024-25	2025-26	2026-27	2027-28	Perpetuity
	5.8.23 - 31.3.24					
No. of Years	0.65	1.65	2.65	3.65	4.65	
PBT	2,196	4,621	5,590	6,759	8,172	8,172
Non Cash Expenses - Depreciation	131	220	242	267	293	293
Interest (Post Tax)	90	144	151	159	167	167
Issue of New Share Capital	-	-	-	-	-	-
Short Term Borrowing	-	-	-	-	-	-
Non Cash Expenses - other	-	-	-	-	-	-
Inflow of Funds (A)	2,417	4,985	5,983	7,185	8,632	8,632
Outflow of Funds						
Incremental Working Capital	659	707	760	820	888	888
Long Term Loan	-	-	-	-	-	-
Capital expenditure	425	450	525	600	700	700
Income Tax on PBIT	490	1,059	1,295	1,581	1,927	1,927
Outflow of funds (B)	1,574	2,216	2,580	3,001	3,515	3,515
Net Cash Flows (A-B)	843	2,769	3,403	4,184	5,117	5,117
Discounting factor	0.92	0.81	0.72	0.64	0.56	0.56
Discounted Cash flows	777	2,256	2,450	2,661	2,876	9,105
Terminal value						65,682
Present Value for explicit period	11,019					
Present value of perpetuity	36,913					
Enterprise value as of August 4, 2023	47,933					
Add: Present value of Investment	-					
Add: Cash & Cash Equivalent as on 4-8-23	528					
Add: long term loan & advances	259					
Add: Market Value of Land						
Adjusted Enterprise Value	48,719					
Less: Long Term Liabilities as on 4-8-23	565					
Less: Short Term Liabilities as on 4-8-23	1,749					
Less: Contingent Liability	-					
Enterprise Value as of August 4, 2023	46,405					
No of Shares Outstanding (Re 10/- each)	1,64,22,000					
Value per share	282.58					
Value per share (rounded off)	283.00					

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WACC:

Particulars	Amount	Rate	Weight	WACC
Equity + Reserves	15,020	14.14%	85.66%	12.11%
Debt	2,515	7.48%	14.34%	1.07%
WACC	17,535.63		100.00%	13.18%

Cost of Equity through CAPM:

Risk Free Rate (Rf) dated Aug 4, 2023	7.21%
Equity Risk Premium (Rm - Rf)	8.53%
Beta (β)	0.58
Cost of Equity $R_f + \beta * [(R_m) - R_f]$	12.14%
Company risk premium	2.00%
Adjusted Cost of Equity	14.14%

Market Approach: In terms of the Regulations 164 and 166A of the SEBI (ICDR) Regulations, fair market value as per market approach has been arrived by considering the market data for the period from 24/03/2023 to 04/08/2023 as follows:

Regulation 164	Traded Shares
Higher of the following	NSE
90 days Trading volume	46,82,000
90 TRADING DAYS VWAP	248.04
10 DAYS TRADING DAYS VWAP	2,94,000
Market approach Rs. Value determined considering NSE data due to higher trading volume (by Rounding off)	294.01

*NSE has 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.

The trading data of the equity shares on NSE is mentioned in my report dated August 7, 2023.

Fair value of Equity share of Rs. 10/- each fully paid up as per Regulation 166A of the SEBI(ICDR) Regulations comes to Rs. 294.01 and whereas as per the Income approach, the fair value of equity share of Rs.10/- each fully paid up is Rs. 283/-.

FAIR VALUE OF EQUITY SHARE OF ANNAPURNA SWADISHT LIMITED

PARTICULARS	VALUE PER SHARE (INR)	WEIGHTAGE	AMOUNT
NET ASSET VALUE	N/A	0%	-
DISCOUNTED CASH FLOW	283.00	0%	-
MARKET APPROACH	294.01	100%	294.01
FAIR VALUE OF EQUITY SHARE OF RS. 10 EACH			294.01

CONCLUSION

Considering the provisions of the Regulations 166A of the SEBI(ICDR) Regulations and other available valuation methodologies, we are of the opinion that the Fair Value of the equity shares of Rs.10/- each full paid up is Rs. 294.01.

The remaining content in my valuation report, dated August 7, 2023, pertaining to all other matters, remains unchanged.