

Strictly Private & Confidential

IM+ CAPITALS LIMITED

**Fair Valuation Report of Equity Shares
in compliance with
Regulation 166A(1) of SEBI (Issue of
Capital and Disclosures Requirement)
Regulations, 2018**

To,
The Board of Directors,
IM+ Capitals Limited
72, Ground Floor, World Trade Center
Babar Road, Connaught Place
New Delhi - 110001

Subject: Determination of fair value of shares of IM+ Capitals Limited in compliance with Regulation 166A(1) of SEBI (Issue of Capital and Disclosures Requirement) Regulations, 2018 and subsequent amendments thereto

Dear Sir/ Madam,

We have been appointed by **IM+ Capitals Limited** to determine the fair value of the equity shares in compliance with the provisions of Regulation 166A(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended.

Further in compliance with Regulation 166A(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended, we confirm that we are Independent Registered Valuer. We have conducted our valuation exercise on the basis of information/ documents and explanations given to us by the management. Based on the same, our report on valuation is being submitted herewith for your kind reference.

The Fair Value of the equity shares of **IM+ Capitals Limited** as per regulation 166A(1) estimated as on "Relevant Date" i.e. **12th January 2023 is INR 159/- (Rupees One Hundred Fifty Nine Only) per share.**

Regards,

Chandan



Registered Valuer: Chandan Bhatia

Address: H. No. 1321, Sector 29, Faridabad, Haryana 121008

IBBI Registration No.: IBBI/RV/06/2019/11431

ICAI RVO Registration No.: ICAIRVO/06/RV-P00026/2019-20

UDIN: 23517097BGRZHG3834

Date: 13th January 2023

Place: Faridabad

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A. ENGAGEMENT OUTLINE

Our current scope of work for this exercise is to determine the fair value of share of **IM+ Capitals Limited** in compliance with provisions of Regulation 166A(1) of SEBI (ICDR) Regulations, 2018 for the purpose of allotting shares through preferential allotment in terms of Chapter V of SEBI (ICDR) Regulations, 2018 and also as informed by the management that allotment amounts to more than five per cent of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert.

As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to in this report. While utmost care has been taken, however, our report is subject to the limitations detailed hereinafter:

- a) **Relevant Date for the purpose of Price Calculation** – Valuation analysis and results are specific to the **Relevant Date i.e., 12th January 2023 contemplated on the basis of information and estimations provided by the management.** The valuation has been conducted with reference to the latest financial statement available as on reference date.
- b) **Independent Valuer** - I am an Independent Registered Valuer registered with competent authority vide registration no. IBBI/RV/06/2019/11431.
- c) **Engagement Date and Management Representation Date** - We were engaged by IM+ Capitals Limited for the valuation of shares of IM+ CAPITALS LIMITED vide Engagement Letter dated 9th January 2023.
- d) **Reliance on the Information provided** – We have been provided with certain written and verbal information and assumptions from the management of “**IM+ Capitals Limited**”. We have relied on the information provided by the management and experts and have not conducted any detailed enquiry. **Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.**
- e) **Valuation Analysis** – Valuation of business is not a precise art and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment.
- f) **Caution to users of the Report** – This report and the information contained herein are confidential. It is intended only for the sole use of the purpose mentioned in this report.



B. COMPANY INFORMATION

IM+ Capitals Limited is a Listed Company engaged in Corporate and Transaction Advisory with specialized focus on Real Estate sector. They cater advisory services to both the corporate and retail fronts.

The brief particulars of the company are as follows:

Particulars	Particulars
Company Name	IM+ CAPITALS LIMITED
CIN	L74140DL1991PLC340407
Company Category	Company Limited by Shares
Class of Company	Public
Authorized Capital (INR)	12,00,00,000
Present Paid up Capital (INR)	3,50,15,970
Date of Incorporation	22-10-1991
Registered Address	72, Ground Floor , World Trade Center, Babar Road, Connaught Place, New Delhi- 110001.



C. VALUATION APPROACH

The valuation methodology to be adopted varies from case to case depending upon different factors affecting valuation. The basis of valuation would depend on the purpose of valuation, nature of business, future prospects of the company & industry and other attendant circumstances.

There are three generally accepted approaches to valuation:

- COST/ ASSET APPROACH
- PRICE EARNING CAPACITY VALUE APPROACH
- MARKET APPROACH

COST/ ASSET APPROACH:

The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis.

'Book value' is considered in case where there is no significant movement either side, in the actual value of assets. Since it represents only the historic cost, it is generally not prudent to value a company based on its book value.

'Realizable value' is considered in case where the valuation exercise is being carried out on an ordinary sale/distress sale basis. In other words, when the company is likely to be sold or liquidated.

'Replacement value' and Present values are considered for estimating the Fair Value of assets of a company on a going concern basis.

In the **Net Asset Value (NAV) method**, the net asset value is computed based on the latest available audited/unaudited Balance Sheet of the Company. The starting point of this method is the valuation of the total assets that the Company owns. The outside liabilities are deducted. Contingent liabilities, to the extent that in the opinion of management can be fairly expected to impair the net asset value of the business, are also deducted. The resultant figure represents the net worth of the business on the given day.

Based on the nature of industry and company for valuation of IM+ Capitals Limited we have not considered this method.



PRICE EARNING CAPACITY VALUE APPROACH:

Price Earning Capacity Value will be calculated by capitalizing the average of after tax profits at the following rates:

- 15% in case of manufacturing companies
- 20% in case of trading companies
- 17.5% in case of intermediate companies, that is to say, companies whose turnover from trading activities is more than 40% but less than 60% of their total turnover.

The crux of estimating the Price Earning Capacity Value lies in the assessment of the future maintainable earnings of the business. While the past trends in profits and profitability would serve as a guide, it should not be overlooked that the valuation is for the future and that it is the future maintainable stream of earnings that is of greater significance in the process of valuation. All relevant factors that have a bearing on the future maintainable earnings of the business must, therefore, be given due consideration.



MARKET APPROACH:

We estimated the frequency of trading during 240 Trading Days preceding the Relevant Date, i.e., **12th January 2023** and have determined the shares to be frequently traded in terms of **Regulation 164(5)** of SEBI (ICDR) Regulations, 2018. As per para 164(1) of SEBI's ICDR Regulation, where the shares are frequently traded, 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 recognized stock exchange preceding the relevant date: or

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

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

Articles of Association of the Company do not provide for any particular method of determination which results in a floor price higher than that determined under SEBI ICDR Regulations.

The Company's Equity Share are listed only at one Bombay Stock Exchange (BSE), BSE is the stock exchange on which 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.



D. VALUATION ANALYSIS OF IM+ CAPITALS LIMITED

In terms of first Proviso to the Sub-Regulation 1 of Regulation 166A R.W. Sub-Regulation 1 of Regulation 166A and Sub-Regulation 1 of Regulation 164 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and by using the Valuation Parameters, the following is the Valuation Analysis of Equity Shares of the Company:

Sr. No	Valuation Parameters	Value per Equity Share (In Rupee)
1	Price Earing Capacity Value Method	14.60
2	Market Value Method	158.71

For detailed working calculation of value of equity share kindly refer;

Annexure 1 - Price Earing Capacity Value Method

Annexure 2 - Market Value Method

Sr. No	Method	Value per Equity Share (In Rupee) (A)	Weights (B)	Weighted (C=A*B)
1	Price Earing Capacity Value Method	14.60	1.00	14.60
2	Market Value Method	158.71	2.00	317.42
Total (D)			3.00	332.02
Floor Price (In Rupee) (Total of C/D)				110.67

Conclusion

In the ultimate analysis, valuation 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 documents available with us but which will strongly influence the worth of a Shares and Debentures. In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined in this report, I conclude as under;

Sr. No	Provision	Minimum Floor Price (In Rupees)
A	Floor Price in terms of first Proviso to the Sub-Regulation 1 of Regulation 166A of the SEBI ICDR Regulations	110.67
B	Floor Price in terms of the Sub-Regulation 1 of Regulation 164 of the SEBI ICDR Regulations	158.71



Accordingly, the Floor Price of the Equity Share of the Company having Face Value of Rupees 10.00 each in terms of Chapter V of SEBI ICDR Regulations as at relevant date is **INR 159.00 (Rupees One Hundred Fifty Nine Only) (rounded off)**.

E. LIMITATION AND DISCLAIMERS

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

Valuation work, by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions, expert opinion may differ due to number of separate judgement decisions, which have to be made. While we have provided our recommendation based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion.

Further, this valuation report is based on the extant regulatory environment and the business/ market conditions, which are dynamic in nature & may change in future, thereby impacting the valuation of the company.

For the present valuation exercise, we have also relied upon information available in the public domain, however the accuracy and timeline of the same has not been independently verified by us.

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

The client/owner and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the owners/clients, their management and other third parties concerning the financial data, operational data and maintenance schedule of all plant machinery-equipment-tools-vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the



companies, their directors, employee or agents. We do not make any representations or warranty, express or implied, regarding the achievability of forecasts and completeness of such other information as provided by the Management. We also do not vouch for the efficacy of the forecast as provided to us by the management.

The information contained herein is based on the analysis of information available at the time when this report was prepared.

We do not make any representations or warranty, express or implied, regarding the achievability of forecasts and completeness of such other information as provided by the Management. We also do not vouch for the efficacy of the forecast as provided to us by the management.

The information presented on the valuation report does not reflect the outcome of any due diligence procedure, which may impact the valuation report materially.

We have no present or contemplated financial interest in the Company. The fee for this engagement is not contingent upon the results of this report. We have no responsibility to update this report for events and circumstances occurring subsequent to the date of this report.

In the course of valuation, we were provided with both written and verbal information, including market, technical, financial and operating data.

The actual market price achieved may be higher or lower than our estimate of value (or range of value) depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place.

An analysis of such nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

We are independent of the client/company and have no current or expected interest in



the Company or its assets. The fee paid for our services in no way influenced the results of our analysis.

We have acted as an independent third party and, as such, shall not be considered an advocate for any concerned party for any dispute. The valuation has been carried out independently to assess the valuation services. We have no present or planned future interest in **IM+ CAPITALS LIMITED** or any of its group companies and the fee for this report is not contingent upon outcome of the transaction. Our valuation should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction with **IM+ CAPITALS LIMITED**.

F. Annexures

Annexure 1: Valuation as per Price Earning Capacity Value Method

Particulars	2021-22	2020-21	2019-20	Total
Total revenue (A)	2,15,43,000.00	3,26,68,955.00	3,99,93,651.00	
Profit Before tax (B)	86,09,000.00	2,38,07,692.00	94,75,101.00	
Weights (C)	3	2.00	1	6.00
Product (D=B*C)	2,58,27,000.00	4,76,15,384.00	94,75,101.00	8,29,17,485.00
Weights Average Profit before tax (E=D/C)				1,38,19,580.83
Tax @26% (F=E*26%)				35,93,091.02
Future Maintainable profit (G=E-F)				1,02,26,489.82
Total Value of equity Shareholder (Capitalization rate @20%)				5,11,32,449.08
No of share outstanding				35,01,597.00
Fair value per share equity shares (In Rs.)				14.60

Annexure 2: Valuation as per Market Price Method

Average of the volume weighted average price (WAP) of the equity shares of IM+ Capitals Limited quoted on the Bombay Stock Exchange Limited during the 90 trading days preceding the relevant date (considering relevant date as 12/01/2023)



DAYS	DATE	VWAP	DAYS	DATE	VWAP
1	11-Jan-23	191.9	46	09-Nov-22	129.9
2	10-Jan-23	182.5	47	07-Nov-22	127.7
3	09-Jan-23	174.0	48	04-Nov-22	129.5
4	06-Jan-23	164.4	49	03-Nov-22	120.5
5	05-Jan-23	155.6	50	02-Nov-22	128.1
6	04-Jan-23	142.2	51	01-Nov-22	122.5
7	03-Jan-23	139.8	52	31-Oct-22	120.8
8	02-Jan-23	143.9	53	28-Oct-22	124.4
9	30-Dec-22	143.5	54	27-Oct-22	120.4
10	29-Dec-22	149.2	55	25-Oct-22	123.8
11	28-Dec-22	152.8	56	24-Oct-22	126.3
12	27-Dec-22	154.6	57	21-Oct-22	131.6
13	26-Dec-22	151.9	58	20-Oct-22	134.3
14	23-Dec-22	157.5	59	19-Oct-22	134.4
15	22-Dec-22	164.7	60	18-Oct-22	139.1
16	21-Dec-22	174.0	61	17-Oct-22	140.1
17	20-Dec-22	180.5	62	14-Oct-22	147.9
18	19-Dec-22	177.6	63	13-Oct-22	144.5
19	16-Dec-22	173.1	64	12-Oct-22	150.1
20	15-Dec-22	168.1	65	11-Oct-22	149.6
21	14-Dec-22	172.5	66	10-Oct-22	149.0
22	13-Dec-22	178.9	67	07-Oct-22	151.1
23	12-Dec-22	178.6	68	06-Oct-22	148.2
24	09-Dec-22	185.8	69	04-Oct-22	142.9
25	08-Dec-22	196.4	70	03-Oct-22	138.5
26	07-Dec-22	213.8	71	30-Sep-22	128.4
27	06-Dec-22	209.2	72	29-Sep-22	126.0
28	05-Dec-22	199.3	73	28-Sep-22	127.7
29	02-Dec-22	189.8	74	27-Sep-22	133.7
30	01-Dec-22	178.8	75	26-Sep-22	140.8
31	30-Nov-22	169.9	76	23-Sep-22	148.2
32	29-Nov-22	165.2	77	22-Sep-22	147.9
33	28-Nov-22	157.4	78	21-Sep-22	144.6
34	25-Nov-22	149.9	79	20-Sep-22	144.1
35	24-Nov-22	142.8	80	19-Sep-22	145.9
36	23-Nov-22	136.0	81	16-Sep-22	153.3
37	22-Nov-22	129.5	82	15-Sep-22	161.6
38	21-Nov-22	122.8	83	14-Sep-22	171.3
39	18-Nov-22	117.7	84	13-Sep-22	177.1
40	17-Nov-22	118.8	85	12-Sep-22	163.4



41	16-Nov-22	125.7	86	09-Sep-22	158.9
42	15-Nov-22	122.6	87	08-Sep-22	142.0
43	14-Nov-22	118.8	88	07-Sep-22	130.8
44	11-Nov-22	122.6	89	06-Sep-22	106.4
45	10-Nov-22	124.7	90	05-Sep-22	101.5
Average price					148.9

Average of the volume weighted average price (WAP) of the equity shares of IM+ Capitals Limited quoted on the Bombay Stock Exchange Limited during the 10 trading days preceding the relevant date (considering relevant date as 12/01/2023)

DAYS	DATE	VWAP	DAYS	DATE	VWAP
1	11-Jan-23	191.9	6	04-Jan-23	142.2
2	10-Jan-23	182.5	7	03-Jan-23	139.8
3	09-Jan-23	174.0	8	02-Jan-23	143.9
4	06-Jan-23	164.4	9	30-Dec-22	143.5
5	05-Jan-23	155.6	10	29-Dec-22	149.2
Average price					158.7

A	Average of 90 Trading Days VWAP	148.9
B	Average of 10 Trading Days VWAP	158.7
C	Applicable Minimum price (Higher of A or B)	158.7

