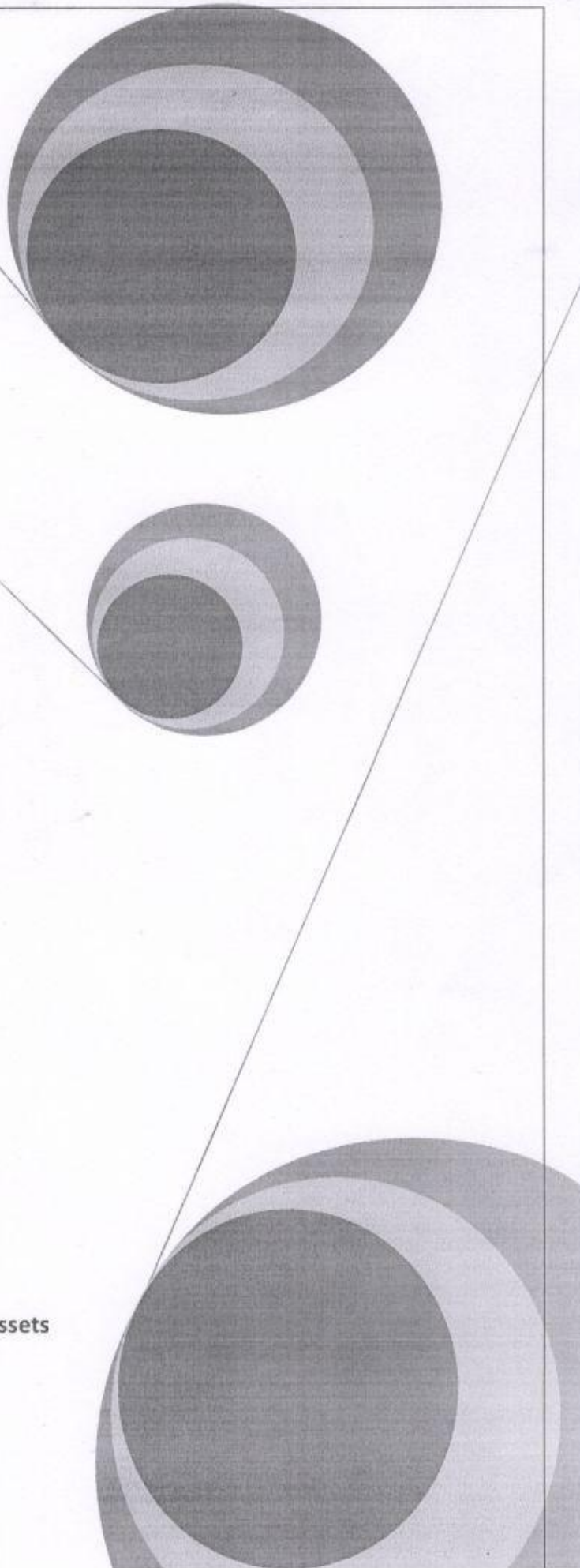




Valuation Report

**NITYAS GEMS AND JEWELLERY PRIVATE
LIMITED**

CA Priyank Drolia
Registered Valuer for Securities and Financial Assets

9001, WORLD TRADE CENTER,
NEAR UDHNA DARWAJA,
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1. INTRODUCTION:

We refer to our Engagement Letter dated **06.02.2025**, confirming our appointment as independent valuer of **M/s. NITYAS GEMS AND JEWELLERY PRIVATE LIMITED ("the Company")**. In the following paragraphs, we have summarized our Valuation Analysis (the "Analysis") of the business of the Company as informed by the Management and detailed herein, together with the description of the methodologies used and limitations on our scope of work.

1.1. Valuer details:

Name of the Valuer : **CA Priyank Drolia**
 Address of the Valuer : 9001, World Trade Center, Nr. Udhna Darwaja, Ring Road, Surat - 395 002.
 Email address : ca.priyankdrolia@gmail.com
 IBBI Registration No. : IBBI/RV/06/2020/12774
 ICAI Membership No. : 138328
 Disclosure of Interest or Conflict : **We have no significant interest in the Company except for the fact that we render them independent audit services.**

1.2. Key Dates:

Date of Appointment : 06.02.2025
 Date of Valuation Report : 24.02.2025
 Valuation Date : 30.11.2024
 Valuation Valid up to : Valuation is for a limited purpose and one-time use, hence not applicable.

Users are advised to use this report in a reasonable period of time and also check that no major event effecting valuation has occurred after the issue of report.

2. CONTEXT & PURPOSE OF VALUATION:

The Company is planning to issue additional Equity shares and the Management requires our assistance in determining the fair value of Equity of the Company. The requirement of valuation is mandated under section 62(1)(c) of The Companies Act, 2013.

This report has been prepared exclusively for the use of Board of Director(s) of the company for issue of further shares in the company u/s. 62(1)(c) of The Companies Act, 2013.

This report shall not be used for any purpose and person other than as stated above. The usage of report for any purpose other than above without the specific permission of issuer will be treated as illegal, void and breach of trust.



3. BACKGROUND OF THE COMPANY:

3.1. About Company

NITYAS GEMS AND JEWELLERY PRIVATE LIMITED is engaged in the business of manufacturing and trading of Gold, Silver and Diamond Jewellery. The Company was incorporated on 26th April, 2022.

The CIN Number of Company is **U36996GJ2022PTC131404**.

The Main Object of the company is defined in clause 3(a) of the Memorandum of Association of the company and is reproduced here in below:

"1. To carry on all or any of the business of goldsmiths, silver smiths, jewellers, gem and diamond merchants and of manufacturing and dealing in, jewellery, clocks, watches cutlery and their components and accessories and of producing acquiring and trading in metals, bullion, gold ornaments, silver utensils, diamond, Platinum, precious stones, paintings, manuscripts, antiques and objects of art.

2. To carry on the trades of business of gold smiths, silver smiths, enamellers, bullion, jewellers, gem merchants, precious stones, testing, evaluation, appraisal and certification of gemstones, electroplates, importers and exporters of bullion and other refined and smelted metals and buy, sell and deal (wholesale and retail) in bullion precious stones, jewellery, gold or silver cups, silver plate, shields, pearls, coins, electroplate, bronzes, articles or various objects of art, imitation jewellery of all kinds and to manufacture and to establish factories for manufacturing goods for the above business.

3. To carry on in India or elsewhere the business to manufacture, produce, process, prepare, commercialise, cut, polish, set, design, display, exchange, examine, finish, grind, grade, assort, import, export, buy, sell, resale, demonstrate, market and to act as agent, broker, indenter, liaisoner, adartias, representative, C & F agents, export house, valuer, sales promoter, supplier, provider, merchants, stockists, distributor, wholesaler, retailer or otherwise to deal in all shapes, sizes, varieties, description, specifications, applications & designs of rough, raw, cut, uncut, polished or processed, natural & man made precious semiprecious & natural stones such as diamonds, ruby, pearls, gemstones, blue sapphires, cat's eye stone, coral, topaz, opal, zircon, tourmaline, jade, spinel ruby, aquamarine, turquoise, peidot, agate, garnet, corundum, amethyst, malachite, citrine, alexandrite, smoky quartz, lapis lazuli, rock crystal, onyx, moon stone, jasper, blood



stone, gold stone, bismuth, jet, diopside, tiger eye, sunstone, spinal, Jews stone, load stoner, sardonex, touch stone, amber and their ornaments, jewelleries, articles, goods, or things, made in the combination of gold, silver, platinum, or other metals, and alloys thereof and for the purpose to act as goldsmith, silversmith, jewellers, gem merchants, electroplaters, polishers, purifiers, and to do all incidental acts and things necessary for the attainment of above objects."

3.2. Capital Structure of the Company:

The Company was having following capital structure as on **30th November, 2024**:

Particulars	No. of Shares	Face Value per Share	Total nominal value
*Authorised Capital Equity Shares	10,00,000	Rs. 10/-	Rs. 1,00,00,000/-
Issued, Subscribed and Paid-Up Capital Equity Shares	10,00,000	Rs. 10/-	Rs. 1,00,00,000/-

**The Authorised Capital of the Company has now increased to Rs. 2,00,00,000/-, i.e., as of the date of this report.*

The company was having following person(s) as director(s) as on **30th November, 2024**:

<u>DIN</u>	<u>Name</u>	<u>Date of Appointment</u>
08715741	Rajnikant L Chanchad	26/04/2022
08715742	*Nileshbhai G Panchani	26/04/2022

**As of the date of this report Mr. Nileshbhai G Panchani has resigned from directorship of the Company and Mr. Raj Dineshbhai Monpara (DIN: 10903609) has been appointed as director of the Company.*

The Shareholding of the Company as on **30th November, 2024** was as follows:

Name	Number of Shares	% Holding
Rajnikant L Chanchad	7,80,000	78%
Nileshbhai G Panchani	2,20,000	22%
TOTAL	10,00,000	100%

**As of the date of this report, the shareholding pattern of the Company has changed. Mr. Nileshbhai G Panchani has sold 1,40,000 of his shares to Mr. Rajnikant L Chanchad and 80,000 shares to Mr. Raj Dineshbhai Monpara. Thus, as of the date of this report, Mr. Rajnikant L Chanchad owns 92% shares of the Company and Mr. Raj Dineshbhai Monpara owns 8% shares of the Company.*



4. CONDITIONS, SOURCES OF INFORMATION AND LIMITATIONS OF VALUATION:

4.1. Conditions

The financial information about the company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report, and it should not be used by anyone to obtain credit or for any other unintended purpose.

This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.

We have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not to be required to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.

4.2. Assumptions

The Valuation in this report has been carried out assuming Company to be a going concern entity. The other assumptions made by us are listed as follows:

- We have assumed the perpetual growth rate of the Company to be 3.5%.
- We have assumed the cost of capital to be 12.00%, derived from the database of Prof. Aswath Damodaran and prevailing industry norms. Further, a company specific risk premium and industry specific risk premium has been assumed as 1.50% each, making Cost of Control to be 15.00%.

Further, the valuation exercise performed involves placing reliance on the financial projections shared by the Management of the Company. The said projections are based on several assumptions made by the Management of the Company, including assumptions pertaining to growth in revenue of the Company, cost of material consumed, period of credit available on purchases made, credit to be extended on sales made, etc. We have reviewed the said projections to the extent of ascertaining their feasibility. However, we do not confirm or certify their achievability.

4.3. Sources of information

NITYAS GEMS AND JEWELLERY PRIVATE LIMITED intends to give effect to issue of equity shares, and valuation analysis for the purpose has been done as on 30th November, 2024. The following has been the sources of information for carrying out the valuation:

- MOA and AOA of the Company;
- CA Certified financial information of the Company for the period ending on November 30th, 2024;



- Audit Report of the company for the year ended on 31st March, 2023 and 31st March, 2024;
- Details of Shareholders filed with MCA as provided by the management;
- Other salient information provided by the Management of the Company and reliance has been placed on the verbal explanations and information given to us by the promoters and key managerial personnel.

4.4. Limitations

Any valuation method or standard has its own inherent limitations. The major limitation of the valuation reports is as under:

- I. Our work does not constitute an audit or certification of the historical financial statements including the working results of the company referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.
- II. Valuation analysis and results are specific to the purpose of valuation and valuation date mentioned in the report is as per engagement letter. It may not be valid if done by another entity.
- III. A valuation of this nature involves consideration of various factors including those impacting industry trends. This report is issued on the understanding that the company have drawn attention to all material information, which they are aware of concerning the financial position of the company and any other matter, which may have impact on our opinion, on fair value, including any significant changes that have taken place in the financial position of the company(ies), subsequent to last audited balance sheet. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- IV. During the course of our work, we have relied upon assumptions made by management of company(ies). These assumptions require the exercise of judgement and are subject to uncertainties. While we have reviewed the assumptions for reasonableness and discussed these assumptions with management, there can be no assurance that the assumptions are accurate. To the extent that the assumed events do not occur, the outcome may vary significantly from the assumed. The fact that we have considered the assumptions in the exercise of valuation should not be considered or taken as our being associated with or a party to such assumptions.

5. VALUATION METHODOLOGY AND APPROACH:

The standard of value used in the Analysis is "Fair Value", which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for Equity Issuance or sale in the open market for a reasonable period of time, with both



buyer and seller being in possession of the pertinent facts and neither being under any compulsion to act.

There are **four general approaches** available to the valuation professional; **the market approach, the income approach, cost approach and the asset approach**. The choice of which approach to use in a particular situation depends upon the facts and circumstances associated with the company; as well as the purpose for which the valuation analysis is being conducted. The reason and basis for selection / rejection of the same are discussed below.

Valuation Approach & Methodology:

Approach	Fair Value Methodologies
Income Approach	Discounted Cash Flow (DCF) Method
Market Approach	Enterprise Value/ EBITDA (EV/EBITDA)
Cost Approach	Replacement Cost
Asset Approach	Net Assets Valuation (NAV) Method

5.1. Income Approach

This method converts the anticipated benefits into a present single amount. It is one of the general ways to determine the fair value indication of a business, project, or ownership interest. The method uses the future free cash flows of the company (anticipated benefits) discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity). The weighted average cost of capital is intended to reflect all risks of ownership and the associated risks of realizing the stream of projected future cash flows. It can also be anticipated as the rate of return that would be required by providers of capital to the company to compensate them for the time value of money, as well as the risk inherent in the particular investment. The projected cash flows reveal growth expectations, while allowing for a great deal of flexibility in projecting such growth rates.

Hence, the DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows in the future and on the concept of "going concern" of the company

The Company has provided us future financial projections, and we have computed the value per share of the Company accordingly. And finally, the value per Share of the Company, i.e., NITYAS GEMS AND JEWELLERY PRIVATE LIMITED as per the Income Approach is determined to be Rs. 408.66/- per share. Detailed working of the same can be found at Annexure I.

5.2. Market Approach

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The listed comparable Companies are freely traded in the market; thus, it can be expected



that the market gives better approximation of the fair valuations to these Companies on which Valuations are made.

However, we were unable to fetch listed companies engaged in the same business as NITYAS GEMS AND JEWELLERY PRIVATE LIMITED to obtain market multiple required for valuation as per Market Approach.

5.3. Cost Approach

The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

The said approach is mostly relevant for Companies going into liquidation. However, the business of the company has been valued under the premise of going concern and hence Cost Approach is not used to value it.

5.4. Asset Approach

The value arrived at under this approach may be defined as Shareholders' Funds or Net Assets owned by the business. It is calculated by subtracting Current and Non-Current Liabilities from Total Value of the Assets. The asset-based approach derives an indication of value based on anticipated cost to replace, replicate, or recreate the assets. It is often considered as "Floor Value". In this approach, the balance sheet values can be adjusted for any contingent liabilities that can be likely to materialise. These approach shows how much value Equity holders hold in the books of the company and given that the fair market value of the assets and liabilities can vary from the book value, adjustments can be made for fair market prices of assets and liabilities as well. Adjustments are done to remove fictitious and other miscellaneous assets and liabilities while deriving the valuation.

As per Asset Approach, the value per share of the company, i.e., NITYAS GEMS AND JEWELLERY PRIVATE LIMITED is determined to be Rs. 111.30/- per share. Detailed working of the same can be found at Annexure II.

5.5. Selection of Valuation Approaches and Weights Assigned

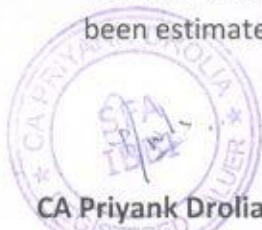
In the light of the above and after consideration of all relevant factors and circumstance as discussed and outlined herein above referred earlier in this report for the proposed transaction, the valuation of the company has been computed as per Income and Asset Approach. The value per share of the company comes as follows:



VALUATION APPROACH	VALUATION METHOD	VALUE PER SHARE	WEIGHT	WEIGHTED VALUE
Income Approach	Discounted Cash Flow	Rs. 408.66/-	0.50	Rs. 204.33/-
Asset Approach	Net Asset Method	Rs. 111.30/-	0.50	Rs. 55.65/-
VALUE PER SHARE				Rs. 259.98/-

6. CONCLUSION:

The Fair Value of Equity Share of **NITYAS GEMS AND JEWELLERY PRIVATE LIMITED** has been estimated to be **INR 260/- per share (rounded off)**.



CA Priyank Drolia

Registered Valuer for Securities and Financial Assets

Date: 24/02/2025

UDIN: 25138328BMMARJ6468

Annexure I

❖ CALCULATION OF COST OF CONTROL (WACC):

We have assumed the cost of capital to be 12.00%, derived from the database of Prof. Aswath Damodaran and prevailing industry norms. Further, company specific risk premium and industry specific risk premium has been assumed as 1.50% each, making Cost of Control to be 15.00%.



❖ ESTIMATING FREE CASH FLOW TO FIRM:

(₹ in '000)

PARTICULARS	31-03-2025	31-03-2026	31-03-2027	31-03-2028	31-03-2029	Perpetuity
PAT (Profit After Tax)	17,222.88	59,118.72	61,280.92	64,580.65	66,695.77	
Add: Depreciation & Amortization	1,063.91	2,937.01	2,572.27	2,084.20	1,731.13	
Add: (Int*(1-Tax Rate))	1,663.96	4,907.35	4,772.07	4,646.45	4,620.75	
Less: Change in Working Capital (excluding Cash & Borrowing)	27,486.09	39,828.67	16,513.70	14,844.02	18,354.93	Perpetual Growth Rate is assumed to be 3.5%.
Less: Capital Expenditure (Fixed Capital)	(194.59)	-	1,000.00	500.00	500.00	
Free Cash Flow to Firm	(7,340.74)	27,134.41	51,111.56	55,967.28	54,192.72	

❖ ESTIMATING DISCOUNTED FREE CASH FLOW TO FIRM:

(₹ in '000)

PARTICULARS	31-03-2025	31-03-2026	31-03-2027	31-03-2028	31-03-2029
Time Factor	0.17	0.83	1.83	2.83	3.83
Discounting Rate	15.00%	15.00%	15.00%	15.00%	15.00%
Discounted Free Cash Flow to Firm	(7,171.73)	24,162.46	39,576.93	37,684.20	31,729.87
Sum of Discounted Free Cash Flow to Firm (FCFF)					1,25,981.73

❖ ESTIMATING WORKING CAPITAL CHANGES (excluding Cash and Borrowing):

PARTICULARS	30-11-2024	31-03-2025	31-03-2026	31-03-2027	31-03-2028	31-03-2029
Current Assets (exc. cash)	2,43,246.06	2,47,560.83	2,87,316.69	3,04,415.71	3,21,247.35	3,41,210.84
Current Liabilities (exc. borrowings)	1,01,856.35	78,685.02	78,612.21	79,197.53	81,185.15	82,793.71
Working Capital	1,41,389.72	1,68,875.80	2,08,704.47	2,25,218.18	2,40,062.20	2,58,417.13
Investment in Working Capital		27,486.09	39,828.67	16,513.70	14,844.02	18,354.93



❖ PERPETUITY VALUE:

(₹ in '000)

PARTICULARS	VALUE
Cash Flow for 6th Year	56,089.47
Perpetuity Value as on beginning of 6th Year	4,87,734.50
Discount Rate	15.00%
Time Factor (in Years)	3.83
Present Value of Perpetuity	2,85,568.79

❖ DISCOUNTED CASH FLOW VALUE PER SHARE:

(₹ in '000)

DISCOUNTED CASH FLOW APPROACH - VALUATION	
NPV of Explicit Period	1,25,981.73
Present Value of Perpetuity	2,85,568.79
Enterprise/Firm Value	4,11,550.52
Add/Less: Adjustments	
Less: Contingent Liability	-
Less: Debt	3,281.67
Add: Cash and Cash Equivalents (non-operating)	393.00
Add: Non-Operating Assets	-
Total value attributable to the Equity Shareholders of the Company	4,08,661.85
Number of Equity Shares	10,00,000
Value per Equity Share (INR)	408.66



Annexure II

❖ **NET ASSET METHOD:**

(₹ in '000)

SR. NO.	PARTICULARS	NOTE	AMOUNT (RS.)
A	Non-Current Assets		
	(a) Property, Plant and Equipment		16,162.45
	(b) Non-current Investments		12,880.00
	(c) Deferred Tax Assets		76.08
	(d) Long-Term Loans & Advances		-
	(e) Other Non-Current Assets		-
	Total Non - Current Assets	A	29,118.53
B	Current Assets		
	(a) Current Investments		
	(b) Inventories		1,30,348.54
	(c) Trade Receivables		1,10,287.23
	(d) Cash and Cash Equivalents		393.00
	(e) Short-Term Loans and Advances		2,506.87
	(f) Other Current Assets		103.42
	Total Current Assets	B	2,43,639.06
E	TOTAL ASSETS	A+B	2,72,757.59
C	Non - Current liabilities		
	(a) Long-Term Borrowings		3,281.67
	(b) Deferred Tax Liabilities (Net)		-
	(c) Other Long-Term Liabilities		-
	(d) Long-Term Provisions		-
	Total Non - Current Liabilities	C	3,281.67
D	Current liabilities		
	(a) Short-Term Borrowings		56,318.38
	(b) Trade Payables		83,412.66
	(c) Other Current Liabilities		6,370.47
	(d) Short-Term Provisions		12,073.22
	Total Current Liabilities	D	1,58,174.72
F	TOTAL LIABILITIES	C+D	1,61,456.39
G	Net Assets available for fully paid-up equity shares	E-F	1,11,301.20
H	No. of Equity shares of Rs. 10/- each fully paid-up		10,00,000
	Net Asset value per share (in INR actuals)	G/H	111.30

