

**MANISH AGARWAL**  
Registered Valuer, LLB, MBA, FCS, IP  
307, Prakash Deep building, Tolstoy  
Marg, Connaught palace, New Delhi-110001

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## **Fair Valuation Report**

MAGNUM VENTURES LIMITED

Valuation Date – April 20, 2024


CS MANISH AGARWAL

REGISTERED VALUER

IBBI Reg. No.: IBBI/ RV/03/2019/12187

This Valuation Report is submitted by CS Manish Agarwal, Registered Valuer - Securities and Financial Asset (Asset Class), for the purpose as mentioned therein and shall not be used for any other purpose whatsoever.

Date: 20.04.2024

To,  
The Board of Directors,  
Magnum Ventures Limited.,  
HNO-MN01, Hub and Oak,  
E-14, Lower Ground Floor,  
Defence Colony, New Delhi-110024

Dear Sir(s)/Madam(s)

**Subject: Valuation Report to determine the value of equity shares of Magnum Ventures Limited as on 20 April 2024**

Magnum Ventures Limited ('MVL', 'the Company'), incorporated on 29 May 1980, is engaged in the business of trading and manufacturing of paper. The Company also owns a hotel named "Country Inn & Suits by Radisson" with Radisson Group. The equity shares of MVL are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') ('BSE' and 'NSE' are together known as, 'the Stock Exchanges').

I understand that MVL proposes to issue warrants convertible into equity shares on a preferential basis ('the Transaction'). As stated in Regulation 166A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022 ('SEBI ICDR Regulations') in connection with the Transaction, the management of the Company is required to determine the Fair Value of the equity shares of MVL by a Registered valuer, registered under the Insolvency Bankruptcy Board of India and obtain a Valuation Report, for the above-mentioned purpose as on 20 April 2024 ('Valuation Date').

MVL has through an engagement letter dated 15 April 2024 ('Engagement Letter') appointed CS Manish Agarwal, Registered Valuer bearing IBBI Registration Number -IBBI/RV/03/2019/12187, registered under the Insolvency Bankruptcy Board of India read with Companies (Registered Valuers & Valuation) Rules, 2017 ('the Valuer', 'the Registered Valuer', 'I', 'me', 'my') to determine the Fair Value of the equity shares of MVL in accordance with the SEBI ICDR Regulations, as on the Valuation Date and issue a valuation report for this purpose.

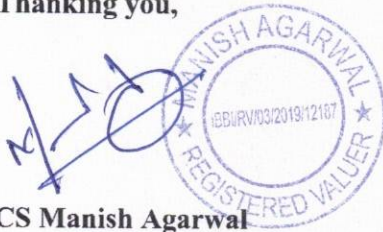


My Valuation Report ('Report') is to be read in conjunction with the scope and purpose of the Report, the sources of information and the assumptions, exclusions, limitations, and the disclaimers, as detailed hereinafter.

This letter should be read in conjunction with the report.

Should you require any further information or explanations, please contact the undersigned.

**Thanking you,**



**CS Manish Agarwal**

**Registered Valuer- Securities or Financial Assets**

**IBBI Reg. No. IBBI/RV/03/2019/12187**

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1. ABBREVIATIONS

ABBREVIATIONS	MEANING
BSE	BSE Limited
CCM	Comparable Company Method
CIN	Corporate Identity Number
Cr	Crores
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
ERP	Equity Risk Premium
FY	Financial Year
ICAI	Institute of Chartered Accountants of India
INR / Rs	Indian Rupee
IVS	Indian Valuation Standards
NSE	National Stock Exchange of India Limited
PAT	Profit After Tax
MVL	Magnum Ventures Limited
SEBI	Securities and Exchange Board of India
WACC	Weighted Average Cost of Capital



## 2. EXECUTIVE SUMMARY

### 2.1 Details of the Company

2.1.1 Magnum Ventures Limited, incorporated on 29 May 1980, is engaged in the business of trading and manufacturing of paper. The Company also owns a hotel named “Country Inn & Suits by Radisson” with Radisson Group. The equity shares of MVL are listed on the Stock Exchanges.

### 2.2 Scope, Purpose and Usage of Valuation

2.2.1 The scope of my services as per the Engagement Letter dated 15 April 2024 is to carry out a valuation of the equity shares of MVL, as on 20 April 2024, as required under Regulation 166A of the SEBI ICDR Regulations, using the methodology prescribed under the Indian Valuation Standards ('IVS') issued by Institute of Chartered Accountants of India, and issue a Valuation Report to be used by the Board of Directors of the Company, as well as to represent to regulatory authorities in connection with the proposed preferential issuance by MVL pursuant to the extant provisions of the SEBI ICDR Regulations.

### 2.3 SUMMARY OF THE VALUATION

Valuation Approach	MVL
Income Approach	x
Market Approach	✓
Cost Approach	x

2.3.1 I have carried out the valuation of equity shares of MVL using the Market Price Method under the Market Approach.

2.3.2 On the basis of my valuation analysis and methodologies adopted and mentioned in greater detail in my Report herein, I estimate that the Fair Value of the equity shares of Magnum Ventures Limited, as on 20 April 2024, is **INR 59.15** under Regulation 166A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022. My valuation working and summary have been provided in the **Annexure [A – C]** to this report.

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### 3. SOURCES OF INFORMATION

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I have relied on the following information provided by the Company for the preparation of this report:

- 3.1 Brief history, present activities, business profile and group structure of the Company;
- 3.2 Audited financial statements of MVL as on March 31, 2022, and March 31, 2023;
- 3.3 Unaudited financial statements of MVL as on December 31, 2023;
- 3.4 Financial Projections/ Cash Flows as provided by MVL for next five years i.e., from the FY 2023-24 till 2027-28;
- 3.5 Written Representations received from the management dated 15 April 2024;
- 3.6 Publicly available data of the Company such as shareholding pattern, historical trading pricing on the Stock Exchanges;
- 3.7 Such other information, explanations and representations as required and which have been provided by the management of the Company and considered relevant for purpose of preparing this report.

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**4. SCOPE, USAGE AND PURPOSE OF THE REPORT**

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- 4.1 I have been appointed by the Company through an Engagement Letter to assist in determining the Fair Value of the equity shares of MVL as on 20 April 2024 as required under the extant provisions in Regulation 166A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022.
- 4.2 My Valuation Report is to be read in conjunction with the scope and purpose of the Report, the sources of information and the assumptions, exclusions, limitations. and the disclaimers, as detailed hereinafter. The valuation presented in this Report is specific to this Valuation Date.
- 4.3 For the purpose of arriving at the valuation of equity shares of MVL, I have considered the valuation base as 'Fair Value' and the premise of value as 'Going Concern'. Any change in the valuation base or premise could have a significant impact on the valuation analysis, and consequently, this Report.
- 4.4 This Report is my deliverable to this engagement. This Report shall be used by the Board of Directors of MVL as well as to represent to SEBI, in connection with the proposed Transaction.
- 4.5 It is to be noted that I am registered under ICSI Registered Valuer Foundation, bearing number IBBI/RV/03/2019/12187 as a registered valuer under the Securities and Financial Assets category.

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## 5. OVERVIEW OF THE COMPANY

5.1 MVL ('CIN: L21093DL1980PLC010492'), incorporated on 29 May 1980, is engaged in the business of trading and manufacturing of paper. The Company also owns a hotel named “Country Inn & Suits by Radisson” with Radisson Group. The equity shares of MVL are listed on the Stock Exchanges.

5.2 The shareholding pattern of MVL as on 31 March 2024 is as under:

Equity Shares of INR 10/-

No.	Name of the Shareholder	No. of Shares	Shareholding (%)
1	Promoter and Promoter Group	3,02,42,554	51.36
2	Public Holdings	2,86,43,763	48.64
	<b>Total</b>	<b>5,88,86,317</b>	<b>100.00</b>

Source: Management Representation

5.3 A brief financial summary of MVL as on March 31, 2022, March 31, 2023, and December 31, 2023, is as under:

Balance Sheet of MVL:

(INR in Lakhs)

Particulars	31 March 2022 (Audited)	31 March 2023 (Audited)	31 December 2023 (Unaudited)
<b>Assets</b>			
<b>Non-Current Assets</b>			
a) Property Plant and Equipment	18,856.57	91,022.10	89,435.34
b) Intangible Assets	6.72	7.91	6.75
c) Right of Use Asset	2,276.33	1,982.01	1,909.74
d) Financial Assets			
Other Financial Assets	176.50	179.45	494.95
<b>Total Non-Current Asset</b>	<b>21,316.11</b>	<b>93,191.48</b>	<b>91,846.79</b>
<b>Current assets</b>			
a) Inventories	3,291.31	5,684.98	5,240.45
b) Financial Assets			
I. Trade receivables	5,553.69	3,990.17	5,418.18
ii. Cash and cash equivalents	526.12	435.91	323.39
iii. Loans	619.72	15.51	233.73
iv. Other Financial Asset	34.66	8.94	21.26
c) Other Current Assets	154.96	945.20	11.17
<b>Total Current Asset</b>	<b>10,180.45</b>	<b>11,080.71</b>	<b>13,843.55</b>
<b>TOTAL ASSETS</b>	<b>31,496.56</b>	<b>1,04,272.19</b>	<b>1,05,690.34</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	3,760.19	4,210.19	4,782.69
b) Other Equity	-8,877.43	54,183.74	56,775.83
<b>Total Equity</b>	<b>-5,117.24</b>	<b>58,393.92</b>	<b>61,558.52</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			

*(Signature)*



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a) Financial Liabilities			
i. Borrowings	18,072.67	9,976.83	5,688.09
ii. Lease Liabilities	2,023.15	1,866.12	1,846.98
b) Provisions	516.90	563.27	704.50
c) Deferred Tax Liabilities (Net)	1881.26	20,124.40	19,674.75
<b>Total Non-Current Liabilities</b>	<b>22,493.97</b>	<b>32,530.61</b>	<b>27,914.31</b>
<b>Current Liabilities</b>			
a) Financial Liabilities			
i. Borrowings	9,287.98	6,635.00	10,349.40
ii. Lease Liabilities	369.96	354.86	397.80
iii. Trade Payables	3188.59	3,204.05	3,845.21
iv. Other Financial Liabilities	197.79	2,168.00	987.79
b) Other Current Liabilities	820.62	781.55	574.58
c) Provisions	254.89	204.20	62.73
<b>Total Current Liabilities</b>	<b>14,119.83</b>	<b>13,347.65</b>	<b>16,217.51</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>31,496.56</b>	<b>1,04,272.19</b>	<b>1,05,690.34</b>

Source: Audited Financials and Company Quarterly Filings on the Stock Exchanges



Profit and Loss Statement of MVL:

(INR in Lakhs)

Particulars	31 March 2022 (Audited)	31 March 2023 (Audited)	31 Dec 2023 (Unaudited)
Revenue from Operations	32,830.11	46,001.44	32,986.65
Other Income	330.02	548.44	999.49
<b>Total Income</b>	<b>33,160.13</b>	<b>46,549.88</b>	<b>33,986.14</b>
<b>Expenses</b>			
Cost of Material Consumed	24,512.79	35,207.91	22,392.90
Change in Inventory of Finished Goods & W.I.P	-387.24	-1,432.48	816.05
Employee Benefit Expense	3,163.75	4,106.43	3,356.56
Finance Costs	240.55	400.31	214.67
Depreciation and Amortization Expense	1,507.69	1,675.17	3,281.73
Other Expense	3,334.46	3,925.30	3,262.15
<b>Total Expense</b>	<b>32,372.00</b>	<b>43,882.63</b>	<b>33,324.08</b>
<b>Profit before Tax and Exceptional Items and Tax</b>	<b>788.13</b>	<b>2,667.25</b>	<b>662.06</b>
Exceptional Items	320.06	-4,267.41	-
<b>Profit before Tax</b>	<b>468.08</b>	<b>6,934.65</b>	<b>662.06</b>
Tax Expense			
Current Tax	-	-	-
Deferred Tax	-46.69	-151.45	-465.43
Earlier Year Tax	-	-	-
<b>Profit/ (Loss) for the year</b>	<b>514.76</b>	<b>7,086.10</b>	<b>1,127.48</b>

Source: Audited Financials and Company Quarterly Filings on the Stock Exchanges

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## 6. RELEVANT REGULATORY GUIDANCE

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- 6.1 In order to comply with the provisions of Regulation 166A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, the valuation of the equity shares of MVL is required to be carried out by an Independent Registered Valuer when a preferential issue results in change in control or allotment of more than 5% of the post issue fully diluted share capital. The relevant extracts of the regulatory guidance are as under:

166A

*(1) Any preferential issue, which may result in a change in control or allotment of more than five per cent of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price:*

*Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2), or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer, or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable*

*Provided further that if any proposed preferential issue is likely to result in a change in control of the issuer, the valuation report from the registered valuer shall also cover guidance on control premium, which shall be computed over and above the price determined in terms of the first provision*

*Provided further that the valuation report from the registered valuer shall be published on the website of the issuer and a reference of the same shall be made in the notice calling the general meeting of shareholders*

*(2) Any preferential issue, which may result in a change in control of the issuer, shall only be made pursuant to a reasoned recommendation from a committee of independent directors of the issuer after considering all the aspects relating to the preferential issue including pricing, and the voting pattern of the said committee's meeting shall be disclosed in the notice calling the general meeting of shareholders*

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7. **PROCEDURE FOR THE VALUATION**

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I have performed the following procedures to carry out this valuation analysis of the equity shares:

- 7.1 Requested and was provided the data as per my requisition list including current financial details, shareholding details and details of the proposed transaction etc;
- 7.2 Discussed with the management of the Company, the structure, details of the proposed issue of the equity shares;
- 7.3 Selected valuation methodology as considered appropriate for the purpose of my valuation;
- 7.4 Obtained necessary data from the public domain, as considered relevant for my valuation analysis;
- 7.5 Determined the fair value of the equity shares of MVL.

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## 8. METHODOLOGY OF THE VALUATION

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8.1 In order to arrive at the fair value of the Company, there are three traditional approaches which can be considered:

### 8.1.1 Market approach:

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

### 8.1.2 Income approach:

Income approach is a valuation approach that converts maintainable or future amounts such as cash flows or income and expenses, to a single current (discounted or capitalized) amount. The fair value measurement is determined based on the value indicated by current market expectations about those future amounts.

### 8.1.3 Cost approach:

The Cost approach seeks to determine the business value based on the value of its assets.

8.2 I have used the financial projections as provided by the MVL for the valuation of equity shares under the Income Approach using Discounted Cash Flow Method (**DCF Method**) of valuation.

8.3 I have computed the Net Asset Value ('NAV') of the MVL under the Cost Approach, which is based on the historic representation of the cost incurred by the Company.

8.4 In arriving at the value of the equity shares of MVL, I have considered it appropriate to use the Market Approach for the valuation of MVL. I have used the Market Price Method under the Market Approach to arrive at the fair value of MVL as the equity shares are listed on the Stock Exchanges and frequently traded.

8.5 As the value computed under the Market Approach is higher than the value computed under the Cost and Income Approach, I have considered the value computed under the Market Approach, in line with the regulatory guidance given under Rule 166A of the SEBI ICDR Regulations.

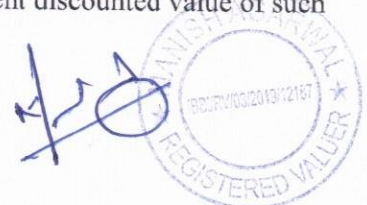
8.6 My valuation working, and summary have been provided in the **Annexure [A – C]** to this Report.

### 8.7 NET ASSET VALUE METHOD

Net Asset Valuation refers to one of the approaches used to calculate the value of a business. It values a business based on the assets it possesses. The method evaluates assets and liabilities, obtains their fair market value, and deducts the liabilities from assets.

### 8.8 DISCOUNTED CASH FLOW METHODOLOGY

8.8.1 The DCF Methodology is considered the most theoretically sound approach and scientific and acceptable methodology for determination of the value of the company. Under this technique the projected free cash flows from the business operations are discounted at the weighted average cost of capital to the providers of capital to the company, and the sum of the present discounted value of such free cash flows is the value of the company.



- 8.8.2 The future free cash flows are derived considering, inter alia, the changes in the working capital and investments in capital expenditure. They are an aggregation of the free cash flows during the explicit forecast period- prepared based on the business plan- and during the post explicit forecast period, estimated using as appropriate method, and are available to all providers of the company- both debt and equity.
- 8.8.3 The discount rate i.e., weighted average cost of capital (“WACC”), which is applied to the cash flows should reflect the opportunity cost all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. Determining the WACC, involves determining the Debt Equity ratio, cost of Debt and the Cost of Equity.
- 8.8.4 To the value of the operating business so arrived, the value of surplus/ non- operating assets, debt and contingent liabilities / assets if any, and other assets/ liabilities as appropriate have to be adjusted to arrive at the total value of the business for the equity shareholders of the company. The WACC is calculated by weighing the required returns on interest bearing debt, preference share capital/hybrid securities and ordinary equity capital in proportion of their estimated percentages in an expected industry capital structure or other structures as appropriate.
- 8.8.5 In terms of the above we have applied the DCF Method based on the projections as provided by the MVL for the valuation of equity shares and arrived at a price of INR 55.16.

#### 8.9 MARKET PRICE METHOD:

- 8.9.1 This method evaluates the value on the basis of prices quoted on the stock exchange(s). Average of quoted price is considered as indicative of the value perception of the Company by investors operating under free market conditions. The average of such market prices could be taken on a simple or weighted average basis taking into consideration the value and the volumes of the transactions taken place on the stock exchange.
- 8.9.2 This method is important as the secondary equity market is not only a reflection of the fair value of the company, but also of the other market information to know the perception of the market prevailing during the span of time for which the price of the share is evaluated.
- 8.9.3 Under this method of valuation, computation is carried based on the volume-weighted average market price of shares of a Company for a period of 90 trading days as well as 10 trading days preceding from the date for which the valuation is to be arrived at. After arriving at volume-weighted average price of 90 trading days as well as 10 trading days, the higher of two prices which have been computed in said manner is taken into consideration.
- 8.9.4 Volume-weighted average market price means the product of the number of equity shares traded on a stock exchange and the closing price of equity shares divided by the total number of equity shares traded on the stock exchange.
- 8.9.5 Further, in terms of Regulation 164 (Pricing of frequently traded shares) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022:

*If the equity shares of the issuer have been listed on a recognised stock exchange for a period of ninety trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:*

*a. the ninety trading days’ volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or*



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*b. the ten trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.*

*Regulation 164 (5) - For the purpose of this Chapter, "frequently traded shares" means the shares of the issuer, in which the traded turnover on any recognised stock exchange during the two hundred and forty trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer.*

*Provided that where the share capital of a particular class of shares of the issuer is not identical throughout such period, the weighted average number of total shares of such class of the issuer shall represent the total number of shares.*

*Explanation: For the purpose of this regulation, 'stock exchange' means any of the recognised stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.*

8.9.6. In terms of the above regulation, the equity shares of MVL are listed on the Stock Exchanges and have been frequently traded. We have applied the Market Price method as described above to determine the Fair Value of MVL based on the historical trading price on NSE. We have calculated the Volume Weighted Price of MVL for the last 90 trading days from the Valuation Date i.e., 07 Dec 2023 to 18 April 2024 and last 10 trading days from Valuation Date i.e., 03 April 2024 to 18 April 2024. The higher of the two volume Weighted Price is considered to arrive at the Fair Value of MVL.

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9. **BASIS FOR THE DETERMINATION OF THE FAIR VALUE**

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- 9.1 The valuation of the equity shares of MVL has been arrived at based on the methodology explained hereinabove, various qualitative factors relevant to the business, business dynamics and growth potential of the business and taking into consideration the information, key underlying assumptions and limitations as articulated hereinabove.
- 9.2 In the ultimate analysis, the valuation will have to be arrived at by the exercise of judicious discretion and judgments taking into account all the relevant factors. There will always be several factors, such as the quality of management present and prospective competition, market sentiment and other factors, which are not evident from financial information, but which influence the worth of a business. This concept is also recognized in judicial decisions.

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## 10. ASSUMPTIONS, DISCLAIMERS, EXCLUSION, LIMITATIONS AND QUALIFICATIONS

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- 10.1. This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. This Report is restricted for the purpose indicated in the Engagement Letter but does not preclude the management of the Company to provide a copy of this Report to third-party advisors whose review would be consistent with the intended use. I do not take any responsibility for any unauthorized use of this Report.
- 10.2. I owe responsibility only under the terms of the Engagement Letter. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the management of the Company or their directors, employees or agents of the Company.
- 10.3. In the course of the valuation, I was provided with both written and verbal information, which I have evaluated 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. I have also been provided with extracts of certain agreements and am not privy to the entire agreement or all the clauses mentioned therein. I have also relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, I assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis.
- 10.4. The valuation of MVL, has been performed based on the last available financial statements provided by the management of the Company as of the Valuation Date. As implied by the financial statements, of MVL, are assumed to have those legal rights to the assets and be subject to those claims represented by the liabilities presented in the financial statements. As informed by the management of the Company, there are no contingent liabilities which are expected to devolve or contingent assets with MVL, and there are no surplus assets in MVL, as of the date of this Report beyond those as are captured in this Report. Accordingly, I assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the Company.
- 10.5. This Report and the results herein are specific to the purpose of valuation agreed as per the terms of the Engagement Letter, are specific to the date of this Report and are necessarily based on the prevailing financial and economic conditions as well as the written and oral information, as made available by the management of the Company as on date of this Report. Events occurring after this date may affect this Report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this Report.
- 10.6. I have not reviewed the legal compliance required for the proposed transaction, except to the extent necessary for the purpose of this Report, nor provided any accounting, tax, or legal advice to the Companies, neither am I required to do so, in terms of the Engagement Letter.
- 10.7. I have not carried out a re-valuation of any assets of the Company, nor physically verified any assets of the Company, neither am I required to in terms of the Engagement Letter.
- 10.8. This Report does not constitute a fairness opinion, solvency opinion, or an investment recommendation and is not to be construed as such either for making or divesting investment.
- 10.9. I am independent of the Company and hold no specific interest in the Company or any of the assets of the Company, nor do I have any conflict of interest with the Company.

  
  
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10.10. The fee for this Report is not contingent upon the result of the valuation arrived therein.

10.11. I am aware that based on the opinion of the value expressed in this Report, I may be required to give testimony or attend judicial proceedings with regard to the valuation, although it is out of scope of the assignment. In such an event, the party seeking the evidence in the proceedings shall bear the full cost and the fees of the judicial proceedings, and the tendering of evidence before such authority, if any, will be as per the applicable laws.

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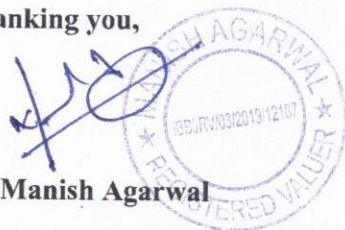


11. CONCLUSION

On the basis of my valuation analysis and methodologies adopted and mentioned in greater detail in my Report herein, I estimate that the Fair Value of the Equity Shares of Magnum Ventures Limited, as on 20 April 2024 is **INR 59.15** per equity shares under Regulation 166A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022. My valuation working and summary have been provided in the **Annexure [A – C]** to this Report.

Valuation approach	Value per share
Asset Approach – NAV	8.82
Income Approach – DCF	55.16
<b>Market Approach – Market Value method</b>	<b>59.15</b>

Thanking you,



CS Manish Agarwal

Registered Valuer- Securities or Financial Assets

IBBI Reg. No. IBBI/RV/03/2019/12187

Date: 20.04.2024

Place: New Delhi

**Annexure A**

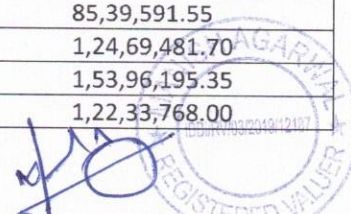
Market Price Method

Magnum Ventures Limited

Valuation Working as on Date: 20 April 2024

INR

S. No.	Date	Close Price	Shares	Turnover
1	18-Apr-24	54.4	84,290	45,75,367.65
2	16-Apr-24	53.7	1,34,916	72,12,030.75
3	15-Apr-24	52.55	2,55,312	1,31,77,542.85
4	12-Apr-24	53.55	95,226	50,93,198.45
5	10-Apr-24	52.9	1,17,479	62,11,483.25
6	09-Apr-24	52	3,66,170	1,94,46,709.70
7	08-Apr-24	53.45	2,52,212	1,38,91,678.90
8	05-Apr-24	56.25	9,45,554	5,25,30,862.70
9	04-Apr-24	53.6	30,611	16,40,749.60
10	03-Apr-24	51.05	14,364	7,33,282.20
11	02-Apr-24	48.65	1,60,930	77,20,088.00
12	01-Apr-24	46.35	1,78,556	81,89,661.70
13	28-Mar-24	44.15	3,91,264	1,70,98,457.10
14	27-Mar-24	44.15	3,06,255	1,38,63,123.20
15	26-Mar-24	45.9	3,48,413	1,61,01,609.05
16	22-Mar-24	46.25	2,02,626	96,61,433.80
17	21-Mar-24	47.05	1,06,376	49,88,126.35
18	20-Mar-24	44.85	3,16,989	1,41,21,599.75
19	19-Mar-24	44.65	2,96,475	1,35,33,872.15
20	18-Mar-24	46.85	2,08,512	98,27,836.75
21	15-Mar-24	47.75	5,75,486	2,75,87,244.75
22	14-Mar-24	49	5,85,913	2,87,43,023.15
23	13-Mar-24	51.55	29,232	15,06,909.60
24	12-Mar-24	54.25	12,750	6,91,687.50
25	11-Mar-24	57.1	2,56,059	1,49,53,181.00
26	07-Mar-24	59.95	3,31,871	1,94,65,554.30
27	06-Mar-24	57.1	2,56,659	1,39,69,390.15
28	05-Mar-24	54.4	4,13,788	2,28,39,106.60
29	04-Mar-24	57.05	1,94,339	1,12,54,042.15
30	02-Mar-24	60.05	20,359	12,28,368.30
31	01-Mar-24	61	62,431	38,35,497.90
32	29-Feb-24	61.55	1,47,058	89,63,279.10
33	28-Feb-24	61.5	2,30,194	1,44,22,921.50
34	27-Feb-24	64.45	3,56,760	2,28,90,873.60
35	26-Feb-24	61.4	1,49,645	90,32,193.75
36	23-Feb-24	58.5	1,98,295	1,19,00,871.05
37	22-Feb-24	59.65	2,08,356	1,24,94,773.20
38	21-Feb-24	61.9	1,50,102	94,70,979.65
39	20-Feb-24	64.85	2,84,031	1,83,54,880.35
40	19-Feb-24	62	2,19,742	1,38,03,523.65
41	16-Feb-24	64.6	1,49,222	98,41,132.30
42	15-Feb-24	66.2	1,89,611	1,26,08,997.00
43	14-Feb-24	64.9	1,31,848	85,39,591.55
44	13-Feb-24	64.2	1,96,185	1,24,69,481.70
45	12-Feb-24	63.55	2,46,541	1,53,96,195.35
46	09-Feb-24	60.75	2,04,272	1,22,33,768.00



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S. No.	Date	Close Price	Shares	Turnover
47	08-Feb-24	61.8	1,49,058	91,00,390.45
48	07-Feb-24	62.95	2,75,043	1,74,42,645.40
49	06-Feb-24	66.25	2,49,778	1,71,05,191.30
50	05-Feb-24	69.2	1,64,856	1,12,70,009.45
51	02-Feb-24	66.4	51,067	34,20,268.15
52	01-Feb-24	66.95	92,278	62,58,156.15
53	31-Jan-24	68.45	60,863	41,84,656.40
54	30-Jan-24	68.55	1,49,888	1,02,18,136.75
55	29-Jan-24	68.05	1,71,457	1,17,12,106.65
56	25-Jan-24	70.1	4,05,257	2,87,49,144.00
57	24-Jan-24	77.35	2,54,143	1,95,87,286.10
58	23-Jan-24	75.5	5,43,703	4,26,61,796.30
59	20-Jan-24	77.75	2,54,535	1,97,76,017.15
60	19-Jan-24	74.05	4,48,361	3,28,15,115.00
61	18-Jan-24	70.55	7,40,474	5,17,94,310.75
62	17-Jan-24	67.2	2,35,744	1,58,48,442.50
63	16-Jan-24	67.2	3,09,111	2,06,47,259.20
64	15-Jan-24	65.15	2,60,692	1,70,97,325.05
65	12-Jan-24	64.4	4,30,764	2,76,76,585.70
66	11-Jan-24	61.35	1,20,549	74,55,709.15
67	10-Jan-24	62.1	4,89,915	3,03,75,665.40
68	09-Jan-24	63.95	6,26,650	4,10,77,689.35
69	08-Jan-24	63.45	6,58,140	4,14,21,445.25
70	05-Jan-24	58.7	1,29,359	76,44,815.10
71	04-Jan-24	58.2	9,65,287	6,04,69,948.30
72	03-Jan-24	59.75	2,74,479	1,58,84,347.80
73	02-Jan-24	54.35	4,08,796	2,12,93,522.55
74	01-Jan-24	49.75	1,43,346	71,00,994.00
75	29-Dec-23	47.5	46,452	22,23,552.85
76	28-Dec-23	48.15	31,564	15,27,989.85
77	27-Dec-23	47.85	56,629	27,04,483.00
78	26-Dec-23	48.1	39,140	18,87,197.15
79	22-Dec-23	48.45	24,724	12,02,774.60
80	21-Dec-23	47.6	1,46,364	69,34,522.50
81	20-Dec-23	47.5	93,248	46,01,505.40
82	19-Dec-23	50.2	92,973	46,60,959.80
83	18-Dec-23	49.7	85,990	42,78,882.15
84	15-Dec-23	48.9	93,091	45,16,594.15
85	14-Dec-23	48.3	1,39,515	69,02,144.40
86	13-Dec-23	50.25	1,69,438	85,55,117.30
87	12-Dec-23	50.65	1,97,797	98,74,377.45
88	11-Dec-23	46.15	59,174	27,42,725.90
89	08-Dec-23	46.5	65,022	30,71,500.00
90	07-Dec-23	46.95	53,045	25,16,147.10



<b>Preferential Allotment Guidelines Principles</b>	<b>NSE</b>
i) Weighted Average Price of the relevant 90 Trading Days	59.15
ii) Weighted Average Price of the relevant 10 Trading Days	54.23
<b>Higher of 90 Trading Days and 10 Trading Days Price</b>	<b>59.15</b>

<b>Weighted Average Price of the relevant 90 Trading Days</b>	<b>NSE</b>
Total Trading Turnover for the Past 90 Trading Days	1,24,64,05,634
Total Shares Traded for the Past 90 Trading Days	2,10,71,038
90 Trading Days Volume Weighted Average Market Price	59.15

<b>Weighted Average Price of the relevant 10 Trading Days</b>	<b>NSE</b>
Total Trading Turnover for the Past 10 Trading Days	12,45,12,906
Total Shares Traded for the Past 10 Trading Days	22,96,134
10 Trading Days Volume Weighted Average Market Price	54.23

Source: <https://www.nseindia.com/get-quotes/equity?symbol=MAGNUM> and Valuer's Analysis

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**Annexure B**

Net Asset Value (NAV Working) Computation:  
Magnum Ventures Limited  
Valuation Working as on Date: 20 April 2024

(INR in Lakhs)

<b>Particulars</b>	<b>Amount</b>
Equity Share Capital	5,888.63
Free Reserve & Surplus	-693.37
<b>Book Net Worth</b>	<b>5,195.26</b>
Total Equity Shares	5,88,86,317
<b>Equity Value per Share (INR)</b>	<b>8.82</b>

Source: Valuer's Analysis and Management Representation

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**Annexure C**

Discounted Cash Flow Method Computation:  
Magnum Ventures Limited  
Valuation Working as on Date: 20 April 2024

Particulars	31-03-2023	31-03-2024	31-03-2025	31-03-2026	31-03-2027	31-03-2028
Revenue	1,16,37,25,000	4,66,00,00,000	4,67,00,00,000	4,68,00,00,000	4,69,00,00,000	4,70,00,00,000
Cost of Goods Sold	1,04,51,57,000	4,29,52,00,000	4,30,50,00,000	4,33,50,00,000	4,35,00,00,000	4,37,00,00,000
General & Administrative Expenses	1,00,07,750	3,00,00,000	3,00,00,000	3,00,00,000	3,00,00,000	3,00,00,000
Depreciation	4,18,79,250	15,00,00,000	14,00,00,000	15,00,00,000	14,00,00,000	15,00,00,000
Profit Before Tax (PBT)	6,66,81,000	18,48,00,000	19,50,00,000	16,50,00,000	17,00,00,000	15,00,00,000
Less: Taxes	-	-	-	-	-	-
Profit After Tax (PAT)	6,66,81,000	18,48,00,000	19,50,00,000	16,50,00,000	17,00,00,000	15,00,00,000
Add: Depreciation	4,18,79,250	15,00,00,000	14,00,00,000	15,00,00,000	14,00,00,000	15,00,00,000
<b>Cash Flow After Tax (CFAT)</b>	<b>10,85,60,250</b>	<b>33,48,00,000</b>	<b>33,50,00,000</b>	<b>31,50,00,000</b>	<b>31,00,00,000</b>	<b>30,00,00,000</b>
Less: Capital exp	-12,50,000	-	-50,00,000	-	-50,00,000	-50,00,000
Less: Changes in WC	-7,54,19,576	1,27,41,273	-7,43,014	1,36,79,452	-46,575	1,25,69,863
Cash Flow to Firm (CFF)	3,18,90,675	34,75,41,273	32,92,56,986	32,86,79,452	30,49,53,425	30,75,69,863
distance from valuation date	-0.75	0.25	1.25	2.25	3.25	4.25
<b>Terminal Value</b>						4,00,23,51,423
PV factor	1.07	0.98	0.89	0.82	0.75	0.69
<b>Present value of Cash flows</b>	<b>3,41,00,527</b>	<b>33,99,20,847</b>	<b>29,46,36,298</b>	<b>26,90,93,769</b>	<b>22,84,25,425</b>	<b>21,07,31,149</b>

Sum of present values	1,37,69,08,013
Terminal Value (PV)	2,74,22,06,614
Enterprise Value	4,11,91,14,627
Less: Long term Outstanding debt as on 31 Dec 2023	1,51,31,89,563
Add: cash in hand as on 31 Dec 2023	3,23,38,962
Equity value	2,63,82,64,026
Equity shares as on Valuation date	4,78,26,884
Equity value per share	<b>55.16</b>

Source: as tabulated below

Particulars	Rate	Source
$R_f$ (Risk free return)	7.22%	10-Year G-Sec Par Yield (FBIL): RBI
$R_m$ (Market Risk)	15.03%	Sensex Index as of valuation date
Unlevered $\beta$ (Beta)	0.27	From Company's data
$(R_m - R_f)$ (Equity Risk Prem.)	7.81%	
$K_e$ (Cost of Equity) $(R_f + \beta (R_m - R_f) + C_p)$	9.32%	CAPM Model



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Cost of debt	0.00%	No interest to be paid
Cost of debt $K_d (1-\text{tax})$	9.32%	
WACC (Rounded off)	9.30%	

*Notes*

- R<sub>f</sub> (Risk Free Rate) is the first step in estimating the cost of equity. Although there is no true risk-free security from which one can derive a risk-free rate, we have utilized Bond rates backed by the Indian Government, which reflect a minimal level of risk. In estimating a security's expected return, we typically seek a cost to be applied to cash flows projected for many years. The inflation premium incorporated into a security's normal return is the rate of inflation expected by the market over the life of the security. Thus, to estimate the normal return that is expected over a long-term period, we have taken the risk-free rate as on the valuation date (20 April 2024) which is 7.22%*
- Equity Risk Premium - The Equity Risk Premium measures the excess return that the overall stock market provides over a risk-free security. This excess return compensates investors for taking on the relatively higher risk of the equity market. Equity Risk Premium of 8.52% is considered based on the return of key Indian stock indices. The expected return from the market for the equity is considered at 15.03% based on Sensex for the period of inception to 18 April 2024,  $R_m - R_f = 7.81\%$ .*
- Beta provides a measure of the tendency of a security's return to move with the overall market's return. For example, a security with a beta of 1.0 tends to rise and fall by the same percentage as the market. Thus, " $\beta = 1.0$ " indicates an average level of systematic risk. Securities with a beta greater than 1.0 tend, on average to rise and fall by a greater percentage than the market. Likewise, a security with a beta less than 1.0 has a low level of systematic risk and is therefore less sensitive to changes in the market. The beta of the company is 0.27.*
- Terminal Value:** *We have considered the 'Gordon growth model' to calculate the terminal value or the perpetuity value. The value of perpetuity incorporates the value of all the company's cash flow following the final discrete projection period, into perpetuity. That period is referred to as the "terminal period". Under the 'Gordon Growth Model', the value of perpetuity is calculated using the following formula:*

$$TV_n = (CF_{n+1}) / (\text{Cost of equity} - TV_G) \text{ where,}$$

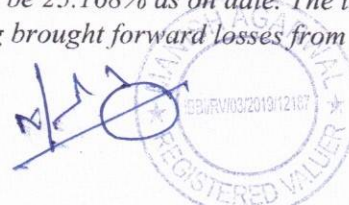
$TV_n$  = Value of perpetuity in period n  
 $TV_G$  = Growth at the terminal period  
 $CF_{n+1}$  = Projected cash flow for the period n+1,

**Thus  $TV = ((30.76 \text{ Crores} \times (1+.015 / (.093-0.015))) = \text{Rs. } 400.23 \text{ Crores} \times 0.69 \text{ (time factor)} = \text{Rs. } 274.22 \text{ Crores}$**

*For arriving at terminal value, I have considered the following assumptions:*

*Long Term Sustainable Annual Growth (TVG) in earnings is assumed to be 1.5%, based on company performance in the years of projections;*

*Tax rate for the years of profit and terminal period is assumed to be 25.168% as on date. The tax at the rate has been calculated for the years of profit after adjusting brought forward losses from the earlier years.*



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