

VALUATION REPORT
on
Fair Value of Equity Shares

Subam Papers Limited

Valuation Date/Relevant Date – 10th November 2025

Report Date – 14th November 2025



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Valuation Analysis

We refer to our Engagement Letter as independent valuers of **Subam Papers 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 limitation on our scope of work.

1 Context and Purpose

Based on discussion with the management, we understand that the Company is evaluating the possibility of **Fair Value of Equity shares under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018**. In the context of the proposed transaction, the management requires our assistance in determining the **Fair Value of Equity shares** of the Company.

Proposed Transaction:

During the Financial Year 2025-26, Company is evaluating the possibility of issuing further securities to prospective investors. In this context, the management of **Subam Papers Limited** (the "Management") has requested us to estimate the fair value of the Equity Shares. - "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.

Readers of this report should be aware that a business valuation is based on future earnings potential that may or may not be materialised.

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 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.

3 Background of the Company

The Company is engaged in the business of manufacturing Kraft Paper and paper products.

Company URL: - <https://subampapers.com/>

Further data of the company is as under:

CIN	U21012TN2004PLC054403
Company Name	SUBAM PAPERS LIMITED
ROC Name	ROC Chennai
Registration Number	054403
Date of Incorporation	06/10/2004
Email Id	accounts@subampapers.com
Registered Address	S.F.No.143-146 VADUGANPATTI VILLAGE NADUKALLUR TO TIRUNELVELI, Tirunelveli, TIRUNELVELI TALUK, Tamil Nadu, India, 627010
Address at which the books of account are to be maintained	-
Listed in Stock Exchange(s) (Y/N)	No
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Public
ACTIVE compliance	ACTIVE Compliant
Authorised Capital (Rs)	25,05,00,000
Paid up Capital (Rs)	23,24,48,700
Date of last AGM	10/09/2024
Date of Balance Sheet	31/03/2024
Company Status	Active

Directors and Key Managerial Persons:

DIN/PAN	Name	Designation	Date of Appointment
00951835	Ramasubbu Venkatesh	Director	06/01/2016
01515113	Sudha Alagarsamy	Director	30/04/2018
00440500	T Balakumar	Managing Director	30/04/2018
10617158	Arunachalam Anbu Sanjeevikani	Director	27/09/2025
*****3098B	Poovalingam Nagarajan	Company Secretary	05/04/2024
*****9466H	Mohamed Nizar Jahir Hussain	CFO	08/03/2024
00168538	Chelladurai Gunasingh Prithiviraj	Director	23/03/2024
01759564	Gurusamy Rathakrishna	Director	23/03/2024

Shareholding Details as on the date of report

Particulars	No. of Shares	% Holding
Promoter & Promoter Group		
Thirupathi Balakuma	84,57,700	36.39%
Ramasamy Premavathi	9,80,952	4.22%

Solaisamy Solaisamy Alagarsamy	10,00,000	4.30%
Alagarsamy Sudha	28,66,450	12.33%
Madhumitha Balakumar	38,960	0.17%
Venkadasamy Thirupathi	10,00,000	4.30%
BMM Paper Board Private Limited	15,74,580	6.77%
Saradhambika Paper And Board Mills Private Limited	2,75,030	1.18%
Public	70,51,198	30.33%
Total	2,32,44,870	100.00%

Face Value Per Share is Rs. 10.00/-

4 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.

5 Valuation Date

The Analysis of the Fair Value of Equity share of **Subam Papers Limited** as on **10th November 2025** based on the Financials as on **30th September 2025**.

6 Valuation Standards

The Report has been prepared in compliance with the internationally accepted valuation standards and valuation standard adopted by ICAI Registered Valuers Organisation.

7 Valuation Methodology and Approach

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. In respect of going concerns, certain valuation

techniques have evolved over time and are commonly in vogue. These can be broadly categorised as follows:

1. Asset Approach

Net Asset Value Method ("NAV")

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 materialise.

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.

2. Market Approach

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 is 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.

Comparable Transactions Multiple Method

This approach is somewhat similar to the market multiples approach except that the sales and EBITDA multiples of reported transactions in the same industry in the recent past are applied to the sales and EBITDA of the business being valued.

3. Income Approach

Discounted Cash Flows - "DCF"

DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

Beta is an adjustment that uses historic stock market data to measure the sensitivity of the Company's cash flow to market indices, for example, through business cycles.

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows in the 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 the risk associated with the cash flows it generates. DCF analysis is based mainly on the following elements:

- Projection of financial statements (key value driving factors)
- The cost of capital to discount the projected cash flows



Profit Earning Capacity Value (PECV) Method

This method of valuation presumes the continuity of business and uses the past and projected earnings to arrive at an estimate of future maintainable profits. For the purpose of the Profit Earning Capacity Value (PECV) of the shares, the commonly accepted approach is to capitalize average earnings, past and projected at an appropriate rate of capitalization, to arrive at a fair value per share. In the calculation of PECV, provision for taxation at the current statutory rate is normally considered because the crux of estimate the PECV lies in the assessment of the future maintainable profits of the business. It should not be overlooked that the valuation is for the future and that it is the future maintainable streams of earnings that is of greater significance in the process of valuation.

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.

In this case, the Company being a listed Company, we have considered valuation regulations applicable to preferential issue of Equity Shares as defined in Securities and Exchange Board of India (Issue of Capital & Disclosure) Regulations, 2018, the requirements of the Articles of Association of the Company and the provisions of the Companies (Share Capital and Debentures) Rules, 2014 (as amended).

SEBI Regulations for requirement of Valuation:

SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED

The relevant Regulations under SEBI (ICDR) are reproduced as under:

Regulation 164(1) - Pricing of frequently traded shares

If the equity shares of the issuer have been listed on a recognised 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 recognised stock exchange preceding the relevant date; or*
- b. the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised 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.

....

Regulation 166A (1): Other conditions for pricing

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 provision.

....

Regulation 161: "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:

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.

In the instant case, the shares are listed on the Bombay Stock Exchange and are frequently traded. The traded turnover on the Exchange during the 240 trading days in the relevant period is shown in the table below.

Number of Equity Shares traded. (A)	Total no. of Equity Shares of the Target Company during the Relevant Period (B)	Trading Turnover (as a % of Total Equity Shares listed during the Relevant Period) (A/B)
BSE Limited (BSE)		
1,34,47,200	2,32,44,870	57.85%

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.

8 Source of Information

The Analysis is based on trading prices and volumes as available in the public domain. Specifically, the sources of information include:

- Historical Data of Trading Price and Volume traded of the stock on Bombay Stock Exchange

Further, we have also been informed by the Company that

1. The Equity Shares of the Company are listed on the Bombay Stock Exchange.
2. The Equity Shares are frequently traded on the Bombay Stock Exchange and meet the definition of Frequently traded shares as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
3. The Company is proposing to hold Extraordinary General Meeting of Members on 10th December 2025 to approve the proposed preferential issue and hence, the relevant date is 10th November 2025.
4. Provisional Financials as on 30th September 2025.
5. Management certified projected financial statements for period of 6 years for the year ending FY25 to FY31.
6. The present issue of Equity Shares shall not result in change in control of the Company.

9 Caveats

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.

We have relied on data from Recognized Stock Exchange. This source is considered to be reliable and therefore, we assume no liability for the accuracy of the data.

The valuation worksheets prepared for the exercise are proprietary to the 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.

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.

Our Report is not nor should it be construed as our opining or certifying the compliance with the provisions of any law / standards including company, foreign exchange regulatory, accounting and taxation (including transfer pricing) laws / standards or as regards any legal, accounting or taxation implications or issues.

Our Report and the opinion / valuation analysis contained herein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities. This report does not in any manner address, opine on or recommend the prices at which the securities of the Company could or should transact.

10 Distribution of Report

The Analysis is confidential and has been prepared exclusively for **Subam Papers Limited**. 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 the valuer. 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 according to the terms of SEBI ICDR Regulation, 2018.

11 Opinion on Fair Value of Equity Shares

Based on our valuation exercise Fair Value of the Equity Shares as on 10th November 2025 is as under:

Method	in INR
Price determined from the independent registered valuer	146.66

Method	Value per share	Weight	Product
Asset Approach	144.74	50%	72.37
Market Approach	148.58	50%	74.29
Income Approach	57.27	0%	0.00
Weighted Average Value per share			146.66

(*) Refer Annexures for Working

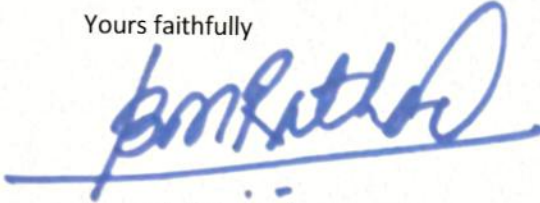
Approach	Method	Selection	Rationale for selection
Asset Approach	NAV Method	Selected	The NAV method has been considered appropriate as it reflects the intrinsic value of the company based on its underlying assets and liabilities. Given that the company's value is substantially supported by tangible and financial assets, this approach provides a realistic representation of its net worth. Considering this, 50% weightage is considered for asset approach for current valuation exercise.
Income Approach	DCF Method	-	The Discounted Cash Flow (DCF) Method has not been adopted under the Income Approach as the value derived under this method does not reflect the true potential of the company and it is below the floor price of the company. Accordingly, no weightage is assigned to the DCF Method for the present valuation exercise.
Market Approach	Market Price	Selected	As the company's equity shares are frequently traded on the BSE, the total trading turnover during the review period (240 trading days) exceeds the threshold prescribed under Regulation 164 of the SEBI (ICDR), regulations for determining a security as 'frequently traded'. Accordingly, 50% weightage has been assigned to the Market Approach in the current valuation exercise.

Control Premium

The present issue of Equity Shares shall not result in change in control of the Company. Hence guidance on control premium is not considered under Regulation 166A.

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

Yours faithfully



Bhavesh M Rathod
Chartered Accountants
M No: 119158
Registered Valuer - Securities or Financial Assets
(Reg No: IBBI/RV/06/2019/10708)

Date: 14th November 2025
Place: Mumbai

UDIN: **25119158BMGZPT3102**

12 Annexure 1

i. Market Approach – Market price Method

As per Regulation 164 SEBI, ICDR on BSE

Method		in INR
90 trading days' volume weighted average price (*)	A	127.16
10 trading days' volume weighted average price (*)	B	148.58
Higher of A & B		148.58

Volume Weighted Average Price for 90 trading Days.

Date	No. of Shares Traded	Total Turnover (Rs.)
07-Nov-25	1,68,800	2,51,35,840
06-Nov-25	60,800	89,68,120
04-Nov-25	96,800	1,42,00,480
03-Nov-25	1,09,600	1,62,37,640
31-Oct-25	40,000	59,74,200
30-Oct-25	89,600	1,34,91,200
29-Oct-25	65,600	98,61,360
28-Oct-25	52,000	77,66,200
27-Oct-25	34,400	51,26,720
24-Oct-25	69,600	1,01,97,320
23-Oct-25	72,800	1,07,52,440
21-Oct-25	24,000	36,76,880
20-Oct-25	16,800	25,40,160
17-Oct-25	49,600	74,15,960
16-Oct-25	97,600	1,41,87,280
15-Oct-25	1,64,000	2,38,71,400
14-Oct-25	2,29,600	3,08,07,160
13-Oct-25	1,22,400	1,62,52,720
10-Oct-25	13,600	19,08,360
09-Oct-25	53,600	78,99,480
08-Oct-25	42,400	62,80,320
07-Oct-25	84,800	1,27,07,120
06-Oct-25	48,800	71,40,440
03-Oct-25	56,800	82,80,360
01-Oct-25	26,400	36,88,600
30-Sep-25	24,000	33,28,680
29-Sep-25	23,200	31,62,000
26-Sep-25	29,600	40,68,440
25-Sep-25	41,600	56,89,840
24-Sep-25	49,600	69,39,280
23-Sep-25	1,32,000	1,85,00,680

22-Sep-25	1,34,400	1,99,59,160
19-Sep-25	67,200	1,01,03,240
18-Sep-25	66,400	99,05,360
17-Sep-25	65,600	96,43,320
16-Sep-25	84,800	1,24,83,680
15-Sep-25	72,000	1,00,25,200
12-Sep-25	1,40,000	1,85,19,440
11-Sep-25	25,600	33,84,120
10-Sep-25	28,000	36,55,760
09-Sep-25	32,000	40,94,480
08-Sep-25	46,400	59,61,800
05-Sep-25	32,000	39,94,600
04-Sep-25	27,200	33,40,600
03-Sep-25	21,600	26,48,920
02-Sep-25	2,400	2,95,200
01-Sep-25	35,200	42,02,240
29-Aug-25	19,200	23,29,440
28-Aug-25	80,000	99,79,912
26-Aug-25	97,600	1,24,73,704
25-Aug-25	1,40,800	1,75,90,688
22-Aug-25	32,800	40,04,560
21-Aug-25	64,000	77,07,216
20-Aug-25	14,400	16,90,344
19-Aug-25	25,600	29,55,344
18-Aug-25	14,400	16,36,224
14-Aug-25	19,200	21,74,992
13-Aug-25	22,400	25,87,768
12-Aug-25	25,600	30,27,656
11-Aug-25	24,000	28,08,800
08-Aug-25	63,200	75,38,848
07-Aug-25	1,91,200	2,17,76,280
06-Aug-25	32,800	35,01,632
05-Aug-25	50,400	53,74,264
04-Aug-25	24,000	24,45,664
01-Aug-25	4,43,200	4,73,64,488
31-Jul-25	3,60,000	3,26,84,760
30-Jul-25	81,600	63,24,000
29-Jul-25	21,600	16,54,088
28-Jul-25	20,000	15,86,800
25-Jul-25	800	62,760
24-Jul-25	2,400	1,86,600
23-Jul-25	8,800	6,71,704
22-Jul-25	32,000	24,58,800
21-Jul-25	12,800	10,02,232
18-Jul-25	12,800	10,17,192
17-Jul-25	11,200	9,01,928

16-Jul-25	12,800	10,31,184
15-Jul-25	22,400	18,30,336
14-Jul-25	9,600	7,92,104
11-Jul-25	12,000	9,94,984
10-Jul-25	4,000	3,38,248
09-Jul-25	8,000	6,94,128
08-Jul-25	12,800	11,24,632
07-Jul-25	6,400	5,41,616
04-Jul-25	20,800	17,93,056
03-Jul-25	12,800	10,98,456
02-Jul-25	20,800	18,04,312
01-Jul-25	10,400	9,13,752
30-Jun-25	26,400	23,80,280
Total	51,99,200	66,11,29,576

Traded Turnover	66,11,29,576
No. of Share Traded	51,99,200
Volume Weighted Average Price for 90 Trading Days	127.16

Volume Weighted Average Price for 10 trading Days.

Date	No. of Trades	Total Turnover (Rs.)
07-Nov-25	1,68,800	2,51,35,840
06-Nov-25	60,800	89,68,120
04-Nov-25	96,800	1,42,00,480
03-Nov-25	1,09,600	1,62,37,640
31-Oct-25	40,000	59,74,200
30-Oct-25	89,600	1,34,91,200
29-Oct-25	65,600	98,61,360
28-Oct-25	52,000	77,66,200
27-Oct-25	34,400	51,26,720
24-Oct-25	69,600	1,01,97,320
Total	7,87,200	11,69,59,080

Traded Turnover	11,69,59,080
No. of Share Traded	7,87,200
Volume Weighted Average Price for 10 Trading Days	148.58

ii. Asset Approach - Net Asset Value Method (NAV Method) as on 30th September 2025

(INR Lakhs)			
Particulars		Book Value	Fair Value
Assets			
Non-current assets			
Fixed Assets			
-Tangible Assets other than Land		25,536.35	25,536.35
-Immovable Property (Land)		49.82	380.01
-CWIP		7,767.51	7,767.51
-Goodwill on Consolidation		799.78	799.78
Long-term loans and advances		1,867.23	1,867.23
Non-Current Investment other than Land		1,084.56	1,084.56
Current assets			
Inventories		6,400.92	6,400.92
Trade receivables		14,353.42	14,353.42
Cash and bank balances		4,345.29	4,345.29
Short-term loans and advances		2,684.86	2,684.86
Other Current Assets		1,346.89	1,346.89
Total Assets	A	66,236.63	66,566.82
Liabilities			
Non-Current Liabilities			
Long Term Borrowings		9,463.89	9,463.89
Long Term Provision		229.89	229.89
Deferred Tax Liabilities (Net)		1,583.47	1,583.47
Other Non current liabilities		409.50	409.50
Current liabilities			
Short Term Borrowings		13,208.59	13,208.59
Trade payables		5,726.25	5,726.25
Other current liabilities		1,414.13	1,414.13
Short-term provisions		278.43	278.43
Total Liabilities	B	32,314.15	32,314.15
Net-Worth	(A - B)	33,922.48	34,252.67
Less: Non-Controlling Interest	C	609.12	609.12
Equity available to the Parent Company	D = (A - B) - C	33,313.36	33,643.55
No. of Equity Shares	E	2,32,44,870	2,32,44,870
Value Per Share	D / E	143.31	144.74

Note 1: Fair Value of Tangible Assets

Particulars	Area (In Acres)	Rate (per Acre)	Book Value	Fair Value
Land	190	2,00,004.00	49.82	380.01
Total			49.82	380.01

iii. Income Approach – Discounted Cash Flow Method (DCF Method)

We have been provided with the business projection of the Company for **Six years** by the Management, which we have considered for our Analysis. Accordingly, the projected free cash flows to Firm ("FCFF") based on these financial statements is set out below:

(INR Crores)

Number of Months		6	12	12	12	12	12	
Particulars		FY26	FY27	FY28	FY29	FY30	FY31	TV
EBITDA		43.65	77.34	80.53	83.87	87.39	87.48	90.98
Less: Depreciation		-33.72	-60.74	-48.67	-39.01	-31.27	-25.07	-26.07
EBIT		9.93	16.60	31.86	44.87	56.12	62.41	64.91
Less: Tax on EBIT	25.17%	-2.50	-4.18	-8.02	-11.29	-14.12	-15.71	-16.34
NOPAT		7.43	12.42	23.84	33.58	42.00	46.70	48.57
Add: Depreciation		33.72	60.74	48.67	39.01	31.27	25.07	25.07
Less: Capex		0.00	0.00	0.00	0.00	0.00	0.00	
(Increase)/ decrease in working capital		41.86	-29.72	-28.20	-28.50	-67.92	-61.40	-38.97
Free cash flow to firm ('FCFF')		83.01	43.44	44.31	44.08	5.34	10.37	34.67
Annual factor		0.50	1.00	1.00	1.00	1.00	1.00	
Discounting period (end year)		0.50	1.50	2.50	3.50	4.50	5.50	
PV factor	15.92%	0.93	0.80	0.69	0.60	0.51	0.44	
PV of FCFF		77.12	34.82	30.63	26.29	2.75	4.60	

PV of FCFF for the horizon period	176.20	A
FCFF for terminal year	34.67	
WACC (Note 1)	15.92%	
Perpetuity Growth	4.00%	
Capitalisation Rate	11.92%	
Gross terminal value	290.79	
PV factor	0.44	
PV of terminal value	129.05	B
Enterprise value	305.25	A+B

Less: Long Term Debt	-226.72	
Add: Investments	11.14	
Add: Cash & Bank	43.45	
Fair Value of Equity	133.12	
No of Share	2,32,44,870	
Value Per Share (in INR)	57.27	

Assumptions

WACC	15.92 %
Long Term Growth Rate	4.00 %

Terminal Value

The terminal value refers to the present value of the business as a going concern beyond the period of projections up to infinity. This value is estimated by taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimates growth rate of the industry and economy. Based on dynamics of the sector and discussions with the Management we have assumed a terminal growth rate of **4.00 %** for the Company beyond the projections periods. The cash flows of **Rs. 34.67 Crores** have been used to determine the terminal value. Based on these assumptions the terminal value has been calculated at **Rs. 290.79 Crores**.

Using these cash flows and a discount rate of **15.92 %** we estimate the equity value of the Company **Rs. 133.12 Crores**.

Discount Factor

Discount Factor considered for arriving at the present value of the Free Cash Flows to the Firm ("FCFF") is the WACC.

The Weighted Average Cost of Capital ("WACC") is based on the proportionate weights of each component of the source of capital, i.e. weighted average of The Cost of Equity ("COE") & The Cost of Debt ("COD") wherein the ratio of Equity/Debt on total capital is the proportionate weights

WACC: COE * Equity Weightage of total Capital + COD * Debt Weightage of total Capital

Note 1: Calculations of WACC

Particulars	Note	%
Base Cost of equity		14.43%
Company specific risk premium		4.00%
Adjusted CoE	Note 2	18.43%
- Equity Weightage (*)		79.21%
Weighted CoE (A)		14.60%
Post tax cost of debt	Note 3	6.36%
- Debt Weightage (*)		20.79%
Weighted CoD (B)		1.32%
WACC (A + B)		15.92%

(*) Weightage based on Debt-to-Equity ratio of next Projected 6 Years

Note 2:

Organisation Specific Discount Rate

- Cost of Equity of 18.43 % is taken as Discounting rate, calculated using,
 - Historical Market Return of BSE 500 from February 01, 1999, to November 10, 2025, is 14.43 %
 - We have considered Premium of 4.00 % towards risk and illiquidity

	Rate	Source
Market Return (Rm)	14.43 %	Return of BSE 500 for the period of Feb 01, 1999, to November 10, 2025.
Company Specific Risk	4.00%	Contingency of revenues, projected high profitability, achievability of projections

Based on the above parameters, the cost of Equity has been calculated at **18.43 %**

Note 3: Post Tax Cost of Debt

Cost of Debt (*)	8.50%
Tax rate	25.17%
Post tax	6.36%

(*) As per Management Representation