

Dinesh Kumar Deora
Registered Valuer - Securities or Financial Assets
IBBI Registration Number IBBI/RV/07/2019/12711
PVAI RVO COP Number COP/01/OFL/23-24/496

ADDRESS: # 205, NADIADWALA MARKET, PODDAR ROAD, MAIAD (EAST), MUMBAI-400097
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**REVISED VALUATION REPORT
FOR DETERMINATION OF FAIR VALUE OF EQUITY SHARES OF**

“LLOYDS ENGINEERING WORKS LIMITED”

AND

“TECHNO INDUSTRIES PRIVATE LIMITED”

Prepared by:

Independent Registered Valuer: Dinesh Kumar Deora

IBBI Registration No.: IBBI/RV/07/2019/12711



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Disclaimers

This 'Valuation Report' ("report") is being furnished for determination of the fair value of equity shares of **Lloyds Engineering Works Limited ("Lloyds Engineering")** and **Techno Industries Private Limited ("Techno")**, on a going concern basis. I understand that the purpose of the said report is to determine the fair value of equity shares of both the Companies i.e. **Lloyds Engineering and Techno**. I, Dinesh Kumar Deora, (hereafter referred to as "Independent Registered Valuer") have been appointed by the Audit Committee of Lloyds Engineering and by the Board of Directors of Techno for submitting the Fair Valuation report of Equity Shares. I understand that the management of Lloyds Engineering is contemplating to issue and allot Equity Shares to the Promoter Shareholder of Techno not belonging to Promoter/ Promoter Group of Lloyds Engineering on preferential basis for consideration other than cash i.e. swap of shares pursuant to the provisions of Section 42 and Section 62 of the Companies Act, 2013 and subject to the compliance of the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable provisions, if any.

I have not considered the impact of any changes on the business / economic environment of the company or general industry post the valuation date.

The report has been prepared by Independent Registered Valuer from information extracted from desk research, published reports and other data supplied by the management of the company and other sources believed to be reliable and true. Our scope of work does not include verification of data submitted by management and has been relied upon by us. The report may not be distributed, published, reproduced or used, without the prior express written consent of Independent Registered Valuer, for any purpose other than the objectives of this report.

The factual data, business details and financial statements have been provided by the management of Lloyds Engineering and Techno, which has been relied upon by Independent Registered Valuer, without verifying the accuracy thereof. While the information provided herein is believed to be true and reliable to the best of our knowledge, I do not make any representations or warranties, express or implied, as to the accuracy or completeness of such information.

The report highlights the alternative approaches to valuation, identifies various factors affecting the valuation, summarizes the methodology keeping in view the circumstances of the company and arrives at the value of the company.

Sub Disclaimers-

Reliance on information provided:

I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us; I have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Company. In the course of the valuation exercise, I have obtained both oral and written data, including market, technical, operational and financial information. I have evaluated such information through a broad comparative analysis and enquiry.

Actual results may differ:

The assumptions used in their preparation, as I have been explained, are based on the



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management's present expectation of both – the most likely set of future business events and the management's course of action related to them. Wherever I have not received details information from the management, I have used our assessment of value based on experiences and circumstances of the case. It is usually the case that some events and circumstances do not occur as expected or are not anticipated.

Questions or appearances:

Our engagement is limited to preparing the report to be submitted to the management. I shall not be liable to provide any evidence for any matters stated in the report nor shall I be liable or responsible to provide any explanation or written statement for any assumption, information, methodology or any other matter pertaining to the report.

Complete report:

This report shall at all times be read and interpreted in full, no part of it shall be read independently for any reason whatsoever.

Chapter 1: Background

1.1 Purpose of Valuation Exercise

- The Audit Committee of Lloyds Engineering and the Board of Directors of Techno appointed Independent Registered Valuer to issue the Valuation Report (“the report”) for determination of the fair valuation of Equity Shares of both the Companies as per the internationally accepted valuation principles.
- The Companies are looking to assess its fair value of equity shares as required under Regulation 163 (3) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR”) using Audited Financial Results as on 31st March, 2024 to determine the swap ratio.
- The valuation is undertaken based on Audited Financial Results as on 31st March, 2024 and Audited Financial Statements for the financial period 31st March, 2024, 31st March, 2023 and 31st March, 2022.
- This report has been issued in accordance with section 247 of Companies Act 2013, which provides statutory backing to the Valuation, which requires that in respect of valuation of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of this Act, it should be valued by a person having such qualification and experience and registered as valuer in such manner as may be prescribed.
- In view of the above background, Independent Registered Valuer understands that Lloyds Engineering is contemplating to issue and allot Equity Shares to the Promoter Shareholder of Techno for consideration other than cash i.e. swap of shares. The purpose of this report is to determine the fair value of equity shares/equity linked securities of both Companies that will be allotted to the Proposed Allottee in accordance with the requirement of section 62(1)(c) of the Companies Act, 2013 and any other relevant provisions of the Companies Act, 2013 read with Regulation 163 (3) of SEBI (ICDR) Regulations, 2018, which states that when a company proposes to issue new shares through Preferential Issue for consideration other than cash, then swap of shares shall be determined by the Companies pursuant to Valuation Report from an Independent Registered Valuer.



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1.2 Background of Lloyds Engineering Works Limited

Company Profile

Lloyds Engineering Works Limited was incorporated on 19th September, 1994. The Company is listed on BSE Limited and National Stock Exchange of India Limited. The Company is a complete customised Process plant equipment-providing company in India. It provides a complete engineering and infrastructure solutions package by designing engineering, manufacturing, fabrication and installation. Its products cover various categories in Heavy Equipment, Machinery and Systems for the carbon Sector, Oil & Gas, Steel Plants, Power Plants, Nuclear Plant Boilers and Turnkey Projects. Various authorities like the Industrial Boiler Regulatory Authority, SGS UK, Petroleum and Explosives Safety Organisation, etc have approved its facilities. The company's state-of-the-art manufacturing facilities are located in Murbad, Thane and headquartered in Mumbai.

Techno Industries Private Limited was incorporated on 1st May, 2000. The Company has established itself as a leading player in the elevator and escalator space with a significant presence in India's motor and pump industry. The Company is promoted by Mr. Bharat Patel being a technocrat with experience of more than three decades. It has a Strong Existing base of 21k+ elevators, 800k+ induction motors, and 11.5mn+ pumps, with Elevators installed nationwide, along with a wide base of Motors and Pumps. The Company has robust profitability and margin profile, with the ability to scale up further and faster. Its clients include Adani Group, Dalmia Cement, JSW, L&T, Aditya Birla Group, NTPC and some of the largest engine OEMs in India.

Chapter 2: Scope of Work & Limitation

Scope of Work

- Independent Registered Valuer has been appointed by Lloyds Engineering and Techno to issue a report on the fair valuation of equity shares /equity linked securities of both the Companies. I understand that the purpose of the said report is to determine the fair value of equity shares /equity linked securities of both the companies.
- Independent Registered Valuer to value the company as per Valuation rules under the Companies Act 2013.
- Our report on recommendation of fair value of equity shares /equity linked securities is in accordance with International Valuation Standards as per IBBI regulations.

Appointing Authority

- As per Section 247 of The Companies Act, 2013, both the Companies appointed Dinesh Kumar Deora (Independent Registered Valuer) for valuation of Equity Shares /equity linked securities.

Appointment date, Valuation date and Report date

- The Audit Committee of Lloyds Engineering appointed Dinesh Kumar Deora on 26th July, 2024. The Board of Directors of Techno appointed Dinesh Kumar Deora on 26th July, 2024. The analysis of the fair value of the equity shares /equity linked securities of the Company



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has been carried out on the valuation date i.e. 29th July, 2024. The valuation report is issued on 29th July, 2024.

Identity of the Valuer

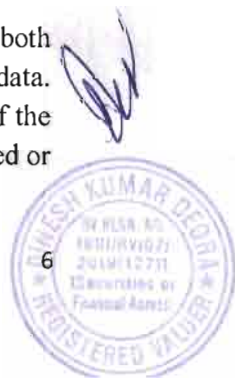
- Dinesh Kumar Deora is an Independent Registered Valuer as required under the Companies (Registered Valuers & Valuation) Rules, 2017. Dinesh Kumar Deora is registered with Insolvency & Bankruptcy Board of India vide registration number IBBI/RV/07/2019/12711.

Disclosure of Valuer Interest

- I neither have any present or any prospective contemplated financial interest in Lloyds Engineering and Techno nor any personal interest with respect to the Promoters & Board of Directors of Lloyds Engineering and Techno. 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.
- My professional fee for this valuation is based upon my normal billing rates, and not contingent upon the results or the value of the business or in any other manner.

Scope Limitations

- i. Valuation analysis and result are specific to the purpose of valuation and are based on the financial information provided to us. It may not be valid for any other purpose or as at any other date.
- ii. Valuation analysis and result are specific to the date of this report. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. As such, valuation results are, to a significant extent, subject to continuance of current trends beyond the date of the report. Independent Registered Valuer, however, has no obligation to update this report for events, trends or transactions relating to the company or the market/economy in general and occurring subsequent to the date of this report.
- iii. Independent Registered Valuer provides no assurance that the issue of shares can be completed successfully at or close to our recommended valuation within a particular timeframe. Our valuation only aims to represent the likely price that is the minimum price for issue of shares /equity linked securities.
- iv. Independent Registered Valuer has relied upon the information furnished by the management of the company and other sources believed to be reliable and true.
- v. In the course of the valuation, Independent Registered Valuer has been provided with both written and verbal information, including market, technical, financial and operating data. However, Independent Registered Valuer has not carried out a due diligence or audit of the company for the purpose of this neither engagement, nor have independently investigated or otherwise verified the data provided.



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- vi. Further, Independent Registered Valuer has made various assumptions in relation to valuation of Lloyds Engineering and Techno. Independent Registered Valuer has made such assumptions, post discussions with management of the company.
- vii. It may be noted that valuation is a highly subjective exercise and may differ from valuer to valuer depending on the individual perception of the attendant circumstances. At best, it is an expression of opinion or a recommendation based on certain assumptions.

Restrictions on use of the report

This Valuation Report has been issued on the specific request of the management for the Fair Value of the Company.

Specific Purpose:

Valuation analysis and its results are specific to the purpose of valuation as mentioned in the section "Purpose of Valuation". It may not be relevant for any other purpose or entity. This Report is prepared exclusively for the above stated purpose and must not be copied, disclosed or circulated or referred to in correspondence or discussion with any other party. Neither this report nor its content may be used for any other purpose without our prior written consent.

Not an advice to buy or sell:

The analysis in this report is based on the information provided by the management and such information as is obtained from market sources. However, our report is not advising anybody to take a buy or sell decision, for which specific opinion may be required from experts.

No audit or certification:

Our work does not constitute an audit or certification of the historical financial statements. I cannot and do not express an opinion on the accuracy of any financial information referred to in this report. I have relied on the assumptions made by the management of the company. These assumptions require exercise of judgment and are subject to uncertainties.

Chapter 3: Information Sources

For the purpose of this report, the documents and/or information published or provided by management have been relied upon. Independent Registered Valuer have fully relied on the information provided by the company and do not vouch for the accuracy of the information as is provided to us by the management of Lloyds Engineering and Techno .

Independent Registered Valuer has relied upon the following information sources:

- i. Background documents and information of both the Companies;
- ii. Audited financial statements of the Company for the financial years 2023-24, 2022-23, and 2021- 2022;
- iii. Certificate of incorporation, Memorandum & Articles of Association of the Company;
- iv. Projected financials of 3 Years (FY 2024-2025 , FY 2025-2026 and FY 2026-27) as certified by the Management for Techno;



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- v. Shareholding Pattern as on June 30, 2024.
- vi. Information available in public domain and databases such as Money Control, Capitaline, BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Value Research etc.; and
- vii. Independent Registered Valuer has also relied upon written and verbal explanations and information given to us by the management of the company during the course of our exercise.

I have also considered/ obtained such other analysis, review, explanations and information considered reasonably necessary for our exercise, from the Client or other public available sources.

Chapter 4: Selection of Valuation Methodology

There is no single definition of the term 'Value' that is suitable for all purposes or at all times. The value of a particular asset may vary according to different valuation methodologies that are adopted to ascertain the value for a specific purpose. Valuation of securities is an inexact science. It may sometimes involve a set of judgments and assumptions that may be subject to certain uncertainties. In the section below, Independent Registered Valuer has discussed some of the commonly used valuation methodologies. The valuation methodology to be adopted varies from case to case depending upon different factors affecting valuation. There are a number of methodologies to value companies / businesses using historical and forecast financials of the company.

A typical valuation analysis involves review and analysis of historical financials of the company and broad comparison of the company's forecast financial projections as regards all the significant macro and micro variables like economy and industry growth rate assumptions, inflation, interest and foreign exchange rates and tax rate forecasts. Company's profitability factors (industry competitive factors and company's operating strategies and its competitive position in the industry), economies of scale and optimal capital structure also affects the business valuation of the company.

However, the value is specific to the point in time and may change with the passage of time. In the present case, the objective of the valuation exercise is to value the shares of Lloyds Engineering and Techno .

The valuation exercise is aimed at the assessment of the Fair Value of equity shares /equity linked securities of the company. I am required to arrive at the above valuations based on internationally accepted valuation practices.

As per **RICS appraisal Manual**, the Fair Value (FV) is defined as 'The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

Ind AS (113) as well as IFRS 13 defines 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.



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Approach and Methodology

Valuation is not an exact science and is dependent on various factors such as specific nature of business, economic life cycle in which the industry and company is operating, past financial performance of the business, future growth potential of the business, business model, management of the company, relevance of technology in the business model, liquidity of equity and much more. The results of the valuation exercise may vary significantly depending on the basis used, the specific circumstances and the judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue.

Various techniques may be used such as Net Asset Value Method, Price-Earnings Multiple Method among others to value. The choice of valuation approach depends on the purpose of valuation and various other business specific and industry specific factors. In some cases, a single valuation technique will be appropriate, whereas in others multiple valuation techniques will be appropriate.

The established methods of valuation and a brief description of each method are provided below.

Method of Valuation for Lloyds Engineering Works Limited

There are several commonly used and accepted methods for determining the value of business/shares of the company, which would be applied to the present case, to the extent relevant and applicable, such as:

- Net Asset value or Breakup value based on the value of the assets and liabilities (NAV).
- Value based on the Profit Earning Capacity Value (PECV) method.
- Value based on Market Price method.

Asset Approach - Net Asset Value Method (NAV)

The Net Asset Value method attempts to measure the value of the net assets of the company against each share. It is computed by taking the net value of the company's assets, subtracting from them the amount of liabilities and preferred shareholders claims, and dividing the remainder amongst the number of equity shares. For an investment company valuation, NAV valuation, based on the asset backing is generally given more importance. Net Asset Value Method is also considered appropriate, where the future cash flows / commercial operations of the valued company cannot be reasonably ascertained or the company is recently incorporated.

The calculation is appended herewith as per Annexure 1.

Valuation under Profit Earning Capacity Method:

This method of valuation presumes the continuity of business and uses the past earnings. For the purpose of the Profit Earning Capacity Value of the shares, the commonly accepted approach is to capitalize average earnings of past at an appropriate rate of capitalization, to arrive at a fair value per share.

While calculating Average Earning Per Share, the Audited Financial Statements for the year ended March 31, 2022, March 31, 2023 and March 31, 2024 is taken into consideration.

The calculation is appended herewith as per Annexure 2.



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Market Approach -Comparable Company Multiples Method (CCM)

Market Price Method

In the instant case, the Equity Shares of the Company are listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (together referred to as “Stock Exchanges”). The Equity Shares of the Company are frequently traded within the meaning of explanation provided in Regulation 164(5) of Chapter V of the SEBI (ICDR) Regulations, 2018 on BSE and NSE. NSE being the Stock Exchange with higher trading volumes for the said period, has been considered for pricing in compliance with Regulation 164 of Chapter V of SEBI (ICDR) Regulations, 2018. In terms of Regulation 164 of Chapter V of SEBI (ICDR) Regulations, 2018, the minimum price shall not be less than higher of the following:

- a. Rs. 68.55 each the 90 Trading days volume weighted average price of the equity shares of the Company quoted on the Stock Exchange preceding the Relevant Date; or
- b. Rs. 85.15 each the 10 Trading days volume weighted average price of the equity shares of the Company quoted on the Stock Exchange preceding the Relevant Date.

The calculation is appended herewith as per Annexure 3.

Method of Valuation for Techno Industries Private Limited

1. While valuation is not entirely science, a lot of subjectivity is built into while arriving at valuation. An attempt has been made to arrive at a fair value using well accepted valuation techniques ensuring that the users of this report can rely on the same for a relatively objective judgment.

Following have been factored in the approach:

- a. The Current and Macro investment overview.
 - b. The Industry Scenario.
 - c. The Company overview and its strengths and opportunities.
 - d. The Pre money valuation.
2. The purpose of the foregoing valuation is to find out the fair value as per provisions of Companies Act 2013.

In this regard, it is necessary to mention that valuation is more on an art based on the professional experience of the valuer rather than a science based on empirical studies and logics.

3. **Valuation methodology:** There are broadly three approaches to valuation which need to be considered in any business valuation exercise. A number of business valuation models can thus be constructed that utilize various methods under the broad business valuation approaches. Most treatises and court decisions encourage the valuer to consider more than one method, which must be reconciled with each other to arrive at a value conclusion. Understanding of the internal resources and intellectual capital of the business being valued is as important as the economic, industrial and social environment.



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All the three methodologies are discussed below:

- i. **Market approach** – uses prices and other relevant information generated by market transactions involving identical or comparable (similar) assets, liabilities, or a group of assets and liabilities (e.g., a business).
 - **Our comment:** Market value method is not applicable in our case as the company's shares are not listed. Comparable companies' multiples method is attached in Annexure 4.
 - ii. **Asset or cost approach** – reflects the amount that would be required currently to replace the service capacity of an asset (current replacement cost).
 - **Our comment:** The Calculation of Value per Share is attached in Annexure -5.
 - iii. **Income approach** – converts future amounts (cash flows or income and expenses) to a single current (discounted) amount, reflecting current market expectations about those future amounts.
 - **Our comment:** The calculation as per DCF method is attached as Annexure 6.
4. The above guidelines required to value the share of the company as per the Discounted Cash flow ("DCF") method.

Discounted Cash Flows – "DCF"

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. DCF analysis is based mainly on the following elements Projection of financial statements (key value driving factors)

Financial Working - Valuation Methodology and Approach

a) Cash Flows:

The projections for next 3 years alongwith Current two Financial Year i.e F.Y 2022-23 and F.Y 2023-24 as provided and certified by the management (projections are based on the present order book of the company, market trends, capability of scalability) enable us to calculate the Cash Accruals on the cardinals of conservative accounting principles.



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The detailed workings are enclosed in Annexure-6.

Note: Our comment on Financial Data of the company at this stage are based on a superficial perusal and are subject to validation at the time of detailed Financial and Legal due diligence at a later date by an independent professional entity.

- b) The Terminal Value i.e., the present value of a going concern beyond the period of projection to infinity has been conservatively taken factoring an expected growth rate of 1%.
- c) The Company has following capital structure:

Existing Number of equity shares as on June 30, 2024 are 1,24,99,999 Equity Share of Rs.10/- each. The Discount Factor (also termed as the Discount Rate) is the most challenging task in the mathematical calculation of Valuation.

Chapter 5: Valuation

- i. Valuation of Lloyds Engineering Works Limited

These valuation conclusions must be read along with accompanying assumptions, caveats, limits and disclaimers mentioned elsewhere in this report.

As per our assessment, the Fair Value of Lloyds Engineering as per three approaches is as follows:



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Valuation of Equity Shares:

Method	Price Per Share	Weight	Product	Remarks
	(In Rs.)			
Net Asset Value	3.59	1	3.59	Annexure 1
P.E. Capacity Value	22.12	2	44.23	Annexure 2
Market Value	85.15	3	255.46	Annexure 3
		6	303.28	
Per Share Value (In Rs.)			50.55	

The Equity Shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (together referred to as "Stock Exchanges"). The Equity Shares of the Company are frequently traded within the meaning of explanation provided in Regulation 164(5) of Chapter V of the SEBI (ICDR) Regulations, 2018 on BSE and NSE. NSE being the Stock Exchange with higher trading volumes for the said period, has been considered for pricing in compliance with Regulation 164 of Chapter V of SEBI (ICDR) Regulations, 2018. In terms of Regulation 164 of Chapter V of SEBI (ICDR) Regulations, 2018, the minimum price shall not be less than higher of the following:

- a. Rs. 68.55 each the 90 Trading days volume weighted average price of the equity shares of the Company quoted on the Stock Exchange preceding the Relevant Date; or
- b. Rs. 85.15 each the 10 Trading days volume weighted average price of the equity shares of the Company quoted on the Stock Exchange preceding the Relevant Date.


Hence for the purpose of determining the swap ratio, the Fair Value of the Equity shares of Lloyds Engineering is taken based on Market approach which comes to Rs. 85.15 per equity share only.

ii. Valuation of Techno Industries Private Limited

These valuation conclusions must be read along with accompanying assumptions, caveats, limits and disclaimers mentioned elsewhere in this report.

As per our assessment, the Fair Value of the Equity shares of Techno Industries Private Limited comes to Rs. 183.07 per equity share only. The Detailed working of the assessment is attached as per Annexure -7

The values so arrived at are subject to the matters enumerated in 'Disclaimer statement', 'Scope of Work & Limitation' and information provided to us and should be viewed in the light thereof.


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ICSI UDIN: F005683F000848778

Place: Mumbai
Date: 03rd October, 2024



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Annexure 1			
Method I		Method II	
Particulars	31.03.2024	Particulars	31.03.2024
	Audited		Audited
(A) Total Assets of Company [inclusive of Non-Current Assets and Current Assets]	57,127.82	(A) Shareholders' Fund	
(B) Deductions		1] Equity Share Capital	11,446.29
Non-Current Liabilities		2] Other Equity (Reserves & Surplus)	29,673.52
a. Financial Liabilities			
i. Borrowings	465.27	TOTAL	41,119.81
ia. Lease Liabilities	1,178.31	(B) Deductions	
b. Provisions	407.21	Miscellaneous Expenditure [to the extent not w/off or adjusted)	-
Sub Total - Non Current Liabilities	2,050.79	Profit and Loss Account (Debit Balance)	-
Current Liabilities			
a. Financial Liabilities	10,436.22		
b. Provisions	385.18		
c. Other Current Liabilities	3,135.82		
Sub Total - Current Liabilities	13,957.22		
Total Deductions	16,008.01	Total Deductions	-
(C) Net Worth [A-B]	41,119.81	(C) Net Worth [A-B]	41,119.81
Total No. of Equity Shares	1,14,46,29,492	Total No. of Equity Shares	1,14,46,29,492
Net Assets Value (NAV) per share (In Rs.)	₹ 3.59	Net Assets Value (NAV) per share (In Rs.)	₹ 3.59



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Annexure 2			
Valuation of Equity Shares based on Profit Earning Capacity Value (PECV)			
Period	Profit After Tax	No. of Equity Shares	Earning Per Share (EPS)
01.04.2021 to 31.03.2022	5,94,72,000	89,86,98,382	0.07
01.04.2022 to 31.03.2023	36,82,31,000	98,86,98,382	0.37
01.04.2023 to 31.03.2024	79,83,83,000	1,14,46,29,492	0.70
Average EPS			0.38
Per Share Value (Industry Average Price Earning Ratio) based on same line of activity : Industry : Engineering / Source- Capital Market Magazine, Edition- July 22, 2024 - August 04, 2024 Page no. 42 & 43.			58.40
Value per Share based on Earning Based Valuation			22.12



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Annexure 3

Market Data

Date of EGM	29-Aug-24			
Relevant Date	30-Jul-24			
A]	90 Trading Days			
Trading Day	Date	Series	Volume	Value
1	29-Jul-24	EQ	91,66,765	84,40,11,605.38
2	26-Jul-24	EQ	1,21,28,218	1,10,05,12,894.16
3	25-Jul-24	EQ	1,47,49,017	1,30,59,85,718.22
4	24-Jul-24	EQ	1,08,32,328	91,36,54,530.41
5	23-Jul-24	EQ	1,03,47,830	82,17,66,064.43
6	22-Jul-24	EQ	50,62,682	40,43,07,693.49
7	19-Jul-24	EQ	79,30,210	64,56,39,739.47
8	18-Jul-24	EQ	1,29,23,175	1,08,07,90,197.02
9	16-Jul-24	EQ	58,46,591	47,58,29,005.34
10	15-Jul-24	EQ	48,54,445	39,82,86,521.87
11	12-Jul-24	EQ	73,14,634	61,25,78,760.55
12	11-Jul-24	EQ	86,81,536	73,92,81,274.23
13	10-Jul-24	EQ	1,77,34,140	1,49,81,03,590.65
14	09-Jul-24	EQ	4,27,25,980	3,60,85,11,264.65
15	08-Jul-24	EQ	1,27,46,892	98,47,37,751.20
16	05-Jul-24	EQ	1,35,88,941	1,03,34,30,506.83
17	04-Jul-24	EQ	1,25,63,077	92,13,01,844.79
18	03-Jul-24	EQ	35,27,478	25,01,67,541.99
19	02-Jul-24	EQ	61,43,914	43,76,81,122.75
20	01-Jul-24	EQ	53,77,406	38,53,03,929.55
21	28-Jun-24	EQ	45,82,549	32,62,65,550.57
22	27-Jun-24	EQ	78,43,806	57,00,52,433.36
23	26-Jun-24	EQ	91,07,892	66,10,79,752.59
24	25-Jun-24	EQ	91,31,230	67,08,23,148.44
25	24-Jun-24	EQ	2,86,72,611	2,11,28,14,586.60
26	21-Jun-24	EQ	1,80,63,234	1,29,38,96,386.15
27	20-Jun-24	EQ	62,24,758	43,22,66,814.18
28	19-Jun-24	EQ	70,67,447	48,97,55,686.81
29	18-Jun-24	EQ	97,44,782	68,69,74,694.53
30	14-Jun-24	EQ	1,29,99,407	91,66,80,355.65
31	13-Jun-24	EQ	1,95,67,439	1,36,22,66,330.90
32	12-Jun-24	EQ	86,17,651	58,60,46,233.14
33	11-Jun-24	EQ	1,97,12,256	1,32,45,33,038.47

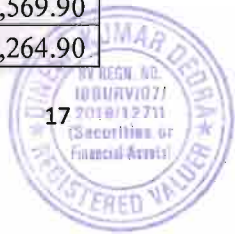


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34	10-Jun-24	EQ	34,20,233	21,83,69,505.39
35	07-Jun-24	EQ	50,22,503	32,20,33,272.75
36	06-Jun-24	EQ	52,00,872	32,80,89,052.40
37	05-Jun-24	EQ	59,17,618	35,41,63,828.15
38	04-Jun-24	EQ	1,35,11,162	80,31,25,451.10
39	03-Jun-24	EQ	65,10,231	42,63,70,930.10
40	31-May-24	EQ	1,09,33,910	68,87,63,284.70
41	30-May-24	EQ	39,80,989	24,07,25,278.75
42	29-May-24	EQ	37,23,516	22,85,06,979.45
43	28-May-24	EQ	53,97,046	33,20,03,771.55
44	27-May-24	EQ	42,01,728	26,48,33,448.20
45	24-May-24	EQ	42,58,259	27,13,81,441.20
46	23-May-24	EQ	47,45,953	30,98,16,314.65
47	22-May-24	EQ	61,75,768	40,91,57,883.25
48	21-May-24	EQ	1,41,30,576	92,71,72,422.55
49	18-May-24	EQ	9,23,904	5,83,24,903.75
50	17-May-24	EQ	45,97,580	28,80,21,571.30
51	16-May-24	EQ	36,18,893	22,42,26,597.65
52	15-May-24	EQ	39,81,669	24,94,13,543.00
53	14-May-24	EQ	56,68,259	34,86,35,350.75
54	13-May-24	EQ	70,22,622	41,76,09,000.65
55	10-May-24	EQ	91,64,342	54,04,97,692.90
56	09-May-24	EQ	76,70,497	45,90,99,738.75
57	08-May-24	EQ	46,63,176	28,99,83,981.65
58	07-May-24	EQ	88,83,766	55,54,70,666.00
59	06-May-24	EQ	92,04,510	58,18,31,512.90
60	03-May-24	EQ	1,54,65,323	1,00,56,66,285.00
61	02-May-24	EQ	1,10,98,109	76,40,71,514.60
62	30-Apr-24	EQ	2,02,45,592	1,42,80,63,079.55
63	29-Apr-24	EQ	4,75,14,200	3,30,07,63,015.80
64	26-Apr-24	EQ	85,53,345	54,55,64,846.25
65	25-Apr-24	EQ	1,12,19,024	73,61,33,804.95
66	24-Apr-24	EQ	2,64,91,390	1,73,09,11,676.45
67	23-Apr-24	EQ	2,35,88,342	1,51,53,08,697.85
68	22-Apr-24	EQ	3,99,28,375	2,45,32,37,331.60
69	19-Apr-24	EQ	45,02,798	24,43,36,585.20
70	18-Apr-24	EQ	48,21,686	26,90,96,675.30
71	16-Apr-24	EQ	48,09,441	26,68,01,298.50
72	15-Apr-24	EQ	96,43,977	53,20,23,475.15
73	12-Apr-24	EQ	96,08,947	55,76,52,569.90
74	10-Apr-24	EQ	77,80,759	44,19,41,264.90



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75	09-Apr-24	EQ	48,48,631	27,19,62,493.95
76	08-Apr-24	EQ	59,18,483	33,98,73,306.30
77	05-Apr-24	EQ	1,59,18,819	92,56,59,678.65
78	04-Apr-24	EQ	55,49,147	30,50,85,496.20
79	03-Apr-24	EQ	58,33,792	31,58,54,091.10
80	02-Apr-24	EQ	62,01,915	32,04,20,847.25
81	01-Apr-24	EQ	52,69,716	26,23,08,352.00
82	28-Mar-24	EQ	36,88,872	18,23,10,052.05
83	27-Mar-24	EQ	67,51,261	32,97,41,266.15
84	26-Mar-24	EQ	35,35,734	16,66,12,154.90
85	22-Mar-24	EQ	38,12,967	18,28,41,245.65
86	21-Mar-24	EQ	63,03,092	29,79,58,745.85
87	20-Mar-24	EQ	32,15,798	14,35,60,623.15
88	19-Mar-24	EQ	24,66,948	11,24,05,328.40
89	18-Mar-24	EQ	21,54,617	10,11,35,408.95
90	15-Mar-24	EQ	51,16,876	24,26,95,657.90
			87,99,67,879.00	60,32,49,60,861.31
				68.55
B] 10 Trading Days				
Trading Day	Date	Series	No. of Shares	Total Turnover (Rs.)
1	29-Jul-24	EQ	91,66,765	84,40,11,605.38
2	26-Jul-24	EQ	1,21,28,218	1,10,05,12,894.16
3	25-Jul-24	EQ	1,47,49,017	1,30,59,85,718.22
4	24-Jul-24	EQ	1,08,32,328	91,36,54,530.41
5	23-Jul-24	EQ	1,03,47,830	82,17,66,064.43
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7	19-Jul-24	EQ	79,30,210	64,56,39,739.47
8	18-Jul-24	EQ	1,29,23,175	1,08,07,90,197.02
9	16-Jul-24	EQ	58,46,591	47,58,29,005.34
10	15-Jul-24	EQ	48,54,445	39,82,86,521.87
			9,38,41,261.00	7,99,07,83,969.79
				85.15
A] Average 90 trading days VWAP				68.55
B] Average 10 trading days VWAP				85.15
Applicable Minimum Price [Higher of A or B]				85.15

(Handwritten Signature)



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Annexure 4

Valuation of Equity Shares and Analysis for Techno Industries Private Limited:

Using Comparable Companies Multiple Method (CCM)

Sl. No.	Particulars	EV/EBITDA (Based on the data of March 31, 2024)
1	Bharat Bijliee	29.00
2	WPIL Ltd.	12.10
3	Shakti Pumps	24.80
	Average (Comparable Company Multiple)	21.97
	Discount @ 25%*	5.49
	Comparable Company Multiple after Considering Discount	16.48
<u>Calculation of Enterprise Value & Value Per Share of Techno Industries Private Limited based on Comparable Company Multiple</u>		
		2023-2024
	EBITDA (Rs. In Lakhs)	1,556.00
	Average CCM Multiple	16.48
	Enterprise Value (EV) (Rs. In Lakhs)	25,642.88
	Less: Debt (Rs. In Lakhs)	2,297.00
	Add: Cash and Cash Equivalent (Rs. In Lakhs)	1,076.00
	Equity Value (Rs. In Lakhs)	24,421.88
	No. of Shares	1,24,99,999
	Value Per Share (in Rs.)	195.38

* In absence of similar companies like that of Techno have accessible market information, the Registered Valuer relied on the data of publicly listed entities having similar line of operations for the purpose of determining the multiplier factors. Such companies have major differences with Techno in terms of their size, operational vintage, diversified product portfolio, demographic spread etc. Hence, to consider such variation the specific discount of 25% has been considered on Average Comparable Company Multiple.



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Annexure 5

Valuation of Equity Shares and Analysis for Techno Industries Private Limited:

Using Net Asset Value (NAV) Total Assets – Total Liabilities
(All figures in Lakhs)

Particulars	Book Value as on 31st March 2024	Adjusted Value Considered
Total Assets	14,607	14,607
Add: Adjustment to Land & Building ^{Note 1}	-	2,544
Total Adjusted Assets (A)	14,607	17,151
Liabilities		
Borrowings	2,297	2,297
Trade Payables	3,430	3,430
Other Current Liabilities	917	917
Provisions	584	584
Total Liabilities (B)	7,228	7,228
Net Asset Value (A-B)	7,379	9,923
No. of Shares as on 31st March 2024	1,24,99,999	1,24,99,999
NAV Per Share	59.03	79.38

Note No. 1: Land and Building comprises of:

- 1) Office No. F/112, 1st Floor (as per Broacher Office No. D/112), Swaminarayan Business Park, Nr. Narol Circle, Nr. Narayan Arced, Narol, Ahmedabad.
- 2) Commercial Property Office No. 401 & 402, 4th Floor, S.K. House , Opp. Drive in Cinema, Bodakdev, Ahmedabad
- 3) Techno House F.P. 270, Sub Plot No.04, T.P.S No. 03, TTechno House , B/h Claris Ltd., Opp. Sangita Complex, Nr. Parimal Underbridge, Ellisbridge, Ahmedabad.

This is as per the latest Valuation Report by the Registered Valuer- Land & Building, Mr. Pranav Parikh Chartered Engineer, dated 06th July 2024 having Registration No. CAT/I/292/98-99. Thus an adjustment of Rs. 2,544 Lakhs (being Fair Market Value as per Latest Valuation Report i.e 2,768 Lakhs and Book Value of Rs. 224 Lakhs) has been considered.



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Annexure 6

Valuation Methodology of Equity Shares and Analysis:

Discounted Cash Flow Approach

Historical & Projected Income Statement:

(All figures in Lakhs)

Particulars	2023	2024	2025	2026	2027
	Audited	Audited	Estimated	Estimated	Estimated
Sales & Other Operating Revenue	14,865.00	16,756.00	19,716.00	28,132.00	38,927.00
Less: Excise Duty	-	-	-	0	0
Revenue from Operations	14,865.00	16,756.00	19,716.00	28,132.00	38,927.00
Direct Cost	9,761.00	11,151.00	13,769.00	19359.00	26267
Other Expenses	3,581.00	4,049.00	4,496.00	5771.00	7167
Total Expenditure	13,342.00	15,200.00	18,265.00	25,130.00	33,434.00
Operating profit (EBITDA)	1,523.00	1,556.00	1,451.00	3,002.00	5,493.00
Depreciation	176.00	204.00	296.00	464.00	464.00
Operating Profit before Interest (EBIT)	1,347.00	1,352.00	1,155.00	2538.00	5029.00
Net Interest	261.00	229.00	564.00	524.00	344.00
Operating Profit before tax	1,086.00	1,123.00	591.00	2014.00	4685.00
Exceptional Item		9.00			
Other Non-Operating Income	63.00	56.00	16.00	16.00	
Other Non-Operating Expense		318.00			
Tax	288.00	27.00	158.00	528.00	1,218.00
PAT	861.00	879.00	449.00	1502.00	3467.00
Sales Y-o-Y Growth		11.29%	15.01%	29.92%	27.73%
EBITDA Margin	10.25%	9.29%	7.36%	10.67%	14.11%
PAT Margin	5.79%	5.25%	2.28%	5.34%	8.91%

Projected Free Cash flows:

Particulars	2023	2024	2025	2026	2027
Operating Profit before Interest (EBIT)	1,347.00	1,352.00	1,155.00	2,538.00	5,029.00
Add:					
Depreciation	176.00	204.00	296.00	464.00	464.00
Incremental Net Debt	-	1,219.00	3,428.00	(705.00)	13.00
Less:					
CAPEX		340.00	2,500.00	1,800.00	700.00
FCFE		2,435.00	2,379.00	497.00	4,806.00
Estimated DCF Valuation:					
Terminal Growth Rate	1%				
Discount rate %	17.00%	17.00%	17.00%	17.00%	17.00%
Discount factor	1.00	0.85	0.73	0.62	0.53



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Discounted Cashflow	6,694.12
Terminal Value	16,189.81
Gross Value of the company	22,883.93
Estimated Equity Value	22,883.93
No. of Equity Shares	125.00
Value per share	183.07

Rational for Projection
Comparative Analysis For FY 2023-2024 and F.Y.2024-2025

Sr. No.	Particulars	FY 2023-2024 (Audited)	FY 2024-2025 (Estimated)	Increase / (Decrease) (Refer Note1)
1	Sales	16,756	19,716	2,960
2	Direct Cost	11,151	13,769	2,618
3	Other Expenses	4,049	4,496	447
4	Total Expenses (2+3)	15,200	18,265	3,065
5	EBITDA(1-4)	1,556	1,451	(105)
6	Depreciation	204	296	92
7	Interest	229	564	335
8	PBT (5-6-7)	1,123	591	(532)

Note No. 1-The rationale for Decrease in Profit before Tax from Rs. 1,123 Lakhs (FY 2023-2024) to Rs. 591 Lakhs (FY 2024-2025) is on account of the following factors:

- A) Decrease in EBIDTA from Rs. 1,556 Lakhs to Rs. 1,451 Lakhs is due to increase in Direct Cost by 3.29% on account of increase in labour cost & other manufacturing cost and also Increase in other expenses primarily on account of increase in employee cost by around 30% due to hiring of additional employees for marketing and future growth. Thus, decrease of Rs. 105 Lakhs in EBITDA in absolute terms compared to FY 2023-2024.
- B) Increase in depreciation by Rs. 92 Lakhs on account of Capital Expenditure estimated in FY 2024-2025.
- C) Increase in Interest by Rs. 335 Lakhs on account of increase in estimated borrowings by Rs. 3,400 Lakhs for Capex and Working Capital requirements of the Company.

Comparative Analysis For FY 2024-2025 and F.Y.2025-2026

Sr. No.	Particulars	FY 2024-2025 (Estimated)	FY 2025-2026 (Estimated)	Increase / (Decrease) (Refer Note2)
1	Sales	19,716	28,132	8,416
2	Direct Cost	13,769	19,359	5,590
3	Other Expenses	4,496	5,771	1,275
4	Total Expenses (2+3)	18,265	25,130	6,865
5	EBITDA(1-4)	1,451	3,002	1,551
6	Depreciation	296	464	168



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Sr. No.	Particulars	FY 2024-2025 (Estimated)	FY 2025-2026 (Estimated)	Increase / (Decrease) (Refer Note2)
7	Interest	564	524	(40)
8	PBT (5-6-7)	591	2,014	1,423

Note No. 2-The rationale for Increase in Profit before Tax from Rs. 591 Lakhs (FY 2024-2025) to Rs. 2,014 Lakhs (FY 2025-2026) is on account of the following factors:

- A) Increase in EBIDTA from Rs. 1,451 Lakhs to Rs. 3,002 Lakhs primarily on account of Increase in Sales by around 43% in both the divisions of the Company, decrease in Direct Cost by 1.02% compared to FY 2024-2025 on account of efficient use of Raw Material, Labour & other manufacturing expenses and also decrease in Other expenses in Percentage terms on account of apportionment of Fixed Cost over the increased Sales. Thus, an Increase of Rs. 1,551 Lakhs in EBITDA in absolute terms compared to FY 2024-2025.
- B) Increase in depreciation by Rs. 168 Lakhs on account of capital expenditure undertaken in FY 2024-2025 and FY 2025-2026.
- C) Decrease in Interest by Rs. 40 Lakhs on account of decrease in estimated borrowings by Rs. 705 Lakhs in the last quarter of FY 2025-2026.

Comparative Analysis For FY 2025-2026 and F.Y.2026-2027

Sr. No.	Particulars	FY 2025-2026 (Estimated)	FY 2026-2027 (Estimated)	Increase / (Decrease) (Refer Note3)
1	Sales	28,132	38,927	10,795
2	Direct Cost	19,359	26,267	6,908
3	Other Expenses	5,771	7,167	1,396
4	Total Expenses (2+3)	25,130	33,434	8,304
5	EBITDA(1-4)	3,002	5,493	2,491
6	Depreciation	464	464	-
7	Interest	524	344	(180)
8	PBT (5-6-7)	2,014	4,685	2,671

Note No. 3-The rationale for Increase in Profit before Tax from Rs. 2,014 Lakhs (FY 2025-2026) to Rs. 4,685 Lakhs (FY 2026-2027) is on account of following factors:

- A) Increase in EBIDTA from Rs. 3,002 Lakhs to Rs. 5,493 Lakhs primarily on account of Increase in Sales by around 38% majorly on account of Motors & Pumps divisions, decrease in Direct Cost by 1.34% compared to FY 2025-2026 due to efficient use of Raw Material, Labour & other manufacturing expenses and decrease in Other expenses in Percentage terms on account of apportionment of Fixed Cost over the increased Sales. Thus, an Increase of Rs. 2,491 Lakhs in EBITDA in absolute terms compared to FY 2025-2026.
- B) Decrease in Interest by Rs. 180 Lakhs compared to FY 2025-2026 on account of reduction in Borrowings in FY 2025-2026 and assumption of reduction in interest rate.
- C) Increase in Interest by Rs. 180 Lakhs compared to FY 2025-2026 on account of reduction in Borrowings in FY 2025-2026 and assumption of reduction in interest rate.



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IBBI Registration Number IBBI/RV/07/2019/12711
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Rationale for increase in capital expenditure amounts (projected)

Projected Free Cash flows:					
Particulars	2023	2024	2025	2026	2027
Operating Profit before Interest (EBIT)	1,347.00	1,352.00	1,155.00	2,538.00	5,029.00
Add:					
Depreciation	176.00	204.00	296.00	464.00	464.00
Incremental Net Debt	-	1,219.00	3,428.00	(705.00)	13.00
Less:					
CAPEX		340.00	2,500.00*	1,800.00**	700.00
FCFE		2,435.00	2,379.00	497.00	4,806.00

* Increase in CAPEX (Capital Expenditure) of Rs. 2,500 Lakhs in F.Y. 2024-2025 is on account of the following factors:

- A. Presently, one of the manufacturing facilities of the Company is situated on the Land owned by the Promoter of the Company. As per Share Purchase Agreement entered between the Promoter/Promoter Group and Lloyds Engineering Works Limited, the Land is to be transferred in the name of Techno against the consideration of Rs. 2,000 Lakhs, which is in line of the Ready Reckoner Rate.
- B. Proposed acquisition of Plant & Machinery in Motor and Pump manufacturing division of Rs. 500.00 Lakhs, which will result in increase in the production capacity.

** Increase in CAPEX (Capital Expenditure) Rs. 1,800 Lakhs in F.Y. 2025-2026 is on account of proposed additional acquisition of Plant & Machinery in Motor and Pump manufacturing division, which will result in modernization of the manufacturing process as well as further increase in the production capacity.

(Handwritten Signature)



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Annexure 7

Conclusion for Valuation of Techno Industries Private Limited

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 and also the legal provisions commensurate to the purpose of the valuation.

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In the instant case, the fair value of equity shares of Techno Industries Private Limited determined through 'Discounting Cash Flow (DCF)' under Income Approach is most appropriate as it considers the operational potential of the company which is the major underlying driver in the assessment of value of the organisation.

NAV is used to evaluate the entry barrier that exists in a business and is considered viable for companies having reached the mature or declining growth cycle and also for property and investment companies having strong asset base. Techno is in a stage of expansion and will take time to reach maturity stage; the same is not suitable and hence not considered.

Techno Industries Private Limited is in the business of manufacturing of Elevators. Additionally, the company has ventured into the business of manufacturing motors and pumps. There is no company in the market who has exposure in both the Elevator and Pump business. For the CCM method, the peers considered are for mature / stable companies, whereas, Techno Industries' motor and pump division is in its nascent stage. Therefore the value under market approach has not been considered.

Hence to give due cognizance to the fair value of equity shares determined under DCF Method, I have assigned 0% weight to value computed under the NAV and CCM methods and have given 100% weight to DCF method under Income approach.

Valuation Approach	Valuation Method	Value Per Share (A)	Weight (B)	Weighted Value (C) = A * B
Market Approach	Adjusted EV/ EBITDA Multiple	195.38	0%	0
Income Approach	Discounted Cash Flow	183.07	100%	183.07
Asset Approach	Adjusted Net Asset Value	79.38	0%	0
Fair Value of 1 equity Share of Techno Industries Private Limited				183.07

