

**Valuation Report for issue of warrants
on preferential basis of**

MRUGESH TRADING LTD

CIN: L74999MH1984PLC034746

Regd. Office: 252, Swantraveer Savarkar Rashtriya Smarak, Veer Savarkarmarg, Next to
Mayer Banglow, Shi, vaji Park, Mumbai City, Mumbai, Maharashtra, India, 400028

Prepared by

MANISH SANTOSH BUCHASIA

IBBI REGISTERED VALUER

Assets class: Securities or financial assets

RV Reg. no: IBBI/RV/03/2019/12235

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To,

The Board of Directors,

MRUGESH TRADING LTD

252,Swantraveer Savarkar Rashtriya Smarak,Veer Savarkarmarg, Next to Mayer
Banglow, Shi, vaji Park, Mumbai City, Mumbai, Maharashtra, India, 400028

**Ref: Independent Fair Valuation of MRUGESH TRADING LTD (“Company”) as
on relevant date i.e., 22-May-2024 as per SEBI (ICDR) Regulations for allotment of
warrants on preferential basis.**

We have been engaged by **MRUGESH TRADING LTD (“Company”)** for the purpose
of assessing fair value of equity shares as of the relevant date i.e. **22-04-2024** of the
Company, a company registered under the Companies Act, 1956 and having its Registered
office at 252,Swantraveer Savarkar Rashtriya Smarak,Veer Savarkarmarg, Next to
Mayer Banglow, Shi, vaji Park, Mumbai City, Mumbai, Maharashtra, India, 400028

The underlying transaction is the preferential issue of warrants of Company to certain
investors. The Company is infrequently traded company listed on BSE Ltd. In terms of
Regulation 166A read with Regulation 165 of SEBI (Issue of Capital & Disclosure
Requirements) Regulations, 2018, a preferential issue, which may result in a change in
control as allotment of more than 5 % of the post issue fully diluted share capital of an
issuer, to an allottee or to allottees acting in concert, shall require a valuation report from
an independent registered valuer and should be considered for determining the issue price.

Based on our valuation analysis of equity shares of **MRUGESH TRADING LTD** and
subject to the notes and comments provided herein, we hereby certify that the value per
equity share of the Company as at the relevant date i.e. **22-May-2024** is INR 10.00 per
share. *(Sec 53 of the company Act Shares can't be issued less then he Face Value of Rs
10)*

RV MANISH SANTOSH BUCHASIA

IBBI REGISTERED VALUER

Assets class: Securities or financial assets

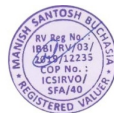
RV Reg. no: IBBI/RV/03/2019/12235;

Date: 24/05/2024



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1. EXECUTIVE SUMMARY

MRUGESH TRADING LTD (“company”) is a public limited company registered under the provisions of the Companies Act, 1956.

The company has engaged us to provide a Independent fair valuation of the shares of MRUGESH TRADING LTD as per Regulations 164 and/or 165 (as applicable) of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 (“ICDR”).

As the shares of the company is infrequently traded. Thus the valuation of shares shall be done as per Regulation 165 of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 (“ICDR”) but subject to Regulation 166A of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 (“ICDR”).

Based on our analysis of the company and subject to our comments and caveats as further detailed in this report, we have arrived at the “Independent Fair Value” of the equity shares of the Company.

2. BACKGROUND INFORMATION

MRUGESH TRADING LTD was incorporated on 07/12/1984 with the Registrar of Companies, Mumbai. The Corporate Identification Number of the Company is L74999MH1984PLC034746 and registered office is situated at 252, Swantraveer Savarkar Rashtriya Smarak, Veer Savarkarmarg, Next to Mayer Banglow, Shi, vaji Park, Mumbai City, Mumbai, Maharashtra, India, 400028

Stock Price Information:

ISIN: INE738D01011

CIN: L74999MH1984PLC034746

BSE: MRUTR | 512065

The Board of Directors of the Company is as follows:

DIN/DPIN/PAN	Full Name	Designation	Date of Appointment
*****0580E	RAJIV JUGALKISHOR AGRAWAL	CFO	08/03/2022
01659197	RAJIV JUGALKISHOR AGRAWAL	Managing Director	09/03/2022
01659211	JUGALKISHOR RAMKISHAN AGRAWAL	Whole-time director	09/03/2022
09251943	PRIYANKA SINGHAL	Director	09/03/2022
08311352	ARPIT PIYUSHBHAI SHAH	Additional Director	19/04/2024



DIN/DPIN/PAN	Full Name	Designation	Date of Appointment
10218830	AJIT DASHRATHJI THAKOR	Additional Director	19/04/2024
*****9284R	POOJA MANTHAN PATEL	Company Secretary	19/04/2024

3. PURPOSE OF VALUATION AND APPOINTING AUTHORITY:

Based on the discussions held with the management and Key Managerial Personnel (KMP's), we understand that the Company is proposing to issue certain equity shares/convertible warrants on preferential basis. The Equity shares of the company are infrequently traded company listed on BSE Ltd. In terms of Regulation 166A read with Regulation 165 of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 ('SEBI (ICDR) Regulations'), a preferential issue, which may result in a change in control or allotment of more than 5 % of the post issue fully diluted share capital of an issuer, to an allottee or to allottees acting in concert, shall, besides the market price, requires valuation from an independent registered valuer and should be considered for determining the issue price. **Thus, we, being Registered Valuers, have been appointed as per the appointment letter dated 23/05/2024.** We are issuing this certificate for the purpose of compliance with the Chapter V of SEBI (ICDR) Regulations.

The company is looking to assess its Independent fair value of equity shares in accordance with Regulations 164 and/or 165 (as applicable) of the ICDR.

Since Regulation 164 deals with frequently traded shares and corresponding regulation 165 deals with infrequently traded shares, we have assessed them together based on the circumstances given in this case.

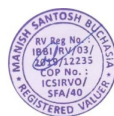
The relevant extract of the rules 164 and 165 are as under:

Pricing of Frequently traded shares

164. (1) *If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:*

a) the 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or

b) the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.



(2) If the equity shares of the issuer have been listed on a recognised stock exchange for a period of less than 90 trading days as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than the higher of the following:

- a) the price at which equity shares were issued by the issuer in its initial public offer or the value per share arrived at in a scheme of compromise, arrangement and amalgamation under sections 230 to 234 the Companies Act, 2013, as applicable, pursuant to which the equity shares of the issuer were listed, as the case may be; or*
- b) the average of the volume weighted average prices of the related equity shares quoted on the recognised stock exchange during the period the equity shares have been listed preceding the relevant date; or*
- c) the average of the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.*

(3) Where the price of the equity shares is determined in terms of sub-regulation (2), such price shall be recomputed by the issuer on completion of 90 trading days from the date of listing on a recognised stock exchange with reference to the 90 trading days volume weighted average prices of the related equity shares quoted on the recognised stock exchange during these 90 trading days and if such recomputed price is higher than the price paid on allotment, the difference shall be paid by the allottees to the issuer.

(4) A preferential issue of specified securities to qualified institutional buyers, not exceeding five in number, shall be made at a price not less than the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

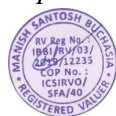
(5) For the purpose of this Chapter, “frequently traded shares” means the shares of the issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the 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.

Pricing of Infrequently traded shares

165. *Where the shares of an issuer are not frequently traded, the price determined by the issuer shall take into account the valuation parameters including book value, comparable*



trading multiples, and such other parameters as are customary for valuation of shares of such companies:

Provided that the issuer shall submit a certificate stating that the issuer is in compliance of this regulation, obtained from an independent Registered valuer to the stock exchange where the equity shares of the issuer are listed.

Other conditions for pricing

166A. (1) Any preferential issue, which may result in a change in control or allotment of more than five percent 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 proviso:

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.

4. IDENTITY OF THE VALUER AND ANY OTHER EXPERTS INVOLVED IN THE VALUATION:

- RV Manish Santosh Buchasia
- IBBI Registered Valuer Assets class: Securities or financial assets
- RV Reg. no: IBBI/RV/03/2019/12235.

5. DISCLOSURE OF VALUER INTEREST/INTEREST CONFLICT (IF ANY):



We hereby certify that the valuer(s) is/are suitably qualified and authorized to practice as a valuer; does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the company (including the parties with whom the company is dealing, including the lender or selling agent, if any). The valuer(s) accept instructions to value the company only from the appointing authority or eligible instructing party.

We have no present or planned future interest in MRUGESH TRADING LTD or its group companies, if any and the fee payable for this valuation is not contingent upon the value of shares reported herein

6. DATE OF APPOINTMENT, VALUATION DATE AND DATE OF REPORT:

Date of appointment	23/05/2024
Date of report	24/05/2024
Relevant Date	22-05-2024

7. INSPECTIONS AND/OR INVESTIGATIONS UNDERTAKEN

Web Site of Ministry of Corporate Affairs (MCA) visited to carry out the inspections of various returns and information furnished by the company with MCA and Stock exchange.

8. SOURCES OF INFORMATION:

- In the course of performing the valuation, we have relied on the following sources:
- Background documents and information on the company;
- Verbal information and discussions with the management.
- Information from Bombay Stock Exchange (BSE) website and Ministry of Corporate Affairs (MCA) Website.
- Unaudited Financial statement for the year ended 31.03.2024
- Audited Financial 31-03-2023, 31-03-2022

We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us; we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Company.

9. RESTRICTIONS ON USE OF THE REPORT:



This Valuation Report has been issued on the specific request of the management for the Value of the Company as at **22/05/2024** Relevant date

Specific Purpose:

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

Not an advice to buy or sell:

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

10. CAVEATS, LIMITATIONS AND DISCLAIMERS:

Valuation date:

The valuation of the Company contained herein is not intended to represent at any time other than the date that is specifically stated in this report. We have no responsibility to update this report for events and circumstances occurring after the valuation date.

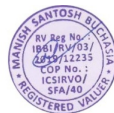
Reliance on information provided:

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

Actual results may differ:

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

Questions or appearances:



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

Complete report:

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

11. VALUATION: PROCEDURES AND FACTORS:

The valuation exercise is aimed at the assessment of the Fair Value of the company. We are required to arrive at the above valuations based on internationally accepted valuation practices.

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

Ind AS (113) as well as IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

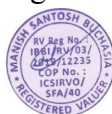
Approach and Methodology

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 sale on 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.

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- whether the entity is listed on a stock exchange;
- industry to which the Company belongs;
- past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated;
- Extent to which industry and comparable company information are available

The results of this exercise could vary significantly depending upon the basis used, the



specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorized as follows:

i. Cost Approach:

The value arrived at under this approach is based on the audited financial statements of the Company and may be defined as Shareholders' Funds or Net Assets owned by the Company.

The balance sheet values are adjusted for any contingent liabilities that are likely to materialize. As per IVS 105, the cost approach should be applied and afforded significant weight under the following circumstances:

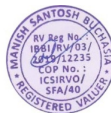
- Participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- The asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/ or
- The basis of value being used is fundamentally based on replacement cost, such as replacement value.

When using the cost approach under the following circumstances, a valuer should consider whether any other approaches can be applied and weighted to corroborate the value indication from the cost approach:

- a. Participants might consider recreating an asset of similar utility, but there are potential legal or regulatory hurdles or significant time involved in recreating the asset,
- b. When the cost approach is being used as a reasonableness check to other approaches (for example, using the cost approach to confirm whether a business valued as a going concern might be more valuable on a liquidation basis), and/or
- c. The asset was recently created, such that there is a high degree of reliability in the assumptions used in the cost approach.

I understand that the business of the company has the major portion of assets invested in Non- Current Investments. Accordingly, the current NAV would be appropriate to consider the true business value of the company. Hence, keeping the context and purpose of the report in mind, I have used this method.

ii. Market Approach:



The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available.

The market approach be applied and afforded significant weight under the following circumstances:

- a) The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value,
- b) The subject asset or substantially similar assets are actively publicly traded, and/or
- c) There are frequent and/or recent observable transactions in substantially similar assets.

I have taken a PE based approach PE Ratio value Multiple (PER). Thus we've taken this approach as well. PE for the industry is considered at 30.50

iii. Income Approach:

The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. The income approach is applied by keeping in mind following circumstances:

- a. The income-producing ability of the asset is the critical element affecting value from a participant perspective, and/or
- b. Reasonable projections of the amount and timing of future income are available for the subject asset, but there is few, if any, relevant market comparable.

We have considered this method as Profit Earning Capacity value (PECV)

CONCLUSION

We have considered Cost Approach – Net Asset value method, Market Approach PE Ratio value Multiple (PER) - and Income Approach- Profit Earning Capacity value (PECV) . Thus, calculation of Fair value per share as given Below:

12. VALUATION: CONCLUSION



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

Based on the pricing formula prescribed under Regulation 165 of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 has been worked out at Rs.10/- per share Which is Minimum Price for issue of share / warrant Sec 53 of the companies Act 2013

As in the present case the **MRUGESH TRADING LTD** (the Issuer) has proposed preferential issue to certain allottees, which may result in allotment of more than five (5) percent of the post issue fully diluted share capital of the Issuer to allottees and accordingly this Valuation Reports is given under Regulation 166A of the SEBI ICDR Regulation, 2018.

Our Valuation Brief is produced hereunder:

Sr. No.	Method	Value per equity share (in Rs.)(A)	Weights (B)	Weighted
				(C=A*B)
(a)	NAV Method	2.54	50.00%	1.27
(b)	Profit earning capacity value	-4.48	25.00%	-1.12
(c)	PE Ratio value Multiple	-11.34	25.00%	-2.83
TOTAL(D)			100.00%	-2.69
Floor price (In Rupees) (Total of C/D)				-2.69

As the Valuation per equity shares has been worked out at Rs.10.00,((Sec 53 of the company Act Shares can't be issued less than Face Value of Rs 10)) therefore to comply with the terms of the Regulation 166A we have decided to Value at Rs.10.00/- per equity share.

Fair Value per share INR 10.00 per equity share

Based on the workings (Annexure "A", "B" and "C") the calculation of the fair value of the share of MRUGESH TRADING LTD is as under:

In accordance with regulation 164 of the SEBI ICDR Regulations 2018, the shares of the company are infrequently traded. Accordingly, we have calculated the price per share in accordance with Regulation 165 that deals with infrequently traded shares.

Accordingly, pursuant to Regulation 165 along with Regulation 166A, for the purpose of preferential allotment of shares of Face value Rs.10 each, the Independent Fair Value of the Equity shares comes to 10.00 per equity share.



“ANNEXURE A”:

**Calculation of Value of Equity Shares as per NAV Method at Book Value as on
31.03.2024**

Particulars	As at 31-03-2024
I. EQUITY AND LIABILITIES	
(1) Shareholder's Funds	
(a) Share Capital	2450
(b) Reserves and Surplus	-1828.84452
(2) Non-Current Liabilities	
(a) Long Term Borrowings	1042.884
(3) Current Liabilities	
(a) Short-term Borrowings	0
(b) Trade Payables	127.90865
(c) Other Current Liabilities	1523.326
Total Equity & Liabilities	3315.27413
II.ASSETS	
(1) Non-current Assets	
(a) Property, Plant & Equipments	0
(b) Non-Current Assets	1461.831
(c) Non-Current Investment	0
(d) Deferred Tax Assets (net)	0
(2) Current Assets	
(a) Long Term Loans & Advances	12.84
(b) Trade receivables	0
(c) Cash and cash equivalents	1385.18
(d) Short-term loans and advances	0
(e) Other Current Assets	455.41118
Total Assets	3315.27218
Net worth	621155.48
No of share	2,45,000
NAV Per Shares Rs	2.53532849



“ANNEXURE B”:

Profit Earning Capacity value (PECV)

For the year ended on:	Weight	PAT in Rs.	Details
31-03-2024	3.34	-16,700.00	-55778
31-03-2023	3.33	-84,610.00	-281751.3
31-03-2022	3.33	-2,86,719.00	-954774.3
Average Profit after Tax			-129230
No. of equity shares			245000
Average EPS			-0.53
Capitalization rate of Industry @			8.5
PECV based Equity Value per Share			-4.48

<https://www.crexix.com/insights/looking-ahead-a-2024-hospitality-market-forecast>

“ANNEXURE C”:

PE Ratio value Multiple (PER)

For the year ended on:	Weight	EPS	Details
31-03-2024	5	-0.07	-0.340816327
31-03-2023	3	-0.35	-1.036040816
31-03-2022	2	-1.17	-2.340563265
Weighted Average EPS			-0.37
PE Ratio for the industry @			30.5
PE Ratio based equity value per share			-11.34

<https://www.moneycontrol.com/india/stockpricequote/finance-general/nikkiglobalfinance/NGF>

CALCULATION OF VALUE PER SHARE

Sr. No.	Method	Value per equity share (in Rs.)(A)	Weights (B)	Weighted (C=A*B)
(a)	NAV Method	2.54	50.00%	1.27
(b)	Profit earning capacity value	-4.48	25.00%	-1.12
(c)	PE Ratio value Multiple	-11.34	25.00%	-2.83
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As the Valuation per equity shares has been worked out at Rs.10.00,((Sec 53 of the company Act Shares can't be issued less than Face Value of Rs 10)) therefore to comply with the terms of the Regulation 166A we have decided to Value at Rs.10.00/- per equity share.

