*Dhelariya & Associates*

CHARTERED ACCOUNTANTS

**ANNEXURE III**

The valuation report shall display the workings, relative fair value per share and fair share exchange ratio in the following manner:

**Computation of Fair Share Exchange Ratio**

| Valuation Approach | Nalin Lease Finance Ltd. (NLFL) | | Amee Finance Ltd. (AFL) | |
|---|---|---|---|---|
| | Value per Share | Weight | Value per Share | Weight |
| Asset Approach | - | - | 11.71 | 1 |
| Income Approach | - | - | - | - |
| Market Approach | 16.31 | 1 | - | - |
| **Relative Value per Share** | **16.31** | **1** | **11.71** | 1 |
| **Exchange Ratio (rounded off)** | | | **0.72** | |

| Valuation Approach | Nalin Lease Finance Ltd. (NLFL) | | Gandhi Shroff Services Pvt. Ltd. (GSSPL) | |
|---|---|---|---|---|
| | Value per Share | Weight | Value per Share | Weight |
| Asset Approach | - | - | 118.42 | 1 |
| Income Approach | - | - | - | - |
| Market Approach | 16.31 | 1 | - | - |
| **Relative Value per Share** | **16.31** | **1** | **118.42** | 1 |
| **Exchange Ratio (rounded off)** | | | **7.26** | |

| Valuation Approach | Nalin Lease Finance Ltd. (NLFL) | | Nalin Consultancy Services Ltd. (NCSL) | |
|---|---|---|---|---|
| | Value per Share | Weight | Value per Share | Weight |
| Asset Approach | - | - | 73.21 | 1 |
| Income Approach | - | - | - | - |
| Market Approach | 16.31 | 1 | - | - |
| **Relative Value per Share** | **16.31** | **1** | **73.21** | 1 |
| **Exchange Ratio (rounded off)** | | | **4.49** | |

| Valuation Approach | Nalin Lease Finance Ltd. (NLFL) | | Nalin Services Ltd. (NSL) | |
|---|---|---|---|---|
| | Value per Share | Weight | Value per Share | Weight |
| Asset Approach | - | - | 62.72 | 1 |
| Income Approach | - | - | - | - |
| Market Approach | 16.31 | 1 | - | - |
| **Relative Value per Share** | **16.31** | **1** | **62.72** | 1 |
| **Exchange Ratio (rounded off)** | | | **3.85** | |

**RATIO:**

5 (Five) equity share of Nalin Lease Finance Limited of INR 10 each fully paid up for every 7 (Seven) equity shares of Amee Finance Limited of INR 10 each fully paid up

29 (Twenty nine) equity share of Nalin Lease Finance Limited of INR 10 each fully paid up for every 4 (Four) equity shares of Gandhi Shroff Services Private Limited of INR 100 each fully paid up

18 (Eighteen) equity share of Nalin Lease Finance Limited of INR 10 each fully paid up for every 4 (Four) equity shares of Nalin Consultancy Services Limited of INR 10 each fully paid up

50 (Fifty) equity share of Nalin Lease Finance Limited of INR 10 each fully paid up for every 13 (Thirteen) equity shares of Nalin Services Limited of INR 10 each fully paid up

**Valuation Approach**

**AMEE FINANCE LIMITED**

1. The Market Price Method:The Market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly are freely trade in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the shares as quoted on the stock market would not be regarded as a proper index of the fair value of the shares, especially where the market values are fluctuating in a volatile capital market. However in the case of AFL the shares of the company have not been listed in any stock exchange of India so market price method is not given any weightage.

2. The Discounted Cash Flow method uses the future cash flows of the company discounted by the cost of capital to arrive at the present value. In general, the DCF method values the company by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both the owners and creditors of the company. The free cash flows are discounted by Weighted Average Cost of Capital (WACC). The WACC represents the return expected by the investors of both debt and equity, weighted of their relative funding in

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the entity. The present value of the free cash flows during the explicit period and the perpetuity value indicate the value of the company.

Terminal value refers to the present value of the business as a going concern basis beyond the period of projection up to perpetuity. This value is estimated taking into account business growth rates as well as estimated growth rates of the industry and economy.

The DCF method is modern valuation method which relates the value of as asset to the present value of the expected future cash flows on that asset. However AFL has not maintain earnings level of the company from its normal operations as analysed from past financial data of AFL hence DCF method is not suitable for valuation.

3. The Net Assets Method represents the value of a share with reference to the historical cost of the assets owned by the company and the attached liabilities on the valuation date. Such value represents the support value of a share on a going concern. It is usual to ignore the market value of the assets under this method. However, in case of change of ownership, sale of controlling stake or similar conditions, adjustments to book values may be required in accordance to the replacement costs or market valuations of these assets. While the historical cost is adopted in respect of the assets which are to be continued as a part of the going concern, it is necessary to adjust the realisable value of assets in case the going concern concept is compromised or is not applicable. Example of such as a case is a company under liquidation. Sometimes, to determine the current net worth of the company, the historical cost figures and the valuations of other noncurrent assets and investments are adjusted to represent their approximate current worth.

   The valuation of shares based on book values under Net Asset Method which is most appropriate method.

**GANDHI SHROFF SERVICES PRIVATE LIMITED**

1. The Market Price Method:The Market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly are freely trade in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the shares as quoted on the stock market would not be regarded as a proper index of the fair value of the shares, especially where the market values are fluctuating in a volatile capital market. However in the case of GSSPL the shares of the company have not been listed in any stock exchange of India so market price method is not given any weightage.

2. The Discounted Cash Flow method uses the future cash flows of the company discounted by the cost of capital to arrive at the present value. In general, the DCF method values the company by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash

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flows represent the cash available for distribution to both the owners and creditors of the company. The free cash flows are discounted by Weighted Average Cost of Capital (WACC). The WACC represents the return expected by the investors of both debt and equity, weighted of their relative funding in the entity. The present value of the free cash flows during the explicit period and the perpetuity value indicate the value of the company.

Terminal value refers to the present value of the business as a going concern basis beyond the period of projection up to perpetuity. This value is estimated taking into account business growth rates as well as estimated growth rates of the industry and economy.

The DCF method is modern valuation method which relates the value of as asset to the present value of the expected future cash flows on that asset. However GSSPL has not maintain earnings level of the company from its normal operations as analysed from past data of GSSPL hence DCF method is not suitable for valuation.

3. The Net Assets Method represents the value of a share with reference to the historical cost of the assets owned by the company and the attached liabilities on the valuation date. Such value represents the support value of a share on a going concern. It is usual to ignore the market value of the assets under this method. However, in case of change of ownership, sale of controlling stake or similar conditions, adjustments to book values may be required in accordance to the replacement costs or market valuations of these assets. While the historical cost is adopted in respect of the assets which are to be continued as a part of the going concern, it is necessary to adjust the realisable value of assets in case the going concern concept is compromised or is not applicable. Example of such as a case is a company under liquidation. Sometimes, to determine the current net worth of the company, the historical cost figures and the valuations of other noncurrent assets and investments are adjusted to represent their approximate current worth.

   The valuation of shares based on book values under Net Asset Method which is most appropriate method.

**NALIN CONSULTANCY SERVICES LIMITED**

1. The Market Price Method:The Market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly are freely trade in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the shares as quoted on the stock market would not be regarded as a proper index of the fair value of the shares, especially where the market values are fluctuating in a volatile capital market. However in the case of NCSL the shares of the company have not been listed in any stock exchange of India so market price method is not given any weightage.

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2. The Discounted Cash Flow method uses the future cash flows of the company discounted by the cost of capital to arrive at the present value. In general, the DCF method values the company by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both the owners and creditors of the company. The free cash flows are discounted by Weighted Average Cost of Capital (WACC). The WACC represents the return expected by the investors of both debt and equity, weighted of their relative funding in the entity. The present value of the free cash flows during the explicit period and the perpetuity value indicate the value of the company.

   Terminal value refers to the present value of the business as a going concern basis beyond the period of projection up to perpetuity. This value is estimated taking into account business growth rates as well as estimated growth rates of the industry and economy.

   The DCF method is modern valuation method which relates the value of as asset to the present value of the expected future cash flows on that asset. However NCSL has not maintain earnings level of the company from its normal operations as analysed from past data of NCSL hence DCF method is not suitable for valuation.

3. The Net Assets Method represents the value of a share with reference to the historical cost of the assets owned by the company and the attached liabilities on the valuation date. Such value represents the support value of a share on a going concern. It is usual to ignore the market value of the assets under this method. However, in case of change of ownership, sale of controlling stake or similar conditions, adjustments to book values may be required in accordance to the replacement costs or market valuations of these assets. While the historical cost is adopted in respect of the assets which are to be continued as a part of the going concern, it is necessary to adjust the realisable value of assets in case the going concern concept is compromised or is not applicable. Example of such as a case is a company under liquidation. Sometimes, to determine the current net worth of the company, the historical cost figures and the valuations of other noncurrent assets and investments are adjusted to represent their approximate current worth.

   The valuation of shares based on book values under Net Asset Method which is most appropriate method.

**NALIN SERVICES LIMITED**

1. The Market Price Method:The Market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly are freely trade in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the shares as quoted on the stock market would not be regarded as a proper index of the fair value of the shares, especially where the market values are

fluctuating in a volatile capital market. However in the case of NSL the shares of the company have not been listed in any stock exchange of India so market price method is not given any weightage.

2. The Discounted Cash Flow method uses the future cash flows of the company discounted by the cost of capital to arrive at the present value. In general, the DCF method values the company by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both the owners and creditors of the company. The free cash flows are discounted by Weighted Average Cost of Capital (WACC). The WACC represents the return expected by the investors of both debt and equity, weighted of their relative funding in the entity. The present value of the free cash flows during the explicit period and the perpetuity value indicate the value of the company.

   Terminal value refers to the present value of the business as a going concern basis beyond the period of projection up to perpetuity. This value is estimated taking into account business growth rates as well as estimated growth rates of the industry and economy.

   The DCF method is modern valuation method which relates the value of as asset to the present value of the expected future cash flows on that asset. However NSL has not maintain earnings level of the company from its normal operations as analysed from past data of NSL hence DCF method is not suitable for valuation.

3. The Net Assets Method represents the value of a share with reference to the historical cost of the assets owned by the company and the attached liabilities on the valuation date. Such value represents the support value of a share on a going concern. It is usual to ignore the market value of the assets under this method. However, in case of change of ownership, sale of controlling stake or similar conditions, adjustments to book values may be required in accordance to the replacement costs or market valuations of these assets. While the historical cost is adopted in respect of the assets which are to be continued as a part of the going concern, it is necessary to adjust the realisable value of assets in case the going concern concept is compromised or is not applicable. Example of such as a case is a company under liquidation. Sometimes, to determine the current net worth of the company, the historical cost figures and the valuations of other noncurrent assets and investments are adjusted to represent their approximate current worth.

   The valuation of shares based on book values under Net Asset Method which is most appropriate method.

**NALIN LEASE FINANCE LIMITED**

1. The Market Price Methodevaluates the share on the basis of the transactions entered on the stock exchange. The rate as per this method is considered as indicative of the value perception for the shares by investors operating under free market conditions. In the case of companies not frequently traded, this

value may be very different from the inherent value of shares, but nevertheless forms a benchmark value.

In the present case, the shares of NLFL are listed on BSE and the volume weighted average price of NLFL over as appropriate period prescribed under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations") prior to the relevant date has been considered for determining the value of NLFL under this method.

As per SEBI circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, Market Price Method has been exclusively considered for the equity valuation of NLFL as shares of NLFL is traded on BSE.

**DISCLAIMER**

The valuation report and / or views expressed herein represent nothing more than our opinion or views based on the facts and circumstances pertaining to the query submitted to us. In view of this, the same valuation may not apply in case the aforesaid factors undergo a change subsequent to the issuance of this valuation report.

While submitting this valuation we make no representations about the suitability of the valuation for any purpose. The valuation is provided "as is" without warranty of any kind and we hereby disclaim all warranties and conditions with regard to this valuation, including all implied warranties and conditions of fitness for a particular purpose.

The user of the valuation report assumes all responsibility and risk for the use of this valuation. We accept no liability or responsibility to any person as a consequence of any reliance upon the information or the valuation contained herein above. Under no circumstances, including negligence, shall we be liable for any direct, indirect, incidental, special or consequential damages, or loss of profits that result from the use or inability to use this valuation report or the opinion expressed herein.

**For Dhelariya& Associates.**
**Chartered Accountants**
**FRN: 123196W**

Dharmendra T. Dhelariya

**CA DharmendraDhelariya**
**Partner**
**Place: Ahmedabad**
**Date: 26-09-2018**

Dhelariya & Associates FRN:123196W Chartered Accountants