

Date: September 14, 2021

To, Board of Directors Akara Capital Advisors Private Limited 60, Third Floor, Arjun Nagar, Kotla Mubarak Pur New Delhi North East Delhi 110003 India

Dear Sir,

Sub: Valuation Analysis of the Equity Shares of Akara Capital Advisors Private Limited.

We refer to our engagement letter dated September 10, 2021 for carrying out the valuation of **Equity Shares** of **Akara Capital Advisors Private Limited** (here-in-after referred as "**Company**" or "**ACAPL**"). In accordance with the terms of the engagement, we are enclosing our report along with this letter. In attached report, we have summarized our Valuation analysis of the shares as at August 01, 2021 together with the description of methodologies used and limitation on our Scope of Work. This Valuation Analysis is confidential and has been prepared for you for providing the same to government or regulatory authorities and this report can be provided to governmental authority for compliance with the Income tax Act, 1961 and FEMA Rules and Rgulationss as detailed hereinafter in this report. It should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of Beeline Broking Limited. Such consent will only be given after full consideration of the circumstance at that time. We trust that the above meets your requirements.

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

Thanking you,

Yours faithfully,

For, Beeline Broking Limited

(SEBI Registration No.- INM000012546)

Khushbu Shah Director DIN: 02507013

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Place: Ahmedabad

BEELINE BROKING LIMITED CIN: U51900GJ2014PLC080598



#### 1. BACKGROUND OF THE COMPANY:

### **History:**

Akara Capital Advisors Private Limited ("ACAPL") is Private Limited Company incorporated under the Companies Act, 2013 on February 11, 2016, having its registered office at 60, Third Floor, Arjun Nagar Kotla Mubarak Pur New Delhi North East Delhi 110003 India. The Company Identification Number (CIN) of the company is U74110DL2016PTC290970.

ACAPL is registered as Non-Deposit Taking Non Systematically Important Non-Banking Financial Company under section 45-IA of Reserve Bank of India Act, 1934.

## Main Object of the ACAPL is;

- 1. To act as financial consultants, management consultants, intermediary and to provide advice, services, consultancy in the fields of commercial, financial, credit, economic, investment, industrial, public relations, general administrative, technical, statistical and data processing.
- 2. To carry on the business as financial consultants and to provide consultancy in financial & credit matters, advise and assist in the preparation of credit assessments, revenue and capital budgets, planning and utilization of resources, business interface, to undertake part in the management supervision or control of the business to advise and assist in the formulation of policies and procedures, to take part in the formation, supervision or control of the business operations and for that purpose to act as an Consultants or in any other capacity and generally to advise and assist in all financial, fiscal and revenue matters to act as an consultants or in any other capacity to advise and assist in formulating short term, long term financial policies and control of their execution, and generally to advise and assist in financial, fiscal and revenue matters to make project evaluation, fund advisory, insurance advisory, feasibility studies, project reports, forecasts and surveys, ways and means for improving efficiency in business organizations.
- 3. To carry on the business of financial and investment consultants, finance brokers, stock brokers, underwriters, sub- underwriters, registrars, Issue House, Share Transfer Agents and to invest or subscribe for purchase or otherwise acquire and sell, dispose of, exchange, hold and otherwise deal in shares, debenture, debenture stock, bonds, units, obligations and securities issued by any authority or otherwise and to take part in the formation, supervision or control of the business operations and any company or undertaking whether in India and abroad.
- 4. To carry on the business of financing, lending and advancing short-term and long-term loans, credit, operating lease, hire purchase, either with or without security or on guarantee on such terms as may seem expedient by the company and to invest, acquire, hold, sell, purchase, or otherwise deal in securities i.e. shares, stock, debentures or other marketable securities issued or guaranteed by any entity or government or do such activities as may be permitted by the applicable laws and regulations.

## **Board of Directors:**

Sr. No.	Name	DIN
1.	Mr. Radhakrishnan Ramachandra Iyer	01309312
2.	Mr. Tushar Aggarwal	01587360
3.	Mr. Satish Chandra Sinha	03598173
4.	Mrs. Shruti Aggarwal	06867269





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#### 2. PURPOSE:

ACAPL intend to issue equity shares to resident as well nonresidents to meet its funding requirement. In this regard, ACAPL has engaged me to carry out valuation of the shares of the Company as per requirements of Companies Act, 2013 and rules made there under and Foreign Exchange Management (Non-debt Instruments) Rules, 2019 on valuation date being August 01, 2021.

### 3. SOURCES OF INFORMATION:

We have been provided the following information for the valuation analysis:

- MOA & AOA of ACAPL;
- Audited Financial Information of ACAPL for the year ended on March 31, 2020;
- Provisional Financial Information of ACAPL for the year ended on March 31, 2021 and for the period ended on July 31, 2021;
- Projected Financial Statement for explicit period prepared and certified by the management of the Company (Annexure M);
- Other related information from various sources;

We have also obtained necessary explanations & information, which we believed were relevant to the present exercise, from the executive and representatives of ACAPL.

#### 4. VALUATION REQUIREMENT:

As per Rule 11UA(2) of Income Tax Rules, 1962 Fair Market Value (FMV) of unquoted equity shares can be determined, at the option of assessee, as per NAV (Net Asset Value) Method or Discounted Free Cash Flow Method (DCF). NAV methods is based on asset value of Company while DCF methods is based on the earnings potential of the Company. Each method proceeds on different fundamental assumptions which have greater or lesser relevance and at times even no relevance, to a given situation. Thus, the methods to be adopted for a particular valuation exercise must be judiciously chosen.

As per rule 21(2)(a)(ii) of Foreign Exchange Management (Non-debt Instruments) Rules, 2019, in case of issue of equity instruments by Indian Unlisted Company, to person resident outside India price of such equity instrument shall not be less than the valuation of equity instruments done as per any internationally accepted pricing methodology for valuation on an arm's length basis duly certified by a Chartered Accountant or a Merchant Banker registered with the Securities and Exchange Board of India or a practising Cost Accountant.

As per rule 2(k) of Foreign Exchange Management (Non-debt Instruments) Rules, 2019 "equity instruments" means equity shares, convertible debentures, preference shares and share warrants issued by an Indian company.

### 5. VALUATION APPROACH AND METHODS:

#### A. VALUATION APPROACH





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## **Market Approach:**

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

The following are some of the instances where a valuer applies the market approach:

- (a) Where the asset to be valued or a comparable or identical asset is traded in the active market;
- (b) There is a recent, orderly transaction in the asset to be valued; or
- (c) There are recent comparable orderly transactions in identical or comparable asset(s) and information for the same is available and reliable.

Under the "Market" Approach, it measures the value of an asset through an analysis of recent sales of comparable property compared to the property being valued. When applied to the valuation of an equity interest, consideration is given to the financial condition and operating performance of the subject company compared to either publicly traded companies with similar lines of business or recent corporate acquisitions (Guideline Companies).

Typically the entities selected for comparison are subject to economic, political, competitive and technological factors that correspond with those confronting the company.

However, comparable that fit perfectly rarely exist. Privately held companies are compared to publicly traded ones that are typically further along in their stage of development, have superior access to capital, and have common stock that is readily marketable.

## **Income Approach:**

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 capitalised) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

The following are some of the instances where a valuer may apply the income approach:

- (a) Where the asset does not have any market comparable or comparable transaction;
- (b) Where the asset has fewer relevant market comparable; or
- (c) Where the asset is an income producing asset for which the future cash flows are available and can reasonably be projected.

### **Cost Approach**

Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

Examples of situations where a valuer applies the cost approach are:

- (a) An asset can be quickly recreated with substantially the same utility as the asset to be valued;
- (b) In case where liquidation value is to be determined; or
- (c) Income approach and/or market approach cannot be used.

This approach is generally used for Valuation of Non-Financial Asset or value to be find for liquidation.



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#### **B. VALUATION METHODS**

There are various methods under approaches discussed above such as Market Multiple (EBDIT Revenue Book value etc.) or Market Pricing (Compare with Benchmark Securities) etc.. For Market Approach, Reproduction Cost Method & Replacement Cost Method under Cost Approach and Present Value techniques such as Discounted Cash Flow (DCF) Method, Relief from Royalty (RFR) Method, Multi-Period Excess Earnings Method, with and Without Method, Option pricing models such as Black-Scholes-Merton formula or binomial (lattice) model under Income Approach.

## SELECTION OF VALUATION APPROACH & METHODOLOGY

The ICAI Valuation Standards, 2018 provide guidance on different valuation approaches and methods that can be adopted to determine the value of an asset.

For the purpose of arriving at the Fair Value of the Shares of the ACAPL, the valuation base is considered as 'Fair Value'. As per IND AS 113 "Fair Value Measurement", Fair Value is the price that Fair Value 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. Fair Value will determined depending upon nature of asset for which fair value is sought. The valuation report is based on the premise of 'Going Concern value'. Going concern value is the value of a business enterprise that is expected to continue to operate in the future. Based on above factors and discussion with management we have considered Discounted Cash Flow method (DCF) to be used for valuation of shares of ACAPL.

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond control. In addition, this valuation will fluctuate with changes in the prevailing market conditions, the conditions prospects, financial and otherwise, of the Company, and other factors which generally influence the valuation of Company and its 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 emphasised that a valuer can arrive at only one value for one purpose. The choice of methodology of valuation has been arrived at, considering the terms and purpose of the valuation engagement and reasonable judgment, in an independent and bona fide manner. Therefore, the approach, method, base and premise of value in this valuation has been selected after taking into consideration the terms and purpose of this engagement and the same are detailed in the relevant points of this report.

Considering the business model of the company and context and purpose of the Report, I have used the DCF method as it captures the growth potential of the business going forward. I have used this method to calculate the fair value of the Company based on the financial projections prepared by the Management of the Company.

# > DISCOUNTED FREE CASH FLOW METHOD:

• DCF Method expresses the present value of a business as a function of its future cash earning capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flows stream, discounted to the present times at an appropriate discount rate. It recognizes that money has a time value by discounting future cash flows at appropriate discount factor.

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- This method is used to determine the present value of a business on a going concern assumption. The DCF methodology depends on the projection of the future cash flows and the selection of an appropriate discount factor.
- When valuing a business on a DCF basis, the objective is to determine a net present value of the cash flows ("CF") arising from the business over a future select period of time of the project life, which is called the explicit forecast period. Free cash flows are defined to include all inflows and outflows associated with the project including debt service, taxes, and capital expenditure and net changes in working capital requirement etc. Under the DCF methodology, value must be placed both on the explicit cash flows as stated above, and the ongoing cash flows a company will generate after the explicit forecast period. The latter value, also known as terminal value, is also to be estimated. 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 estimated growth rate of the industry and economy.
- The longer the period covered by the projection, the less reliable the projections are likely to be. For this reason, the approach is used to value businesses, where the future cash flows can be projected with a reasonable degree of reliability.
- The discount rate applied to estimate the present value of explicit forecast period free cash flows to firm (without considering debt inflows / outflows & interest related outflow) and to estimate the present value of terminal cash flow, is taken at weighted average cost of capital (WACC) of company. The principal elements of WACC are cost of equity (which is the desired rate of return for an equity investor given the risk profile of the company and associated cash flows) and the post-tax cost of debt and the capital structure of the company (a function of debt to equity ratio). Cost of Equity is derived, on the basis of capital asset pricing model (CAPM), it is function of risk-free rate (Rf), Beta (β) (an estimate of risk profile of the company relative to equity market) and equity risk premium (Rp) (excess of return on equity issued to public in India (Rm) over the risk free rate of return (Rf) earned) assigned to the subject equity market. Cost of equity is further increased by risk specific to company being unsystematic risk. Cost of Debt is arrived at based on expected cost of debt of the company.
- Terminal value represents the present value at the end of explicit forecast period of all subsequent cash flows to the end of the life of the asset or into perpetuity if the asset has an indefinite life. In case of assets having indefinite or very long useful life, it is not practical to project the cash flows for such indefinite or long periods. Therefore, the valuer needs to determine the terminal value to capture the value of the asset at the end of explicit forecast period.
- Terminal of Value of cash flow is calculated as per Gordon growth formula mentioned below;

# (Last year cash flow of explicit period X (1+Growth rate)/ (WACC-Growth rate))

 Value obtained by discounting cash flow of each explicit period gives us the Total Value of Firm/Enterprise Value. Cash and Cash equivalent balance is added to Enterprise Value, Total debt liabilities and claims of preference shareholders, Contingent Liability, if any, are reduced from total value of firm to arrive at value to equity shareholders as on valuation. Enterprise Value is further adjusted for long term loans and Advances provided or any long term provisions made in the books of account and outstanding on valuation date.



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- The Discounted Free Cash Flow ("DCF") method, an application of the Income Approach is arguably one of the most recognized tools to determine the value of a business.
- This method is generally used when there is reasonable certainty on the timing, quantum and quality of
  the cash flows, which has its close coupling with the underlying assets. It is the most commonly used
  valuation technique, and is widely accepted by valuers because of its intrinsic merits, some of which are
  given below:
  - (a) It is a very sound model because it is based up on expected future cash flows of a company that will determine an investor's actual return.
  - (b) It is based on the expectations of performance specific to the business, and is not influenced by short-term market conditions or non-economic indicators.
  - (c) It is not as vulnerable to accounting conventions like depreciation, inventory valuation in comparison with the other techniques/approaches since it is based on cash flows rather than accounting profits.
  - (d) For the purpose of the present valuation exercise, I have considered fit to use Discounted Free Cash Flow (DCF) Method for determining the fair value of shares of the Company..

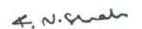
#### 6. VALUATION ASSUMPTIONS IN APPLYING DCF APPROACH:

The fair market value of shares of the Company under this method has been arrived as follows:

Valuation under DCF method is based on Audited Financial Information for 2019-20, provisional financial statement for FY 2020-21 and management certified projections for FY 2021-22 to FY 2025-26. The projection certified from FY 2021-22 to FY 2025-26 are considered as explicit period in this valuation analysis.

For the explicit period, free cash flows from the business have been arrived at as follows:

- > Profits after tax as per the projections have been considered.
- > Depreciation & amortization on fixed assets have been added to the Net profits after tax.
- > Capital expenditure, change in working capital requirement is adjusted from above cash flow to arrive at free cash flow to firm.
- The cash flows of each year are then discounted at WACC. WACC is considered as one of the most appropriate discount rate in the DCF Method. The WACC is worked out using the following parameters:
  - Cost of Equity is worked out using the following formula:
  - Risk Free Return in India + (Beta x Equity Risk Premium) + Company Specific Risk
    - The risk free rate of return is taken at 6.20% being 10 years Government of India bond yield as at July 30, 2021 (https://countryeconomy.com/bonds/india).
    - Industry Beta is Assumed at 1.00.
    - Market Risk Premium (Rp) i.e. Rp= (Rm-Rf). The equity risk premium is considered at 9.74% (Source: Based BSE Sensex CAGR since April 01, 1979 till July 30, 2021)
    - Company Specific Risk is taken at 5% being for risk related to Management capability and achievability of projections by company, stability of industry in which company is operating, diversification of product line of the company.



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Based on above workings and information obtained from management of the company, COE is calculated at 20.94%.

• Post tax Cost of Debt: 5.60% (Considering Pre-tax cost of Debt of 8.00% p.a. as provided by management of ACAPL).

Average (during explicit period) Debt Equity ratio of 0.61:0.39 is used to calculate WACC. Based on above working WACC is calculated at 14.97%.

- \*Present value factor for FY 2021-22 is considered proportionately for remaining period (8 Months i.e. from August 01, 2021 to March 31, 2022) of FY 2021-22. Therefore, proportionate cash flows of FY 2021-22 are discounted with proportionate present value factor. (Annexure: I)
- > Based on dynamics of the sector and discussions with the Management, we have assumed a terminal growth rate of 3% beyond the projection period. The cash flows of FY 2025-26 have been used to determine the terminal value. Based on these assumptions and as per Gordon constant growth formula mentioned in point 4 of this report, the terminal value has been calculated at ₹ 21,676.40 Lakhs at the end of explicit period. Terminal Value discounting factor is calculated based on discounting factor of FY 2025-26.
- > The discounted perpetuity value is added to the discounted free cash flows for the explicit period to arrive at the enterprise value/ value to firm.
- ➤ Cash and Cash Equivalent as at July 31, 2021 is added, Total Debt/loan liability, Long-term provisions and contingent liability as at July 31, 2021, if any, is reduced from Enterprise value to calculate Value available to Shareholders.
- ➤ Value available to Shareholders is further adjusted for Discount on lack of marketability since shares of the company are not traded on any stock exchange. Under ICAI Valuation Standard, DLOM (Discount on Lack of Marketability) need to be applied under Income approach while valuing illiquid securities. As per International valuation Standard, A DLOM reflects the concept that when comparing otherwise identical assets, a readily marketable asset would have a higher value than an asset with a long marketing period or restrictions on the ability to sell the asset. For example, publicly-traded securities can be bought and sold nearly instantaneously while shares in a private company may require a significant amount of time to identify potential buyers and complete a transaction. We have applied DLOM of 10%.
- The value so arrived is divided by the Total number of Shares as at July 31, 2021.

### 7. CONCLUSION:

Valuation is neither a pure art nor a pure science but a perfect combination of both. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share.

Though different values might have been arrived at under each of the methods mentioned in point 5 of this report, for the purposes of recommending a fair market value, it is necessary to arrive at a single value of the Company. We have considered it appropriate to choose DCF Method to arrive at fair market value of shares which is also considered as internationally accepted pricing methodology as per International valuation Standards.

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In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined in this report, we have estimated the fair market value per share of the Company to be INR 13/(Rupees Thirteen Only) (Rounded Off) (The working is enclosed herewith as Annexure I to this report).

### 8. LIMITATIONS/DISCLAIMERS:

Our report is subject to the scope limitations detailed hereinafter.

As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. Our engagement for this valuation consulting work does not include any procedures designed to discover any defalcations or other irregularities, should any exist.

We have not independently assessed the historic and future impact of COVID-19 Pandemic situation on the operation and financial efficiency of ACAPL. Management of ACAPL has confirmed us that appropriate adjustment of COVID-19 is made in projected financial statement and we have relied upon information and documents received from Company and its Management.

Projected Financial information of explicit period of the subject company is included solely to assist in the development of a value conclusion presented in this report and should not be used to obtain credit or for other purpose. For the purpose of valuation we have taken base of Projected Financial Statement for explicit period prepared and certified by the management of the Company.

Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While Beeline Broking Limited has provided an assessment of the value based on the information available, application of certain formula and within the scope and constraints of our engagement, others may place a different value to the same.

No change of any item in this valuation/conclusion report shall be made by anyone other than Beeline Broking Limited, and we shall have no responsibility for any such unauthorized change(s). Public information, estimates, industry and statistical information contained in this report have been obtained from sources considered to be reliable. However, we independently did not verify such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.

The company and its representatives warranted to us that the information supplied to us was complete and accurate to the best of their knowledge and that the financial information properly reflects the business conditions and operating results for the respective periods in accordance with generally accepted accounting principles. Information supplied to us has been accepted as correct without any further verification. We have not audited, reviewed, or compiled the historical and projected financial information provided to us and, accordingly, we do not express any audit opinion or any other form of assurance on this information. Because of the limited purpose of the information presented, it may be incomplete and contain departures from generally accepted accounting principles. In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement.

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Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company. We assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise.

The draft of the present report was circulated to the Management for confirming the facts stated in the report and to confirm that information or facts stated are not erroneous and the assumptions used are reasonable.

No investigation on the Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the liabilities in the books. Therefore, no responsibility is assumed for matters of a legal nature.

Our work does not constitute an audit or certification of the historical financial statements/prospective results including the working results of the Company referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation mentioned in the report and it is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

Our recommendation is based on the estimates of future financial performance as projected by the management, which represents their view of reasonable expectation at the point of time when they were prepared, but such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.

A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Company and any other matter, which may have an impact on our opinion, on the fair market value of the shares of the Company including any significant changes that have taken place or are likely to take place in the financial position of the Company. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Our fees is not contingent to the results or output of this report. We will not be responsible to appear in front of income tax, RBI or any other regulatory authority in relation to the said valuation.

The decision to carry out the transaction (including consideration thereof) on the basis of this valuation lies entirely with the ACAPL and its shareholders and our work and our finding shall not constitute a recommendation as to whether or not ACAPL or its shareholder should carry out the transaction. The report and conclusion of value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The conclusion of value represents the considered opinion of Beeline Broking Limited, based on information furnished to us by the client and other sources. Any person/party intending to provide finance/invest in the shares/business of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.







Our report is meant for the purpose mentioned in point 2 of this report and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

Neither Beeline Broking Limited, nor its directors, managers, employees makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

For, Beeline Broking Limited (SEBI Registration No.- INM000012546)

Khushbu Shah Director

4. N. S

Place: Ahmedabad

DIN: 02507013

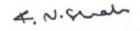
Encl: Annexure I referred in Point No. 5 & 6 and Annexure M referred in Point no. 3



## Annexure: I

Shares Valuation working of Akara Capital Advisors Private Limited as at August 01, 2021 (Amount in Rs. Lakhs)							
Years	Cash Flow	WACC	Present Value Factor	Discounte d Cash Flow			
2021-22*	161.47	9.98%	0.9093	146.82			
2022-23	506.81	14.97%	0.7909	400.83			
2023-24	984.29	14.97%	0.6879	677.11			
2024-25	1,637.35	14.97%	0.5984	979.71			
2025-26	2,518.71	14.97%	0.5205	1,310.87			
Terminal Value of Cash Flow#	21,676.40	14.97%	0.5205	11,281.53			
Total Value of Firm/ Enterprise				14,796.86			
Debt as at as at July 31, 2021				7,259.87			
Contingent Liability as at July 31, 2021				000			
Cash and Cash Equivalent Balance as at July 31, 2021				1,025.57			
Long Term provisions as at July 31, 2021				18.92			
Total Value of Share Holders before DLOM				8,543.64			
DLOM@10%				854.36			
Total Value of Share Holders after DLOM				7,689.27			
Shares outstanding as at July 31, 2021 (In Lakhs)				590.69103			
Fair Market Value per equity share in ₹. (Rounded Off)				13			

Assumptions					
Tax Rate	As per Income tax				
Discount Rate	14.97%				
Perpetual growth rate	3.00%				





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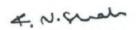


## WACC

Particulars	%	Weights	WACC	
Risk Free Return (Rf)	Return (Rf) 6.20%			
Market Risk Premium (Rp)	9.74%	]	12.79%	
Beta (β)	1.00	0.61		
Company Specific Risk	5.00%	]		
Cost of Equity= (Rf+(Rp*β))+ Company Specific Risk	20.94%			
Post tax Cost of Debt	5.60%	0.39	2.18%	
WACC			14.97%	

# FREE CASH FLOW TO FIRM (AMOUNT IN RS. LAKHS)

Year	2021-22 (8M)	2022-23	2023-24	2024-25	2025-26
Profit after Tax	122.53	460.98	930.87	1,575.59	2,447.78
Depreciation	68.94	75.83	83.41	91.75	100.93
Capex	-30.00	-30.00	-30.00	-30.00	-30.00
Changes in working Capital	0.00	0.00	0.00	0.00	0.00
Free cash flow to Firm	161.47	506.81	984.29	1,637.35	2,518.71
Terminal Value of Cash Flow#					21,676.40







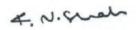
## "Annexure M"

## PROJECTED PROFIT AND LOSS ACCOUNT

(Amount in Rs. Lakhs)

Particulars	FY2020 (Audite d)	FY2021 (Provi.)	FY2022 (Project ed) (8M)	FY2022 (Project ed) (12M)	FY2023 (Project ed)	FY2024 (Project ed)	FY2025 (Project ed)	FY2026 (Project ed)
Revenue from Operations	5,372.50	2,101.19	1,358.04	2,311.30	2,889.13	3,755.87	4,882.63	6,347.42
Other Income	0.00	19.63	0.45	1.48	1.80	2.16	4.32	4.62
Total revenue	5,372.50	2,120.82	1,358.49	2,312.78	2,890.93	3,758.03	4,886.95	6,352.04
Expenditure								
Finance Cost	442.12	433.56	293.94	476.92	524.61	577.07	634.78	698.26
Employee Benefit Expenses	326.33	428.90	263.37	471.79	518.97	570.86	627.95	690.74
Other Expenses	4,465.81	921.18	515.06	1,013.29	1,114.62	1,226.09	1,348.69	1,483.56
Depreciation	20.26	62.67	68.94	68.94	75.83	83.41	91.75	100.93
<b>Total Expenses</b>	5,254.53	1,846.31	1,141.30	2,030.94	2,234.03	2,457.43	2,703.18	2,973.49
Profit Before Tax	117.98	274.51	217.19	281.85	656.90	1,300.60	2,183.77	3,378.54
Tax Expenses	34.05	89.76	94.66	94.66	195.92	369.72	608.18	930.77
Profit / (loss) before tax	83.93	184.75	122.53	187.19	460.98	930.87	1,575.59	2,447.78

(Sources: As Certified by management)





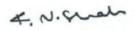


# PROJECTED BALANCE SHEET

(Amount in Rs. Lakhs)

	3/31/202	7/31/202	3/31/202	3/31/202	3/31/202	3/31/202	3/31/202
<b>Particulars</b>	1	1	2	3	4	5	6
	Provi.		Projections				
<b>EQUITY &amp; LIABILITIES</b>							
Shareholder's Fund:							
Share Capital	5,906.91	5,906.91	8,316.02	8,316.02	8,316.02	8,316.02	8,316.02
Reserves and Surplus	1,763.65	1,828.31	2,673.57	3,134.55	4,065.42	5,641.02	8,088.79
Share Application Money Pending Allotment	0.73	0.00	0.00	0.00	0.00	0.00	0.00
Loan Funds							
Secured Loan	4,772.60	7,259.87	5,727.12	6,872.55	8,247.06	9,896.47	11875.76
Long Term Provisions	18.92	18.92	18.92	18.92	18.92	18.92	18.92
DTL	14.13	14.13	14.13	14.13	14.13	14.13	14.13
Current Liability:							
Sundry Creditors	274.48	118.68	301.93	326.08	352.17	380.34	410.77
Short Term Provision	202.27	221.58	222.49	240.29	259.51	280.28	302.70
Other Current Liabilities	262.41	270.58	288.66	311.75	336.69	363.62	392.71
Total	13,216.1 1	15,638.9 8	17,562.8 4	19,234.2 9	21,609.9	24,910.8 0	29,419.8 1
ASSETS							
Fixed Assets:							
WDV	155.95	388.45	388.45	427.20	381.37	327.96	266.21
Addition	295.17	0.00	30.00	30.00	30.00	30.00	30.00
Less: Depreciation for the year	62.67	0.00	68.94	75.83	83.41	91.75	100.93
Closing WDV	388.45	388.45	427.20	381.37	327.96	266.21	195.28
<b>Current Assets:</b>							
Trade Receivables	2,251.67	248.74	2,702.00	2,918.16	3,151.62	3,403.75	3,676.05
Cash & Cash Equivalents	628.83	1,025.57	2,497.05	3,043.24	4,207.51	6,204.18	8,426.52
Short Term Loans and Advances	9,184.31	13037.96	11021.18	11902.87	12855.10	13883.51	15876.56
Other Current Assets	762.84	938.26	915.41	988.64	1,067.73	1,153.15	1,245.40
Total	13216.11	15638.98	17562.84	19234.29	21609.92	24910.80	29419.81

(Sources: As Certified by management)





BEELINE BROKING LIMITED CIN: U51900GJ2014PLC080598