

CA Harsh Chandrakant Ruparelia

Registered Valuer – Securities or Financial Assets

(IBBI Registration No. IBBI/RV/05/2019/11106 and

Membership No. ICMAI RVO/S&FA/00054)

STRICTLY PRIVATE & CONFIDENTIAL

11th March 2024

To,

The Audit Committee and the Board of Directors,

Batliboi Limited

Bharat House, 5th Floor,

104 B S Marg, Fort,

Mumbai – 400 001.

AND

The Board of Directors,

Batliboi Environmental Engineering Limited

Spartan House, 1st Floor, Plot No. B-29,

Road No. S-18, Wagle Estate,

Thane West, Thane – 400 604.

Sub: Report on recommendation of Fair Share Exchange Ratio for the proposed amalgamation of Batliboi Environmental Engineering Limited with and into Batliboi Limited

Dear Sirs,

I refer to my engagement letter dated 1st March 2024, whereby CA Harsh Chandrakant Ruparelia, Registered Valuer – Securities or Financial Assets (hereinafter referred to as “the Valuer” or “I”) has been appointed by the management of Batliboi Environmental Engineering Limited [CIN:U74210MH1959PLC011435] (hereinafter referred to as “BEEL” or “the Transferor Company”) and Batliboi Limited [CIN:L52320MH1941PLC003494] (hereinafter referred to as “Batliboi” or “the Transferee Company”) to issue a report containing recommendation of Fair Share Exchange Ratio for the proposed amalgamation of BEEL with and into Batliboi under the Proposed Scheme (defined hereinafter).

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The Fair Equity Share Exchange ratio for this report refers to the number of Equity Shares of Batliboi, which would be issued to the equity shareholders of BEEL pursuant to the Proposed Amalgamation.

The Fair Preference Share Exchange ratio for this report refers to number of 8%, Non-Cumulative Non-Convertible Redeemable Preference Shares ('RPS') of Batliboi, which would be issued to the RPS holders of BEEL pursuant to the Proposed Amalgamation.

BEEL and Batliboi are hereinafter individually referred to as "the Company" and collectively referred to as "Companies", as the case maybe in terms of the Scheme and the context stated therein.

I am a Registered Valuer as notified under section 247 of the Companies Act, 2013. I hereby further state that I have carried out the valuation exercise in my capacity as an Independent Valuer. I further state that I am not related to the Companies or their promoters or their directors or their relatives. I have been associated with the Companies in my independent professional capacity. I have no interest or conflict of interest with respect to the valuation exercise under consideration.

In the following paragraphs, I have summarized my understanding of the key facts; key information relied upon, basis of recommendation and exclusions to my scope of work.

The report is structured as under:

1. Purpose of this Report
2. Background
3. Sources of Information
4. Valuation Approach
5. Share Exchange Ratio
6. Exclusions and Disclaimers

1. PURPOSE OF THIS REPORT

1.1 I understand that the management of the Companies are contemplating a Scheme of Amalgamation under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules & regulations framed thereunder for the proposed amalgamation of BEEL with and into Batliboi in accordance with Section 2(1B) of the Income-tax Act, 1961 ("the Proposed Scheme" or "the Draft Scheme"). The merger is proposed to take effect from the appointed date as provided in the Scheme.

1.2 In this regard, CA Harsh Chandrakant Ruparelia, Registered Valuer – Securities or Financial Assets has been appointed by the Companies for recommendation



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of Fair Share Exchange Ratio for the proposed amalgamation of the Companies. The recommendation of Fair Share Exchange Ratio for the Scheme has been carried out as on 31st December 2023, being the Valuation Date and for the purpose of this report, as confirmed by the management of the Company the Relevant Date is 11th March 2024. The valuation exercise is undertaken in accordance with the Indian Valuation Standards issued by the Institute of Chartered Accountants of India (ICAI), wherever applicable as per procedures laid down therein.

2. BACKGROUND

2.1 BATLIBOI ENVIRONMENTAL ENGINEERING LIMITED

2.1.1 BEEL was incorporated on 25th August 1959 under the provisions of the erstwhile Companies Act, 1956. The registered office of BEEL is currently situated at Spartan House, 1st Floor, Plot No. B-29, Road No. S-18, Wagle Estate, Thane West, Thane – 400 604 in the State of Maharashtra.

2.1.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of BEEL as on the date of this report is as under:

Particulars	Amount in INR
<u>Authorised Share Capital</u>	
1,70,00,000 Equity Shares of INR 10/- each	17,00,00,000
4,00,000, 8% Non-Cumulative, Non-Convertible Redeemable Preference Shares of INR 100 /-each	4,00,00,000
Total	21,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
1,60,00,000 Equity Shares of INR 10/- each, fully paid-up	16,00,00,000
2,70,000, 8% Non-Cumulative, Non-Convertible Redeemable Preference Shares of INR 100 /-each, fully paid-up	2,70,00,000
Total	18,70,00,000

2.1.3 The equity shareholding pattern of BEEL as on the date of this report is as under:

Sr. No.	Name of the Shareholder	No. of shares held	(%) Holding
1	Kabir Bhogilal j/w Farah Bhogilal	46,75,000	29.22%
2	Batliboi International Limited	30,00,000	18.75%
3	M/s. Pranir Trustees Pvt. Ltd	21,25,000	13.28%
4	Mr. Nirmal Bhogilal	19,99,348	12.50%



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5	Batliboi Limited	19,08,930	11.93%
6	Mrs. Sheela Bhogilal j/w Mr. Nirmal Bhogilal	10,00,010	6.25%
7	Kabir Bhogilal j/w Nirmal Bhogilal	7,00,000	4.38%
8	Mr. Nirmal Bhogilal j/w Mrs. Sheela Bhogilal	5,75,702	3.60%
9	Hitco Investments Pvt. Ltd	16,000	0.10%
10	Mr. P.K. Nair	10	0.00%
Total		1,60,00,000	100.00%

2.1.4 The preference shareholding pattern of BEEL as on the date of this report is as under:

Sr. No.	Name of the Shareholder	No. of shares held	(%) Holding
1	Kabir Bhogilal	1,70,000	62.96%
2	Hitco Investments Pvt. Ltd.	1,00,000	37.04%
Total		2,70,000	100.00%

2.1.5 BEEL is primarily engaged in the business of design, selection, engineering, fabrication, supply, installation and commissioning of air pollution control equipment and systems for a variety of industrial and municipal applications.

2.2 BATLIBOI LIMITED

2.2.1 Batliboi was incorporated on 6th December 1941 under the provisions of the erstwhile Companies Act, 1913. The registered office of Batliboi is currently situated at Bharat House, 5th Floor, 104 B S Marg, Fort, Mumbai – 400 001 in the State of Maharashtra.

2.2.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of Batliboi as on the date of this report is as under:

Particulars	Amount in INR
<u>Authorised Share Capital</u>	
4,61,70,400 Equity Shares of INR 5/- each	23,08,52,000
6,92,480 Preference Shares of INR 100/- each	6,92,48,000
Total	30,01,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
2,90,45,884 Equity Shares of INR 5/- each, fully paid-up	14,52,29,420
6,92,480 Preference Shares of INR 100/- each fully paid up	6,92,48,000
Total	21,44,77,420



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2.2.3 The summarized equity shareholding pattern of Batliboi as on 31st December 2023 is as under:

Sr. No.	Name of the Shareholder	No. of shares held	(%) Holding
1	Promoter and Promoter Group	2,15,10,567	74.06%
2	Public	75,35,317	25.94%
Total		2,90,45,884	100.00%

2.2.4 The entire preference share capital of Batliboi as on the date of this report is held by Mr. Nirmal Bhogilal.

2.2.5 Batliboi is primarily engaged in the business of Machine Tools, Air Engineering, Textile Machinery, Environmental Engineering, Wind Energy, Motors, International Marketing and Logistics. Batliboi's manufacturing facilities are located at Surat in India and Peterborough in Canada. The equity shares of Batliboi are listed on BSE Limited ("BSE").

2.3 PROPOSED SCHEME

The Proposed Scheme would help in achieving benefits, as provided for in Rationale to the Draft Scheme.

3. SOURCES OF INFORMATION

For the purpose of the recommendation of the Share Exchange Ratio, I have relied upon the following information of the Companies:

- Consolidated Audited financial statements of the Companies for the year ended 31st March 2023;
- Consolidated Audited / Limited review financial statements of the Companies for the period 1st April 2023 to 31st December 2023;
- Consolidated Financial projections of the Companies comprising of Balance Sheet and Profit & Loss Statement and material assumptions for the period 1st January 2024 to 31st March 2024 and for the financial years 2024-25 to 2027-28;
- Shareholding pattern of the Companies as on the date of this report;
- Draft Scheme of Amalgamation;
- Terms of 8%, Non-Convertible Non-Cumulative Redeemable Preference Shares ('RPS') proposed to be issued as consideration to RPS holders of BEEL for merger of BEEL into Batliboi;
- Other relevant details of the Companies such as their history, past and present activities, future plans and prospects, and other relevant information; and



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- (h) Such other information and explanations as required and which have been provided by the management of the Companies.

Besides the above information and documents, there may be other information provided by the Companies which may not have been perused by me in any detail, if not considered relevant for the defined scope. The Companies have been provided with the opportunity to review the draft report as part of the standard practice to make sure that factual inaccuracy & omissions are avoided in the final report.

I have been informed that Kunvarji Finstock Private Limited have been appointed by the Companies, to provide fairness opinion on the Share Exchange Ratio for the purpose of the aforementioned Scheme. Further, I have had discussions with fairness opinion providers appointed by Companies on the valuation approach.

4. VALUATION APPROACH

4.1. "Value is a word of many meanings". The term "value" can have different connotations depending upon the purpose for which it is intended to be used. The Valuation of equity shares of any Company would need to be based on a fair value concept. The purpose of fair value is to enable valuer to exercise his discretion and judgement in light of all circumstances, in order to arrive at a value, which is fair to all parties.

4.2. For the purpose of the valuation exercise, generally the following valuation approaches are adopted:

- (a) the 'Underlying Asset' approach;
- (b) the 'Income' approach; and
- (c) the 'Market' approach

4.3. 'Underlying Asset' Approach

(a) In case of the 'Underlying Asset' approach, the value per equity share is determined by arriving at the Net Assets (Assets Less Liabilities) of the Company. The said approach is considered taking into account fair value of assets and liabilities, to the extent possible, the respective asset would fetch or liability is payable as on the Valuation Date. The following adjustments be made to arrive at the Fair Value per Share as per the 'Underlying Asset' Approach at Fair Values:

- The Fair Value of quoted shares/securities held by the Company, if any, be considered at Market Value of such shares/securities;
- The Fair Value of unquoted shares/securities held by the Company, if any, in other entities be arrived at as per suitable approach to that entity to arrive at Fair Value of Investments held by the Company;



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- The Fair Value of Immovable properties, if any, held by the Company be considered at Market Value / Ready Reckoner Value as on the Valuation Date, made available by the management of the Company;
 - Adjustments may be made to book value of any other assets for their recoverability on conservative basis after taking into account the management representations and their estimate of the recoverability of the same;
 - Liabilities of the company be considered at their respective Book Values or their payable amounts as on the Valuation Date; and
 - Potential Contingent Liability, if any, be considered based on the discussions with the management and their reasonable estimate of the outflow on account of the same.
- (b) Alternatively, the value may be determined considering the book value of the net assets (Assets Less Liabilities) of the Company and/or replacement cost basis, to the extent possible.

4.4. 'Income' Approach

Under the 'Income' approach, the equity shares of the company can be valued using Discounted Cash Flow (DCF) method – FCFF approach or FCFE approach or such other approaches.

DCF Method – FCFF Approach (for instance)

- (i) Under the DCF method, the projected free cash flows from business operations after considering fund requirements for projected capital expenditure, incremental working capital and other adjustments are discounted at the Weight Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.
- (ii) Using the DCF method involves determining the following:
- *Estimating the future free cash flows:*
Future Free cash flows are the cash flows expected to be generated by the entity that are available to the providers of entity's capital. The free cash flows under the FCFF method are determined by adjusting the Profit after tax for Depreciation and other Non-Cash Items, Interest, Incremental working capital requirements and capital expenditure.
 - *Time Frame of such cash flows:*
The time frame for free cash flows is determined by separating the value of the business in the explicit projection period and the post explicit projection period.



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- *Appropriate Discount rate (WACC):*
Under DCF-FCFF Method, the time value of money is recognized by applying a discount rate viz. WACC to the future free cash flows to arrive at their present value as on the date of valuation. WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the company. In other words, WACC is generally the weighted average of the company's cost of equity capital and debt. Normally, in stable growth companies, the cost of equity is determined by using Capital Asset Pricing Model ('CAPM').
- *Terminal or perpetuity value:*
The Perpetuity value of an ongoing business is determined as present value of the estimated future free cash flows by capitalizing the free cash flows of the last year of the explicit projection period into perpetuity using appropriate rate of return and perpetual growth rate.
- *Valuation of Investment in other entities:*
The investment of the Company in other entities, if any is to be valued as per the valuation methodologies suitable to that entity.
- *Value for Equity Shareholders:*
The Value of Business so arrived considering the Net Present Value of the explicit period and Terminal value is adjusted for net cash & cash equivalents, investments and debt & debt like items, etc. as on the Valuation Date to arrive at the value for equity shareholders as on the Valuation Date.

4.5. 'Market' Approach

(a) Market Price Method ("MP Method")

The market price of an equity share is the barometer of the true value of the Company in case of listed companies. The market value of shares of the company quoted on a recognised stock exchange, where quotations are arising from regular trading reflects the investor's perception about the true worth of the listed companies. The valuation is based on the principles that market valuations arising out of regular trading captures all the factors relevant to the Company with an underlying assumption that markets are perfect, where transactions are being undertaken between informed buyers and informed sellers on the floor of the recognised stock exchange.

However, as the stock markets and stock prices are subject to volatility, and as the equity shares of the Company has been frequently traded as per the definition provided under Chapter V - Preferential Issue of the Securities and Exchange Board of India (Issue of Capital and Disclosure



Requirements) Regulations, 2018 and considering the proposed transaction, in my opinion, it is thought appropriate to arrive at the Market Price as per the Pricing Formula provided under Regulation 164(1) under Chapter V - Preferential Issue of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for frequently traded shares listed on a recognised stock exchange as on the relevant date.

“Frequently traded shares” means shares of the issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of the shares of the issuer.

The Regulations provide that the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than the higher of the following:

i) the 90 trading days volume weighted average prices of the related equity shares quoted on a 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.

(b) Comparable Companies Multiple (“CCM”) Method

Under the CCM method, the value of the equity share of an unlisted company is determined based on publicly available information of the market valuations of the comparable companies on the basis of multiples derived from such market information. This method is applied on the premise that markets are perfect and have captured all the information and factors, which are reflected through their market valuations.

(c) Comparable Transaction Multiple (“CTM”) Method

Under the CTM Method, the value of the equity share of an unlisted company is determined considering the past transactions of similar companies as well as the market value of comparable companies that have an equivalent business model to the company being valued.

4.6. The value so arrived at under any of the approaches is divided by the outstanding number of equity shares to arrive at the value per equity share of the Company(ies).

4.7. Valuation Approach for equity shareholders of BEEL

For valuation of the BEEL, the present valuation is undertaken on a going concern basis, i.e., proceeding on the basis that there is no intention of disposing off its material operating assets. Based on review of projected financial statements made available to me by BEEL, I am of the view that



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'Income' approach may be appropriate for the current valuation exercise for arriving at fair relative value per equity share of BEEL, as the value of assets may not provide true reflection of the earning capacity of BEEL.

Since the Company is not listed on any stock exchange, the market price of the equity share of the Company is not available and the said method is not applicable for the Company. Further, based on the analysis and in my opinion, it may not be appropriate to consider CCM method for the current valuation exercise, since the present nature or size of operations, financial parameters, etc. of the Company may not be comparable with those of the benchmark companies. Also, under the CTM Method, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Due to different purposes of investments, transaction rationale and synergy benefits, different control premiums and minority discounts are embedded in the transaction values. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued. The multiples of comparable transactions include premiums and discounts for which information is not available in the public domain. Due to lack of information on premium and discount of comparable transactions, I have not applied the said method for the purpose of current valuation exercise.

4.8. Valuation Approach for RPS holders of BEEL

Based on the information made available to me and review of draft terms of RPS proposed to be issued to existing RPS holders of BEEL, I understand that the proposed RPS of Batliboi shall have exactly same terms as that of existing RPS of BEEL. Hence, the same number of RPS of Batliboi with same terms attached thereof as BEEL shall be issued as consideration for amalgamation of BEEL with Batliboi under the proposed Scheme, which shall be referred to as "Fair Preference Share Exchange Ratio"

4.9. Valuation Approach for Batliboi

For valuation of the Batliboi, the present valuation is undertaken on a going concern basis, i.e., proceeding on the basis that there is no intention of disposing off its material operating assets. Based on review of projected financial statements made available to me by Batliboi, I am of the view that 'Income' approach may be appropriate for the current valuation exercise for arriving at fair relative value per equity share of Batliboi, as the value of assets may not provide true reflection of the earning capacity of Batliboi.



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As Batliboi is listed on BSE, it is thought fit to consider value per equity share of Batliboi Limited determined as per 'Market Price Method' in compliance with the Preferential Issue of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for frequently traded shares listed on a recognised stock exchange as on the relevant date.

Further, based on the analysis and in my opinion, it may not be appropriate to consider CCM method for the current valuation exercise, since the present nature or size of operations, financial parameters, etc. of the Company may not be comparable with those of the benchmark companies. Also, under the CTM Method, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Due to different purposes of investments, transaction rationale and synergy benefits, different control premiums and minority discounts are embedded in the transaction values. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued. The multiples of comparable transactions include premiums and discounts for which information is not available in the public domain. Due to lack of information on premium and discount of comparable transactions, I have not applied the said method for the purpose of current valuation exercise.

- 4.10. It is universally recognized that the valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. The application of any particular method of valuation depends upon various factors including nature of its business, overall objective of the transaction and the purpose of valuation.

5. SHARE EXCHANGE RATIO

- 5.1 It is recognized that valuation of any company or assets as a matter is inherently subjective and subject to various factors, which are difficult to predict and beyond control. Valuation exercise involves various assumptions with respect to the specific industry, general business and economic conditions, which are beyond the control of the Companies. The assumptions and analysis of market conditions, comparables, prospects of the Industry as a whole and the Company, which influences the valuation of companies are subject to change over a period of time and even differ between the valuers at the given point of time.



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- 5.2 In the ultimate analysis, recommendation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g., present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:
'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'
- 5.3 In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined herein in this report (including exclusions and disclaimers, provided below), in my opinion, it is thought fit to consider value per equity share of BEEL determined as per 'Income' approach - DCF Method in the ultimate analysis, as the fair value per equity share of BEEL for the purpose of recommendation of Fair Equity Share Exchange Ratio, which works out to **INR 123.88 (Rupees One Hundred Twenty-Three and paise Eighty-Eight only)** per equity share.
- 5.4 In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined herein in this report (including exclusions and disclaimers, provided below), in my opinion and considering relevant SEBI ICDR Regulations, it is thought fit to consider value per equity share of Batliboi Limited determined as per 'Market Price Method', being higher than the value per share arrived at under the 'Income' approach – DCF method and 'Underlying Asset' approach (*refer table below*), in the ultimate analysis, be considered as the fair value per equity share of Batliboi Limited, which works out to **INR 138.86/- (Rupees One Hundred Thirty-Eight and paise Eighty-Six only)** per equity share.
- 5.5 The fair basis of Share Exchange Ratio for the amalgamation under the Scheme would have to be determined after taking into consideration all the factors and approach mentioned hereinabove. It is however important to note that



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in doing so, I am not attempting to arrive at the absolute value per share of the Company(ies). The exercise is to work out relative value of the Transferor Company and the Transferee Company to facilitate the determination of a share exchange ratio solely for the purpose of the proposed amalgamation.

- 5.6 Upon coming into effect of the Scheme, all such investments held by the Transferee Company into the Transferor Company shall stand cancelled. Consequently, no consideration shall be issued to the Transferee Company in relation to the amalgamation by virtue of the Transferee Company being a shareholder and as the Transferee Company cannot issue its own shares to itself.
- 5.7 In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report (including exclusions and disclaimers, provided below), in my opinion, I recommend that the Fair Equity Share Exchange Ratio for the proposed amalgamation of BEEL with Batliboi as given under, would be fair and reasonable:

“9 (Nine) Equity Shares having face value of INR 5/- each of Batliboi to be issued to the equity shareholders of BEEL (other than Batliboi) for every 10 (Ten) Equity Shares having face value of INR 10/- each held in BEEL”

- 5.8 In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report (including exclusions and disclaimer, given below), in my opinion, I recommend that the Fair Preference Share Exchange Ratio for the proposed amalgamation of BEEL with Batliboi as given under, would be fair and reasonable:

“1 (One) 8%, Non-Cumulative, Non-Convertible Redeemable Preference Shares having face value of INR 100/- each of Batliboi to be issued to the RPS holders of BEEL for every 1 (One) 8%, Non-Cumulative, Non-Convertible Redeemable Preference Shares having face value of INR 100/- each held in BEEL”

The Share Swap / Exchange Ratio as provided hereinabove with respect to amalgamations has been rounded off to nearest integer, wherever relevant.

- 5.9 Accordingly, valuation approaches as indicated in the format as prescribed under Part I - Para (A)(4) of Annexure II of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June 2023, for the purpose of the current exercise, I have provided following weights to the valuation



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view of reasonable expectation at the point of time when they were prepared, after giving due considerations to the commercial and financial aspects of the respective Company and the industry in which the it operates. But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the projected financial statements may vary from those contained in the statement and the variation may be material. The fact that I have considered the projections in this valuation exercise should not be construed or taken as I being associated with or a party to such projections.

- 6.4 The work does not constitute certification of the historical financial statements including the working results of the Companies referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report is as per agreed terms of the engagement. It may not be valid or used for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 6.5 This report is issued on the understanding that the Companies have drawn my attention to all material information, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on my opinion, on the fair value of the shares of the Companies, including any significant changes that have taken place or are likely to take place in the financial position, subsequent to the report date. I have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 6.6 The valuation analysis was completed as on the date of this report, a date subsequent to the Valuation Date and accordingly I have taken into account such valuation parameters and over such period, as I considered appropriate and relevant, up to a date close to such completion date.
- 6.7 This Report does not look into the business / commercial reasons behind the proposed transaction or address any potential synergies to the Companies and other parties connected thereto.
- 6.8 In the course of issuing this report, I was provided with both written and verbal information. I have evaluated the information provided to me by the management of the Companies through broad inquiry, analysis and review. I assume no responsibility for any errors in the above information furnished by the management of the Companies and consequential impact on the recommendation of the Share Exchange Ratio. I do not express any opinion or



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offer any assurance regarding accuracy or completeness of any information made available to me.

- 6.9 The report is not, nor should it be construed as me opining or certifying any compliance with the provisions of any law, whether in India or any other country including companies, taxation and capital market related laws or as regards any legal implications or issues arising from any transaction proposed to be contemplated based on this Report.
- 6.10 The information contained herein and the report is confidential. Any person/party intending to provide finance/invest in the shares/securities/businesses of the Companies, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, can be done only with prior permission in writing. However, no such permission would be required in matters relating to giving effect of the Scheme once the same is approved by the NCLT like quoting it in official communication, in notes to the financial statements etc.
- 6.11 This report is prepared exclusively for the Board of Directors of the Transferor Company and the Transferee Company for the purpose of recommending the fair share exchange ratio for the proposed amalgamation and for submission to the regulatory authorities, court, tribunal and such other authorities, regulators, if required under the applicable provisions of the governing law in relation to the aforesaid Scheme of Amalgamation. Further, the fees for this engagement is not contingent upon the recommendation considering the facts and purpose of recommendation.
- 6.12 The decision to carry out the transaction (including consideration thereof) lies entirely with the management / Board of Directors of the Companies and the work and the finding shall not constitute recommendation as to whether or not the management / the Board of Directors of the Companies should carry out the transaction.
- 6.13 By its very nature, my work cannot be regarded as an exact science, the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions / approach, opinions may differ due to application of the facts and assumptions / approach, formulas used and numerous other factors. There is, therefore, no indisputable single or standard methodology / approach for arriving at my recommendation. Although the conclusions are in my opinion reasonable, it is quite possible that others may not agree.



CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

6.14 CA Harsh Chandrakant Ruparelia, nor its employees or agents or any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the report is issued. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the report. I am not liable to any third party in relation to issue of this report. In no event, I shall be liable for any loss, damage, cost or expense arising in any way from any acts carried out by the Companies referred herein or any person connected thereto.

If you require any clarifications on the above, I would be happy to clarify the same. I am thankful to your team for kind co-operation and support during this assignment.

Thanking you,
Yours faithfully,



CA HARSH CHANDRAKANT RUPARELIA

REGISTERED VALUER – Securities or Financial Assets

IBBI Registration No. IBBI/RV/05/2019/11106

Membership No. ICMAI RVO/S&FA/00054

ICAI Membership No. 160171

Date: 11th March 2024

Place: Mumbai

UDIN: 24160171BKDZOQ7203

Exhibit – A - Batliboi

'Underlying Asset' approach – Book Value Method

As on 31st December 2023

Particulars	INR in Lakhs
Consolidated Book Value Assets	31,651
Add: Cash receivable pursuant to preferential allotment	6,485
Less: Consolidated Book Value of Liabilities	-17,182
<i>Book Value of equity shares</i>	<i>20,955</i>
No. of Equity Shares	3,47,59,884
Book Value per equity share	60.28

*Source: Consolidated Financial Results of Batliboi for
the period ended 31st December 2023*

Note: For the purpose of the above computation, we have adjusted the book value for cash of INR 6,485 lakhs and 57,14,000 number of equity shares for the proposed preferential issue of shares approved by the Board of Directors of the Company on 29th February 2024, as informed by the management of the Company.



Exhibit – B - Batliboi

Market Price Method

**Calculation of value per share as per the formula prescribed under the
SEBI (ICDR) Regulations, 2018, as amended from time to time**

***The equity shares of the Company are frequently traded on BSE as per
the definition of Frequently Traded Shares as per SEBI (ICDR)
Regulations***

**Relevant Date (as confirmed by the Company's management) –
11th March 2024**

**A. 90 trading days Volume Weighted Average Price ("VWAP") of the
equity shares of the Company preceding the Relevant Date (Source:
BSE)**

Date	Volume	Turnover	Date	Volume	Turnover	Date	Volume	Turnover
07-Mar-24	1,30,806	1,84,81,162	25-Jan-24	20,490	20,97,874	13-Dec-23	13,764	12,22,259
06-Mar-24	2,85,443	4,41,95,846	24-Jan-24	13,501	13,29,518	12-Dec-23	22,432	19,95,732
05-Mar-24	58,093	90,01,510	23-Jan-24	20,887	21,04,894	11-Dec-23	6,004	5,51,030
04-Mar-24	20,503	30,26,242	20-Jan-24	17,797	18,61,097	08-Dec-23	6,449	5,95,428
02-Mar-24	6,584	9,25,710	19-Jan-24	1,13,253	1,23,81,031	07-Dec-23	17,931	16,69,777
01-Mar-24	23,626	31,64,702	18-Jan-24	36,375	38,22,248	06-Dec-23	48,101	42,56,573
29-Feb-24	73,132	93,31,643	17-Jan-24	95,592	95,22,465	05-Dec-23	20,217	18,25,293
28-Feb-24	87,079	1,06,54,318	16-Jan-24	50,210	50,39,718	04-Dec-23	19,926	18,62,462
27-Feb-24	1,07,047	1,28,57,909	15-Jan-24	26,939	28,47,580	01-Dec-23	9,835	9,10,360
26-Feb-24	80,744	95,95,736	12-Jan-24	41,168	45,34,610	30-Nov-23	12,123	11,21,863
23-Feb-24	32,998	37,79,443	11-Jan-24	65,960	73,32,542	29-Nov-23	40,915	37,18,933
22-Feb-24	15,667	17,29,427	10-Jan-24	4,47,272	5,11,37,472	28-Nov-23	53,042	49,87,420
21-Feb-24	98,075	1,12,72,690	09-Jan-24	56,500	62,59,635	24-Nov-23	20,777	20,77,868
20-Feb-24	2,32,640	2,65,64,370	08-Jan-24	82,782	87,05,951	23-Nov-23	20,799	21,54,597
19-Feb-24	95,311	99,12,317	05-Jan-24	2,04,373	2,02,50,353	22-Nov-23	52,320	52,36,566
16-Feb-24	37,818	36,13,731	04-Jan-24	86,106	79,36,850	21-Nov-23	8,043	7,67,773
15-Feb-24	26,703	24,11,894	03-Jan-24	1,20,025	1,00,84,544	20-Nov-23	13,583	13,08,190
14-Feb-24	28,979	26,11,441	02-Jan-24	14,502	11,80,302	17-Nov-23	16,267	16,20,891
13-Feb-24	33,056	30,78,449	01-Jan-24	46,639	38,46,962	16-Nov-23	10,030	10,07,858
12-Feb-24	60,147	57,38,021	29-Dec-23	24,450	19,63,255	15-Nov-23	50,439	49,04,297
09-Feb-24	79,619	79,47,319	28-Dec-23	10,410	8,46,365	13-Nov-23	26,554	24,82,984
08-Feb-24	29,591	29,52,222	27-Dec-23	28,397	23,45,096	12-Nov-23	45,071	42,97,634
07-Feb-24	31,611	31,77,658	26-Dec-23	21,331	17,86,828	10-Nov-23	16,047	15,94,121
06-Feb-24	35,531	35,20,850	22-Dec-23	10,557	9,06,151	09-Nov-23	1,62,209	1,74,65,815
05-Feb-24	16,323	15,97,843	21-Dec-23	22,261	18,38,420	08-Nov-23	61,713	65,72,725
02-Feb-24	27,772	27,62,231	20-Dec-23	86,546	71,97,966	07-Nov-23	86,429	89,23,546
01-Feb-24	36,146	36,20,317	19-Dec-23	19,617	17,10,004	06-Nov-23	61,839	63,07,285
31-Jan-24	52,536	52,99,492	18-Dec-23	10,362	9,19,828	03-Nov-23	1,05,158	1,02,93,897
30-Jan-24	29,883	30,29,393	15-Dec-23	25,507	22,68,937	02-Nov-23	1,34,390	1,24,33,272
29-Jan-24	15,661	16,30,847	14-Dec-23	10,518	9,46,783	01-Nov-23	1,41,184	1,29,74,209
Total Turnover								53,96,30,670
Total Volume								50,23,042
VOLUME WEIGHTED AVERAGE PRICE (In INR) - 90 TRADING DAYS								107.43

Source: <https://www.bseindia.com>

Minor differences may occur on account of rounding-off of nos.



CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

B. 10 trading days Volume Weighted Average Price of the equity shares of the Company preceding the Relevant Date (Source: BSE)

Date	Volume	Turnover
07-Mar-24	1,30,806	1,84,81,162
06-Mar-24	2,85,443	4,41,95,846
05-Mar-24	58,093	90,01,510
04-Mar-24	20,503	30,26,242
02-Mar-24	6,584	9,25,710
01-Mar-24	23,626	31,64,702
29-Feb-24	73,132	93,31,643
28-Feb-24	87,079	1,06,54,318
27-Feb-24	1,07,047	1,28,57,909
26-Feb-24	80,744	95,95,736
Total	8,73,057	12,12,34,778
VOLUME WEIGHTED AVERAGE PRICE (In INR) - 10 TRADING DAYS		138.86

Source: <https://www.bseindia.com>

Minor differences may occur on account of rounding-off of nos.

Conclusion:

Sr. No.	Particulars	Amount (INR per share)
A	90 trading days Volume Weighted Average Price of the equity shares preceding the Relevant Date (In INR per share)	107.43
B	10 trading days Volume Weighted Average Price of the equity shares preceding the Relevant Date (In INR per share)	138.86
Applicable Minimum Price (Higher of A or B)		138.86



CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

Exhibit – C - Batliboi
'Income' Approach – DCF Method
As on 31st December 2023

Particulars	INR in lakhs						TV
	1 Jan 24 to 31 Mar 24	31-03-2025	31-03-2026	31-03-2027	31-03-2028		
PAT	704	1,738	2,057	2,405	3,013	3,176	
Depreciation	85	440	438	438	441	463	
Finance Cost	36	467	401	348	325	343	
Other Income	-80	-153	-148	-146	-157	-166	
Adjustments:							
Adjustments for Working Capital	-118	-365	-379	-421	-518	-150	
Additions to Fixed Assets (Net)	-250	-750	-	-	-	-463	
Net Inflows/(Outflows)	377	1,377	2,369	2,624	3,104	3,203	
Discounting Factor (WACC)	13.2%	0.98	0.91	0.80	0.71	0.63	
Net Present Value of Inflows/(Outflows)	372	1,254	1,907	1,866	1,950		

Calculation for Perpetuity	INR in Lakhs
FCFF for Perpetuity	3,203
Growth Rate	5%
Total Capitalised Value	39,056
Discount Factor	0.63
Present Value of Perpetuity	24,533

Equity Value of Company	INR in Lakhs
Net Present Value of Explicit Period	7,349
Present Value of Perpetuity	24,533
FCFF	31,882
Add: Cash & Cash Equivalents	1,400
Add: Cash receivable pursuant to preferential allotment	6,485
Add: Investments	5
Add: Surplus Assets	3,338
Less: Borrowings	-7,828
Equity Value for Shareholders	35,282
No. of Equity Shares	3,47,59,884
Value per Share (INR)	101.50

Minor differences may occur on account of rounding-off of nos.

Note: For the purpose of the above computation, we have adjusted the cash of INR 6,485 lakhs and 57,14,000 number of equity shares for the proposed preferential issue of shares approved by the Board of Directors of the Company on 29th February 2024, as informed by the management of the Company.



Exhibit – D - BEEL

'Underlying Asset' approach – Book Value Method

As on 31st December 2023

Particulars	INR in Lakhs
Book Value Assets	6,550
Less: Book Value of Liabilities	-5,209
Less: Preference Share Capital	-270
<i>Book Value of equity shares</i>	<i>1,071</i>
No. of Equity Shares	1,60,00,000
Book Value per equity share	6.69

*Source: Audited Financial Statements of BEEL for
the period ended 31st December 2023*



CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

Exhibit – E - BEEL

'Income' Approach – DCF Method

As on 31st December 2023

Particulars	INR in Lakhs						TV
	1 Jan 24 to 31 Mar 24	31-03-2025	31-03-2026	31-03-2027	31-03-2028		
PAT	359	1,227	1,919	2,952	3,539	3,716	
Depreciation	3	9	9	10	10	10	
Interest (net of tax)	21	51	51	33	7	8	
Other Income (net of tax)	-6	-15	-15	-15	-15	-16	
Adjustments:							
Adjustments for Working Capital	-200	-516	-846	-1,222	-792	-271	
Additions to Fixed Assets (Net)	-3	-10	-10	-10	-10	-10	
Net Inflows/(Outflows)	173	747	1,108	1,747	2,739	3,437	
Discounting Factor (WACC)	16.8%	0.98	0.89	0.76	0.65	0.56	
Net Present Value of Inflows/(Outflows)	170	665	845	1,140	1,530		

Calculation for Perpetuity	INR in Lakhs
FCFF for Perpetuity	3,437
Growth Rate	5%
Total Capitalised Value	29,124
Discount Factor	0.56
Present Value of Perpetuity	16,268

Equity Value of Company	INR in Lakhs
Net Present Value of Explicit Period	4,349
Present Value of Perpetuity	16,268
FCFF	20,617
Add/(Less): Adjustments	
Cash and bank balances	775
Investments	0
Borrowings	-1,301
Preference Shares	-270
Equity Value for Shareholders	19,821
No. of Equity Shares	1,60,00,000
Value per Equity Share (In INR)	123.88

Minor differences may occur on account of rounding-off of nos.

