

BHAVIN PATEL
B.E. (Mech),
Cost Accountant
MIE, IBBI Regd Valuer
Chartered Engineer (I)



BHAVIN R. PATEL & ASSOCIATES
Cost Accountant,
Valuer (Plant & Machinery),
Valuer (Land & Building),
Valuer (Securities & Financial Assets),
Chartered Engineer.

Private & Confidential

VALUATION REPORT
FOR PROPOSED
PREFERENTIAL ISSUE OF

DHANVARSHA FINVEST LIMITED

Registered Office Address - 2nd Floor, Building No. 4, DJ House, Old Nagardas Rd, Andheri (East), Mumbai - 400069

Issued by:

Bhavin R. Patel
B.E. Mech., Cost Accountant

REGISTERED VALUER
ASSETS CLASS: SECURITIES OR FINANCIAL ASSETS
REGN NO. IBBI/RV/05/2019/11668

315 Phoenix Complex Nr Suraj Plaza Sayajigunj Vadodara 390005



11th March 2022

Dhanvarsha Finvest Limited

2nd Floor, Building No 4,
DJ House, Old Nagardas Road,
Andheri East,
Mumbai 400 069

Sub: Valuation Report for the proposed preferential issue of the Company in compliance with SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2018

I, Bhavin Patel, Registered Valuer for Securities or Financial Assets (Referred to "Bhavin Patel" or "I" or "me"), refer to my engagement letter with Dhanvarsha Finvest Limited ("DFL" or "Company") for determining price for the proposed preferential issue of DFL in compliance with Chapter V of Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements), Regulations, 2018 ("ICDR Regulations"). We are pleased to present herewith our valuation report ("Report") on the same.

Brief Background

Dhanvarsha Finvest Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered with the Reserve Bank of India and is engaged primarily in the business of providing Micro Enterprise Loans, SME Loans, Other Structured Business Loans, Personal Loans and in providing ancillary services related to the said business activities. The equity shares and debentures of the Company are listed on BSE Limited.

The shareholding pattern of the Company as at 11th March 2022 is as follows:

Particular	Equity Shares (no.) on fully diluted basis	%
Promoters and Promoter Group	7,16,22,120	62.60
Public	9,45,77,941	37.40
Total	11,44,13,879	100.00

Source: Management

We have considered financial information up to 31st December 2021 and the current market parameters in our analysis and made adjustments for additional facts made known to us till the date of our Report which will have a bearing on the valuation analysis to the extent considered appropriate. Further, the Management has informed us that all material information impacting the Company has been disclosed to us.

Our opinion is based on prevailing market, economic and other conditions as at the Relevant Date. These conditions can change over relatively short periods of time. Any subsequent changes in these conditions could have an impact upon our opinion. We do not undertake to update this Report for events or circumstances arising after the date of this Report.

By nature, valuation is based on estimates and it includes, especially considering the on-going COVID-19 event, the risks and uncertainties relating to the events occurring in the future. Consequently, the actual figures in future may differ from these estimates and may have a significant impact on the valuation analysis.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter.



Purpose and Scope of Valuation

The Company proposes to raise funds by issuance of the following on preferential basis to non-promoters as per ICDR Regulations ("Proposed issue"):

- a. 23,01,641 equity shares to non-promoters on preferential basis; and
- b. 44,14,809 convertible warrants, which shall be convertible into equivalent number of equity shares of the Company at a conversion price of the preferential issue per equity share within 18 months from the date of allotment of convertible warrants, to non-promoters on preferential basis.

Regulation 166A of ICDR Regulations states that 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.

In this regard, the management has confirmed that subsequent to the issuance and allotment of the Proposed Issue, there will be an increase by 4.91% in the stake of one of the proposed allottee i.e. Aviator Emerging Market Fund, a Foreign Portfolio Investor registered with SEBI, ("Aviator"), in the post issue fully diluted share capital of the Company.

Although, as per regulation 166A of the ICDR Regulations, the preferential issue of equity shares and warrants to Aviator or any other proposed allottees acting in concert, will not be more than 5% of post issue fully diluted share capital of the Company, however, as a matter of abundant caution, the Company has requested for this Valuation Report.

Appointing Authority

As per Section 247 of The Companies Act, 2013 in Presence of the Audit Committee, the Audit Committee of DFL appointed Bhavin R. Patel (Registered Valuer) for valuation of Equity Shares.

Appointment Date, Valuation Date and Report Date

The Audit Committee appointed Bhavin R. Patel, Registered Valuer at its meeting held on 14th February, 2022.

The analysis of the fair value of the equity share of the Company has been carried out on the valuation date i.e. 11th March, 2022 and pricing considered for ICDR Regulations is as on 10th March, 2022.

The Valuation Report Date is 11th March, 2022.

Identity of the Valuer

Bhavin R. Patel

Assets Class: Securities or Financial Assets Regn. No. IBBI/RV/05/2019/11668
315 Phoenix Complex Nr Suraj Plaza Sayajigunj Vadodara 390005

Disclosure of Valuer Interest

I neither have any present or any prospective contemplated financial interest in DFL nor any personal interest with respect to the Promoters & Board of Directors of DFL. 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.



Inspections and / or investigations undertaken

We have taken due care in performing valuation procedures, chosen peers and comparable companies based on our understanding of the financials and business of the Company. However, we would like to expressly state that though we have reviewed the financial data for the limited purpose of valuation assessment but we have not performed an audit and have relied upon the historical financials (Profits & Loss Accounts and Balance Sheets), as prepared and submitted to us by the management of the Company. The management has represented to us that it has taken due care in preparation of such financial statements.

We would like to clarify that this valuation has been performed in compliance with ICDR Regulations taking into consideration the unprecedented levels of uncertainty due to COVID-19 pandemic. We do not express any opinion on the suitability or otherwise of entering into the proposed transaction.

Sources of Information

For the purpose of undertaking this valuation exercise, we have relied on the following sources of information provided by the Management:

- Audited financial statements of the Company for the period FY19 to FY21
- Un Audited Financial statements as on 31st December 2021
- Management Representation
- MOA & AOA of the Company
- Information available in relation to the Transaction in the public domain and as provided by the management of the Company;
- Relevant data and information provided to us by the management of the Company, either in written or oral form or in form of soft copy;
- Information available on the stock exchanges, leading database sources, market research reports and other published data; and

We have relied on the above while arriving at the fair value of DFL.

We have prepared this Report from information supplied by and from discussions with the Management. We have not verified the accuracy, reliability and competence of the information supplied; the procedures that we used to perform the work did not constitute an audit or review made under any generally accepted accounting standard.

The Management has been provided with the opportunity to review the draft report (without value) for this engagement to make sure that factual inaccuracies and omissions are avoided in this Report.

RELEVANT DATE

As per Regulation 161 of ICDR Regulations, the relevant date for computing the floor price would be the date thirty days prior to the date on which the meeting of shareholders is held to consider the preferential issue. As represented by the management the meeting of shareholders will be held on April 11, 2022. "Relevant Date" for determining the price of the Equity Shares being allotted in the Preferential Issue in accordance with Regulations 164(1) of the ICDR Regulations, will be March 12, 2022, being the date which is 30 days prior to the date on which the meeting of the shareholders is to be held to consider the proposed preferential issue, however since March 12, 2022 falls on a weekend, the relevant date for determining the minimum price for the purpose of preferential issue of equity shares and warrants is March 11, 2022 in terms of the explanation given under Regulation 161 of the ICDR Regulations.

Further, Regulation 164 (1) of ICDR Regulations states that 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:

- the 90 trading days' volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or
- the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

VALUATION CONCLUSION AS PER REGULATION 164 (1) OF THE ICDR REGULATIONS

Valuation Approach

The present valuation exercise is being undertaken in order to determine the floor price for the proposed preferential issue of the Company in compliance with ICDR Regulations mentioned below:

Pricing of the issue

Pursuant to Regulation 164 (5) of ICDR Regulations, the shares of the Company are frequently traded on BSE Limited and pricing considered is as on 10th March, 2022 i.e the date preceding the relevant date pursuant to Regulation 164(1) and Regulation 166A of ICDR Regulations.

Since the equity shares of DFL have been listed on a recognized stock exchange for a period of 90 days or more as on the relevant date, the price of the equity shares and convertible warrants to be issued and allotted pursuant to the preferential issue shall be not less than higher of the following:

- The 90 trading days' volume weighted average price ("VWAP") of the related equity shares quoted on the recognised stock exchange (BSE Limited) preceding the relevant date i.e. 11th March 2022;

No of Day (s)	Date	VWAP
1	01-Nov-21	125.39
2	02-Nov-21	125.14
3	03-Nov-21	124.47
4	04-Nov-21	126.00
5	08-Nov-21	125.38
6	09-Nov-21	124.45
7	10-Nov-21	123.79
8	11-Nov-21	119.73
9	12-Nov-21	121.64
10	15-Nov-21	119.27
11	16-Nov-21	118.68
12	17-Nov-21	116.24
13	18-Nov-21	109.87
14	22-Nov-21	109.38
15	23-Nov-21	115.14
16	24-Nov-21	112.02
17	25-Nov-21	107.46
18	26-Nov-21	104.24
19	29-Nov-21	98.14
20	30-Nov-21	105.22
21	01-Dec-21	104.31
22	02-Dec-21	101.64
23	03-Dec-21	100.98
24	06-Dec-21	102.12



No of Day (s)	Date	VWAP
25	07-Dec-21	101.07
26	08-Dec-21	100.53
27	09-Dec-21	99.83
28	10-Dec-21	102.87
29	13-Dec-21	119.48
30	14-Dec-21	128.15
31	15-Dec-21	129.79
32	16-Dec-21	131.31
33	17-Dec-21	131.29
34	20-Dec-21	128.30
35	21-Dec-21	131.35
36	22-Dec-21	125.26
37	23-Dec-21	129.82
38	24-Dec-21	124.05
39	27-Dec-21	123.99
40	28-Dec-21	124.40
41	29-Dec-21	124.84
42	30-Dec-21	123.38
43	31-Dec-21	123.42
44	03-Jan-22	123.88
45	04-Jan-22	128.27
46	05-Jan-22	126.87
47	06-Jan-22	126.01
48	07-Jan-22	125.25
49	10-Jan-22	121.85
50	11-Jan-22	134.31
51	12-Jan-22	137.72
52	13-Jan-22	137.25
53	14-Jan-22	138.43
54	17-Jan-22	148.89
55	18-Jan-22	164.27
56	19-Jan-22	166.66
57	20-Jan-22	165.78
58	21-Jan-22	164.62
59	24-Jan-22	152.06
60	25-Jan-22	152.14
61	27-Jan-22	149.40
62	28-Jan-22	146.97
63	31-Jan-22	147.90
64	01-Feb-22	145.98
65	02-Feb-22	174.56
66	03-Feb-22	179.03
67	04-Feb-22	177.58
68	07-Feb-22	178.98
69	08-Feb-22	174.27
70	09-Feb-22	174.34
71	10-Feb-22	175.80
72	11-Feb-22	168.45
73	14-Feb-22	159.24
74	15-Feb-22	156.84
75	16-Feb-22	158.36
76	17-Feb-22	156.72
77	18-Feb-22	153.76



No of Day (s)	Date	VWAP
78	21-Feb-22	144.16
79	22-Feb-22	127.22
80	23-Feb-22	118.52
81	24-Feb-22	113.29
82	25-Feb-22	122.53
83	28-Feb-22	124.08
84	02-Mar-22	121.77
85	03-Mar-22	122.73
86	04-Mar-22	122.06
87	07-Mar-22	116.91
88	08-Mar-22	126.57
89	09-Mar-22	135.89
90	10-Mar-22	140.49
Average Price		131.92

OR

- b. The 10 trading days' volume weighted average price of the related equity shares quoted on the recognised stock exchange (BSE Limited) preceding the relevant date i.e. 11th March 2022.

No of Day (s)	Date	VWAP
1	24-Feb-22	113.29
2	25-Feb-22	122.53
3	28-Feb-22	124.08
4	02-Mar-22	121.77
5	03-Mar-22	122.73
6	04-Mar-22	122.06
7	07-Mar-22	116.91
8	08-Mar-22	126.57
9	09-Mar-22	135.89
10	10-Mar-22	140.49
Average Price		124.63

A. Average of 90 trading days VWAP (Rs.)	131.92
B. Average of 10 trading days VWAP (Rs.)	124.63
Applicable minimum price (Higher of A and B) (Rs.)	131.92

Accordingly, for the purpose of Regulation 164 (1) of ICDR regulations, the floor price of the preferential issue is INR 131.92 per share.



VALUATION AS PER INTERNATIONALLY ACCEPTED VALUATION METHODS

Procedures adopted for current valuation exercise

Our analysis of value of the Company is based on the Valuation Standards formulated by the Valuation Standards Board of the Institute of Chartered Accountants of India (ICAI) and the prescriptions laid down in Companies (Registered Valuers' and Valuation) Rules, 2017, as amended from time to time as well as the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Valuation Approach

The present valuation exercise is being undertaken in order to determine floor price for the proposed preferential issue of the Company in compliance with ICDR Regulations.

The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment by the valuer, based on the facts and circumstances as applicable to the business of the company to be valued.

There are three generally accepted approaches to valuation:

- (a) Cost Approach including
 - Net Asset Value ("NAV") Method
- (b) Market Approach including
 - Comparable Companies Multiple ("CCM") Method
 - Comparable Transaction Multiple ("CTM") Method
 - Market Price Method
- (c) Income Approach including
 - Discounted Cash Flow ("DCF") Method

Cost Approach

The asset approach values the underlying assets of the business to determine the business value. This valuation method carries more weight with respect to holding companies than operating companies. Also, asset value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

Net Asset Value ("NAV")

The NAV Method under Cost Approach considers the assets and liabilities, including intangible assets. The Net Assets, after reducing the dues to the preference shareholders, if any, represent the value of a company.

The NAV Method is appropriate in a case where the main strength of the business is its asset backing rather than its capacity or potential to earn profits. This valuation approach is also used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria.

Additionally, NAV does not properly take into account the earning capacity of the business or any intangible assets that have no historical cost. In many respects, net asset value represents the minimum benchmark value of an operating business

In the present case, we have considered but not assigned any weights to Net Asset Value Method under cost approach for the current valuation exercise.



Market Approach

Under the Market approach, the valuation is based on the market value of the company in case of listed companies and comparable companies trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

Comparable Companies Multiples ("CCM") Method

The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

The Company is engaged primarily in the business of providing Micro Enterprise Loans, SME Loans, Other Structured Business, Personal Loans and in providing ancillary services related to the said business activities. In the present case, we have considered the appropriate multiple of the listed peers engaged in the same industry as that of the Target to arrive at the fair value of its equity shares (Refer Annexure II).

Comparable Transactions Multiples ("CTM") Method

Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/Earnings before Interest, Taxes, Depreciation & Amortization ("EBITDA") multiple, EV/Revenue multiple.

In the absence of adequate details about comparable transactions, we were unable to apply the CTM method for the current valuation exercise.

Market Price Method

Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

Since the equity shares of DFL are listed on recognized stock exchange of India, BSE, we have applied the market price method. (Refer Annexure III).

Income Approach

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

Discounted Cash Flow ("DCF") Method

Under DCF method value of a company can be assessed using the Free Cash Flow to Firm Method ("FCFF") or Free Cash Flow to Equity Method ("FCFE"). Under the DCF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both, the owners and creditors of the business. The free cash flows to equity shareholders represent the cash available for distribution to them after payment made to the creditors and lenders of the business. The free cash flows in the explicit period and those in perpetuity are discounted by the Cost of Equity ("Ke"), i.e., the rate of return required by equity shareholders. The Ke is based on the Capital Asset Pricing Model ("CAPM").



The perpetuity (terminal) value is calculated based market market-evidence based capitalization factor or a market multiple (for example, Price to book, Price to Earnings) to the perpetuity earnings / income/net worth.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business' future operations. The business value / EV (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further reduced by the value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of the business.

In the present case, since the Company is a listed Company into NBFC sector, we have not considered DCF method under Income Approach for current valuation exercise, as we can better determine the value of the Company through the Market approach.

Valuation Conclusion

The current valuation has been carried out based on the discussed valuation methodology explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, key underlying assumptions and limitations were given due consideration.

In order to assess the reasonableness of the value determined under each method, we have considered appropriate factors such as applicable nature of asset to be valued, availability of adequate inputs or information underlying the value and its reliability, premise of value, purpose and intended use of the valuation, amount of dependency on observable inputs and other relevant factors.

In light of the aforesaid and after taking into consideration the principles of valuation that one would have to consider to value the equity shares of the Company, we have derived value as per CCM method under Market Approach and Market Price method under Market approach and assigned equal weights to arrive at fair equity value of the Company.

Particulars	Price per Share (INR)	Weights
Cost Approach		
NAV Method	14.80	
Market Approach		
CCM Method	37.00	50%
Market Price Method	131.92	50%
Weighted Average	84.46	

On the above basis of the foregoing, the fair value of equity shares of DFL is arrived at INR 96,633.96 lakhs and value per equity share on a fully diluted basis as at 11th March 2022 on a going concern basis is arrived at INR 84.46 (for 11,44,13,879 equity shares of face value of INR 2/- each).

VALUATION AS PER ARTICLES OF ASSOCIATION OF THE COMPANY

The Company has provided us with the AOA of the Company and on review of the same we have ascertained that the Articles of the Company does not specify any particular method to be followed for valuation in case of a preferential issue of shares.



VALUATION CONCLUSION AS PER REGULATION 166A OF ICDR REGULATIONS

As per the Regulation 166A of ICDR Regulations, the floor price has to be higher of:

Sr No.	Particulars	Price per Share (In Rs.)
1	Valuation as per Regulation 164 (1) of SEBI ICDR	131.92
2	Valuation as per Internationally accepted Methods	84.46
3	Valuation as per Articles of Association of the Company	NA

Based on the above, the Floor price for the Preferential issue as per regulation 166A (1) of SEBI ICDR Regulations shall be INR 131.92 per share.



Exclusions and Limitations

Our Report is subject to the limitations detailed hereinafter. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Valuation analysis and results are specific to the purpose of valuation and is not intended to represent value at any time other than relevant date of 11th March 2022 ("Relevant Date") mentioned in the Report and 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.

This Report, its contents and the results are specific to (i) the purpose of valuation agreed as per the terms of our engagements; (ii) the Relevant Date and (iii) are based on the financial information of the Company till 31st December 2021. The Management has represented that the business activities of the Company have been carried out in normal and ordinary course between 31st December 2021 and Report date.

The scope of the assignment did not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by me during the course of work. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the Company or any of other entity mentioned in this Report and have considered them at the value as disclosed by the Company in its regulatory filings or in submissions, oral or written, made to us.

In addition, we do not take any responsibility for any changes in the information used by us to arrive at the conclusion as set out herein which may occur subsequent to the date of Report or by virtue of fact that the details provided to me are incorrect or inaccurate.

We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to me or used by me; we 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 or any other entity mentioned in the Report. Nothing has come to my knowledge to indicate that the material provided to me was misstated or incorrect or would not afford reasonable grounds upon which to base this Report.

This Report is intended for the sole use in connection with the purpose as set out above. It can however be relied upon and disclosed in connection with any statutory and regulatory filing in connection with the provision of ICDR Regulations. However, we will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report, without my written consent.

It is clarified that this Report is not a fairness opinion under any of the stock exchange/ listing regulations. In case of any third party having access to this Report, please note this Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This valuation reflects the facts and conditions existing or reasonable foreseeable at the relevant date. Subsequent events have not been considered, and we have no obligation to update our report for such events and conditions

This Report is based on the information received from the sources mentioned and discussions with the Management. We have assumed that no information has been withheld that could have influenced the purpose of Report.

Valuation is not a precise science and the conclusions arrived at in many cases may be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. We have arrived at an indicative Equity Value based on my analysis. While we have provided an assessment of the value based on an analysis of information available to me and within the scope of engagement, others may place a different value on this business.



Our engagement for this valuation consulting work does not include any procedures designed to discover any defalcations or other irregularities, should any exist.

Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, *neither myself, nor any of my officers or employees shall in any way be liable or responsible* either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this Report. We are not liable to any third party in relation to the issue of this Report.

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. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.

In the particular circumstances of this case, our liability (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage caused, shall be limited to the amount of fees actually received by us from the Management, as laid out in the engagement letter, for such valuation work.

In rendering this Report, we have not provided any legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.

It is assumed that there is full compliance with all applicable central, state, and local Environmental regulations and laws unless non-compliance is stated, defined, and considered in the report

This Report does not address the relative merits of investing in the Company as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

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 source

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 the 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 financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.

We do not provide assurance on the achievability of the results forecasted by the client because events and circumstances frequently do not occur as expected. Differences between actual and expected results may be material and achievement of the forecasted results is dependent on actions, plans, and assumptions of management

Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it nor may it be used for any purpose by anyone other than those enumerated in this report without our written consent of. This report and the conclusion of the value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein.

Neither all nor any part of the contents of this report (especially the conclusion of value) should be disseminated to the public through advertising media, public relations, news media, sales media, mail, direct transmittal, or any other means of communication without our prior consent and approval.



We have relied on the representations of the owners, management, and other third parties concerning the value and useful condition of all investments made, and any other assets or liabilities, except as specifically stated to the contrary in this report.

FOR BHAVIN R. PATEL

Bhavin R. Patel



PLACE: VADODARA

REGISTERED VALUER
SECURITIES OR FINANCIAL ASSETS

Annexure I – Net Asset Value of DFL as at 31st December 2021

NAV as on 31.12.2021	
	In Lakhs
Particulars	Amt./ Rs
Non Financial Assets	
Property Plant & Equipment	846.18
Right of use Assets	653.09
Capital work in Progress	23.60
Intangible Assets under development	1,264.29
Other Intangible Assets	710.17
Other Non financial Assets	819.21
	4,316.54
Financial Assets	
Cash, Bank and Cash Equivalents	4,451.21
Receivables	1,767.02
Loans	24,997.42
Investments	1,605.39
Other financial assets	360.91
	33,181.95
Total Assets	37,498.49
Financial Liabilities	
Payables	318.73
Debt Securities	3,911.99
Borrowings	15,578.78
Other Financial Liabilities	257.28
Total Financial Liabilities	20,066.78
Non Financial Liabilities	
Current Tax Liabilities	36.85
Provisions	101.64
Other Non financial liabilities	360.85
Total Financial Liabilities	499.34
Net Worth	16,932.37
No of Shares	11,44,13,879
NAV per share	14.80

Notes:

1. We have considered the consolidated balance sheet of DFL as at 31st December 2021



Annexure II – Valuation of DFL as per CCM Method as on 11th March 2022

Particulars	Rs in Lakhs
Net Worth as on 31.12.2021	16,932.37
Price to Book Considered	2.50
Equity Value	42,330.93
No of Shares	11,44,13,879
Valuer per Share	37.00

1. Under the Comparable Companies Multiple method, (also known as the Guideline Public Company method), the value is determined on the basis of multiples derived from valuations of comparable companies listed on the stock exchanges in India. This is based on the principle that market valuation, taking place between informed buyers and informed sellers, incorporates all factors relevant to valuation.
2. In the present case we have considered Price to Book (P/B) multiple for the valuation of DFL. The Price to Book Multiple is calculated as Market Capital divided by Latest net-worth of the Company. This method is suitable for valuation of companies engaged in finance business.
3. We have considered the market price of the comparable companies based on the volume weighted average share price as quoted on the recognized stock exchange on 10th March 2022 i.e. day prior to the relevant date. The market capitalization (Equity Value) of the comparable companies is derived by multiplying the market price with the outstanding shares of the comparable companies.
4. The valuation multiples arrived under the comparable companies multiples method requires some adjustment for various factors. Following are the important factors in deciding the appropriate discount or premium to the market multiples arrived:
 - Profitability (of the past and projected period);
 - Geographic location;
 - Historical and expected growth;
 - Management profile;
 - Other parameters like liquidity of the underlying financial asset to be valued; Control Premium, lack of marketability, etc.
5. Accordingly, we have arrived at P/B multiple of 2.50x for the valuation of DFL.

Annexure III – Market Price Method

DFL is a listed Company on BSE. The 90 days average Volume Weighted Average Price of the Company as on 10th March 2022 i.e. date prior to the relevant date, was INR 131.92 as already calculated above.

We have considered the same for our analysis under Market Price Method.

