Private & Confidential

# Valuation Report

## Chatak Agro (India) Private Limited

as on

31st March 2026.

Presented by:
Vasu Aggarwal
Registered Valuer for Securities or Financial Assets

**Date: 26th August, 2026**

Fair valuation of equity shares of Chatak Agro (India) Private Limited,

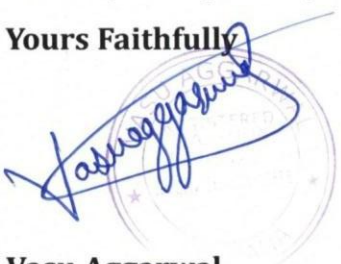
Vasu Aggarwal (hereinafter referred to as "I" or "we" or "Valuer") has been appointed for conducting fair valuation of Equity Shares of Chatak Agro (India) Private Limited (hereinafter referred to as "CAIPL" or the "Company").

In arriving at our opinion, we have applied generally accepted valuation methodologies as on the valuation measurement date i.e. **31st March, 2026**. This document sets out our terms of reference, information supplied and used in the valuation, assumptions made and limiting factors.

The valuation opinion does not constitute an offer for or invitation to any third party for investing in, or in the assets & liabilities of the company.
The opinion is intended only for the sole use and information of client and only for the purpose mentioned herein. The valuation opinion is specific to the date of the valuation report and we assume no responsibility to update our opinion for events occurring after the date of this document. The detailed report is enclosed herewith for your kind reference.

Should you require any further information/clarifications, please do not hesitate to contact us.

**Yours Faithfully**



**Vasu Aggarwal**
**IBBI Registered Valuer**
**Securities or Financial Assets**
**Reg No. IBBI/RV/06/2021/13856**
**UDIN: 26542271UJNPKU1817**

## Summary of Opinion

Valuation of Equity shares of Chatak Agro (India) Private Limited,

We have completed our assessment on fair value of equity shares of CAIPL, based on assumptions and limiting conditions as described hereinafter in this document, as well as the facts and circumstances as of the valuation measurement date (i.e., 31st March, 2026).

The fair value of equity shares of Chatak Agro (India) Private Limited is shown as below:

*(INR in Lakhs)*

| Particulars | Value | Weights | Weighted Value |
|---|---|---|---|
| **Income Approach** | | | |
| Discounted Cashflow Method | 3,200.06 | 100.0% | 3,200.06 |
| **Market Approach** | | | |
| Company Comparable Method | | | |
| EV/Sales | 1,898.84 | 0.0% | - |
| **Cost Approach** | | | |
| Net Assets value Method | 617.69 | 0.0% | - |
| **Concluded Fair Equity Value** | | | **3,200.06** |
| Divide by: # Equity Shares | | | 9,66,600 |
| **Per Share Equity Value (In INR)** | | | **331.06** |

Summary of opinion should be read in conjunction with detailed report.

## Valuation Notes:

a) *Valuation can be done using the cost approach, income approach and market approach. Net Asset Value Method (NAV) is most commonly used method under cost approach. Under this method the book values of the assets and liabilities are used to arrive at the value of the company.*

b) *Under Income Approach, discounted cash flow (DCF) method has been used for the present valuation exercise. Considering the importance of future earning potential, we have given 100% weightage to income approach.*

c) *The Company is being valued on a going concern basis, wherein the value is primarily attributable to its ability to generate sustainable future economic benefits through its underlying operating business.*

d) *The Comparable Companies Multiple Method (CCM) under the Market Approach was also evaluated. However, the identified listed companies exhibited differences in business scale, operating performance, growth prospects, profitability and risk profile, limiting the direct comparability of their market multiples with those of the Company. Therefore, was considered less representative of the Company's specific projected cash flows and future earning potential. Accordingly, no weightage was assigned to the NAV Method and CCM, and the Income Approach was relied upon for the final valuation*

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REGISTERED VALUER
Reg.No.
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# 1. ENGAGEMENT OVERVIEW

- Engagement Overview
- Sources of Information
- Company Overview – CAIPL



## 1.1 Engagement Overview

Vasu Aggarwal ('I' or 'we'), Registered Valuer for Securities or Financial Assets, has been appointed to determine the fair value of Equity Shares of Chatak Agro (India) Private Limited (hereinafter referred to as "CAIPL" or the "Company").

## 1.2 Date of Valuation

Valuation analysis and result will be specific to the purpose of valuation and the date mentioned in the valuation report i.e. **31st March, 2026**. It may not be valid for any other purpose or as at any other date. We assume no responsibility to update valuation report for events and circumstances occurring after the date of this report.

## 1.3 Purpose of Valuation

The purpose of this engagement is to provide an independent opinion on the fair value of equity shares of CAIPL. In the course of our analysis, we have evaluated the information provided to us, through broad inquiry, analysis and review (but have not carried out a due diligence). Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

Valuation is not a precise art and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment and management assumptions.

# Engagement Outline

## 1.4 Sources of Information

During the course of our analysis, we were supplied with written & verbal information which we have relied upon. The set of information/document etc., which has been furnished to us , are as under:

- Audited balance sheet and statement of profit & loss A/C of Chatak Agro (India) Private Limited as on 31st March, 2025 and 31st March 2026.
- Forecasted financial statement for the period ended 31st March, 2027 to 31st March, 2031.
- We have also been provided with information which were necessary for formalizing our valuation opinion.
- Information (Industry related as well as company specific) available on various public domain.




Engagement Outline

## 1.2 Company Overview

Chatak Agro (India) Private Limited ("CAIPL" or the "Company") is an unlisted private limited company incorporated on 10 May 1999 under the Companies Act, 1956. The Company is registered with the Registrar of Companies, Gwalior, Madhya Pradesh, and bears CIN: U24211MP1999PTC013521. Its registered office is situated at 305, Utsav Avenue, 12/5, Usha Ganj (Jaora Compound), Indore, Madhya Pradesh – 452001.

The Company's registered industrial classification under NIC Code 2421 relates to the manufacture of pesticides and other agrochemical products.

Company's principal business activities have been associated with the fertilizer and agricultural-input sector, including the manufacture of NPK mixed fertilizers.

The Company forms part of a broader group having presence in the fertilizer and agricultural-input industry.

Publicly available credit-rating information relating to group entities identifies Chatak Agro (India) Private Limited as being engaged in the manufacture of NPK mix fertilizers.

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| Name of Shareholder | No. of Shares | % |
|---|---|---|
| Mohit Airen | 4,91,600 | 51% |
| Alok Gupta | 3,25,000 | 34% |
| Mahesh Gupta | 1,50,000 | 16% |
| **Total** | **9,66,600** | **100%** |




*Source: Management information, MCA and public domain*

# 2. Financial Statements

- Audited & Provisional Financial Statements
- Forecasted Financial Statements



A summary of audited balance sheet as on 31 March 2025 and 31st March, 2026, is shown below:-

*(INR in Lakhs)*

| Particular | Mar-25 | Mar-26 |
|---|---|---|
| **Shareholders' Funds** | | |
| Share Capital | 96.66 | 96.66 |
| Reserves And Surplus | 403.15 | 521.03 |
| **Total Shareholders' Funds** | **499.81** | **617.69** |
| **Non Current Liabilities** | | |
| Long term Borrowings | 143.00 | - |
| Deferred Tax liabilities net | 3.84 | 2.63 |
| **Total Non current liabilities** | **146.84** | **2.63** |
| **Current Liabilities** | | |
| Short-Term Borrowings | 233.56 | 32.28 |
| Trades Payable | 42.94 | 388.15 |
| Other Current Liabilities | 23.78 | 30.29 |
| Short-term Provisions | 24.89 | 34.39 |
| **Total Current Liabilities** | **325.17** | **487.74** |
| **Total Equity And Liabilities** | **971.82** | **1,105.43** |
| **Non-Current Assets** | | |
| Tangible Assets | 309.09 | 193.75 |
| Other non current Assets | 4.78 | 5.51 |
| **Total Non-Current Assets** | **313.87** | **199.26** |
| **Current Assets** | | |
| Inventories | 318.00 | 118.46 |
| Trades Receivable | 141.35 | 255.18 |
| Cash & Cash Equivalents | 3.84 | 5.16 |
| Short Term Loans and Advances | 194.76 | 527.36 |
| **Total Current Assets** | **657.95** | **906.17** |
| **Total Assets** | **971.82** | **1,105.43** |

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*(Source: Financial Statements provided by company)*

A summary of audited statement of profit and loss account for the year ending 31st March 2025 & 31st March 2026, and projected statement of profit & loss for the period ending 31st March, 2027 to 31st March, 2031 is shown below:-

*(INR in Lakhs)*

| Particulars | Mar-25 | Mar-26 | Mar-27 | Mar-28 | Mar-29 | Mar-30 | Mar-31 |
|---|---|---|---|---|---|---|---|
| **Months** | **12 M** | **12 M** | **12 M** | **12 M** | **12 M** | **12 M** | **12 M** |
| Revenues from Operation | 1,026.78 | 2,198.16 | 2,747.70 | 3,434.62 | 4,293.28 | 5,581.26 | 7,534.70 |
| ***Y-o-Y Growth (%)*** | - | ***114.08%*** | ***25.00%*** | ***25.00%*** | ***25.00%*** | ***30.00%*** | ***35.00%*** |
| **Operating Expenses:** | | | | | | | |
| Change in Inventory | **304.94** | **585.75** | **719.16** | **910.40** | **1,084.33** | **1,347.65** | **1,861.16** |
| Employee Expenses | 166.99 | 146.13 | 259.81 | 301.87 | 313.31 | 421.25 | 521.60 |
| Other Expenses | 480.84 | 1,358.24 | 1,451.06 | 1,769.17 | 2,240.87 | 2,911.83 | 3,931.85 |
| **Total Operating Expenses** | **952.77** | **2,090.13** | **2,430.03** | **2,981.44** | **3,638.51** | **4,680.73** | **6,314.61** |
| **EBITDA** | **74.01** | **108.03** | **317.67** | **453.18** | **654.77** | **900.53** | **1,220.09** |
| ***EBITDA Margin (%)*** | ***7.21%*** | ***4.91%*** | ***11.56%*** | ***13.19%*** | ***15.25%*** | ***16.13%*** | ***16.19%*** |

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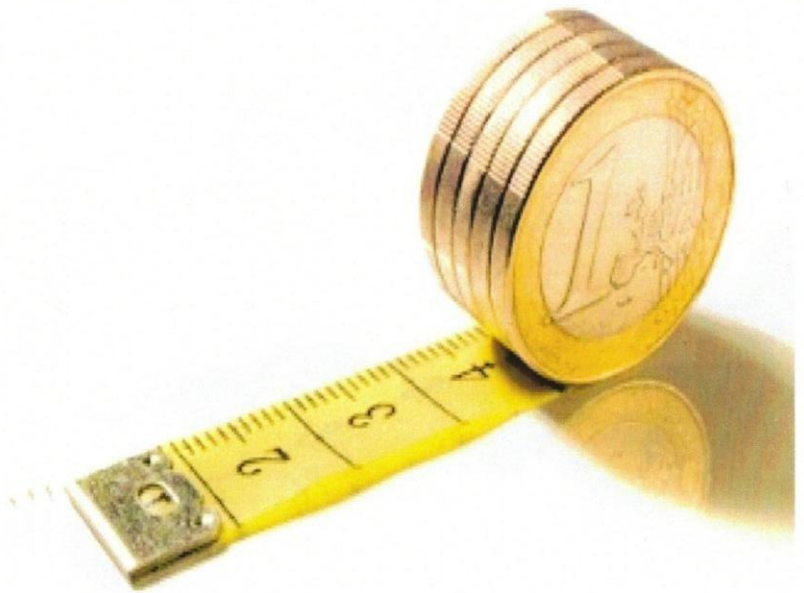
*(Source: Financial Statements provided by company)*

# 3. VALUATION ANALYSIS

- Valuation Approach
- Valuation Methodology
- Valuation Conclusion



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## 3.1 Valuation Approach

The objective of the valuation process is to make a reasonable judgment of the value of the Company. The best reasonable judgment of the value can be referred as the "Fair Value".

Fair Value is defined in paragraph 5 of (Statement of Financial Accounting Standards) **SFAS No. 157**, Fair Value Measurements 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'.

**IFRS–3 & IND AS 113 defines Fair Value as**
*"Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction."*

**Indian Valuation Standards - ICAI**
*"Fair value is 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 valuation date."*

The definition is also in line with the definition adopted by IVSC (International Valuation Standards Committee), IVS 2, and Para: 3.2 of **IVSC.**

There are a number of methods & techniques used generally for valuation, however these methodologies fall under three basic approaches to valuation:

- Cost Approach
- Income Approach
- Market Approach



## 3.2 Valuation methodology

### Cost Approach – Net Asset Value Method

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 firm 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 firm is likely to be sold or liquidated.

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

In the Net Asset Value (NAV) method, the NAV 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 firm owns. The loan funds 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.

For the current valuation exercise we have considered not relied upon this method.

*(INR in Lakhs)*

| Particulars | 31-Mar-26 |
|---|---|
| **Non-current assets** | |
| Tangible assets | 193.75 |
| Other Non Current Assets | 5.51 |
| **Current assets** | |
| Inventories | 118.46 |
| Trades receivable | 255.18 |
| Cash & cash equivalents | 5.16 |
| Short term loans & advances | 527.36 |
| **Total assets** | **1,105.43** |
| **Non-current liabilities** | |
| Deferred Tax Liability | 2.63 |
| **Current Liabilities** | |
| Short-term borrowings | 32.28 |
| Trades payable | 388.15 |
| Other current liabilities | 30.29 |
| Short-term provisions | 34.39 |
| **Total liabilities** | 487.74 |
| **NAV** | **617.69** |
| **Represented By:** | |
| Equity | 96.66 |
| Reserve & Surplus | 521.03 |
| | **617.69** |



## 3.2 Valuation methodology

### Income Approach – Discounted Cash Flows Method

Under the Income Approach the Discounted Cash Flow (DCF) method is considered the most theoretically sound, scientific and acceptable method for determination of the value of a business undertaking. Under this technique, the projected free cash flows from business operations are discounted at "Weighted Average Cost of Capital" to the providers of capital to the business. The sum of the discounted value of such free cash flows is the value of the business. For estimating the value of the Company and Equity Shares, the following adjustments are made to the Business Value;

- Contingent Liabilities which in the opinion of the management are likely to crystallize are deducted.
- Surplus Assets such as Cash & Bank balances, Land not in use which are not contributing to the Free Cash Flows are added.
- Value of Investments, if any are also added.

We have valued fair value of Equity shares of CAIPL based on DCF Method - Firm model.

The discounted cash flow method involves determination of the following;

**(a) Estimation of Net Free Cash Flows to Firm:**

Estimation of Net Free Cash Flows (NFCF) starts by estimating the cash generated through operations. Cash generated from operations is adjusted for the following:

1. Net increase & decrease in net working capital,
2. Capital expenditure.
3. Adjustment for Depreciation

Summary of NFCF for the explicit period (31st March 2026 to 31st March 2031) has been encapsulated in **Exhibit II.**



## 3.2 Valuation methodology

### (b) Estimation of Appropriate Discount Rate:

The net free cash flows are thereafter discounted with an appropriate discount rate. The discount rate, which is applied to the net free cash flows, should reflect the opportunity cost to all capital providers (namely, shareholders, internal funding provided by Company, and debt), weighed by their relative contribution to the total capital of the Company. This is commonly referred to as the weighted average cost of capital (WACC).

$$WACC = We * Ke + Wd * Kd$$

We have computed **Cost of Equity (Ke)** of the Company at 19.11%. The detailed computation of cost of equity is given in **Exhibit- I**

$$Ke = Rf + \beta [Rm - Rf] + CSRP$$

### (c) Estimation of present value of Net Free Cash Flows:

The present value of cash flows has been determined based on Net Free Cash Flows and the Discount Rate estimated above considering mid-year assumption i.e. it has been assumed that cash flows will arise at the middle of the year to which they relate to.

**The present value of net free cash flows for the explicit period (i.e. 31st March 2027 to 31st March 2031) is estimated at INR 370.42/- Lakhs. (Refer Exhibit -II)**

### (d) Perpetuity Value:

The company is valued as a Going Concern and therefore, it is assumed that it will earn cash flows till perpetuity. The value for the perpetual cash flows is estimated by capitalizing the future maintainable cash flows by an appropriate capitalization rate and then discounting it by an appropriate factor to determine the present value of perpetual cash flows.





## 3.2 Valuation methodology

***Future maintainable cash flows*:**

We have determined earnings before interest, taxes and depreciation for the terminal period on the basis of percentage of the explicit period EBIDTA to growth adjusted revenue, and thereafter adjusted the same for taxes, depreciation, non-operating income, increase/ decrease in net working capital and maintenance capital expenditure. Based on the same the Free Cash Flows are estimated. The same has been assumed as present value of future maintainable cash flows.

***Future Long Term Growth Rate***

Based on the economy's GDP growth rate, the growth of the industry in which company operates, management perception, present condition of the company and cash flows stream projected by the management, we have estimated the a terminal growth rate of 5%,

***Appropriate Capitalization Rate***

The capitalization rate used to estimate the perpetuity value is generally based on the discount rate used for estimating the present value of NFCF adjusted for expected long term Growth rate of the Business. **The capitalization rate is therefore calculated at 13.61%(i.e. 18.61% - 5.00%).**



## 3.2 Valuation methodology

### Computation of the Value of the Equity Share – DCF Method

We have adjusted it with the Cash and Bank Balance, non- Current Investments, current financial assets, capital advances, to arrive at the enterprise value. Further, we have adjusted the borrowings to arrived at the Equity Value., Further we have provided discount for lack of marketability at 10% on account of illiquidity.

**Based on above discussion adjusted equity value CAIPL using the DCF has been estimated at INR 3,200.06/- Lakhs.**

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*(INR in Lakhs)*

| Particulars | Amount |
|---|---|
| Enterprise Value of the Company's Operations | 3,248.29 |
| **Adjustments:** | |
| Less: Borrowings | (32.28) |
| Add: Cash & Cash Equivalents | 5.16 |
| Add: Other Non current assets | 5.51 |
| Add: Advances to related parties | 328.94 |
| **Equity Value of the Company** | **3,555.62** |
| Discount for lack of Marketability @10% | 355.56 |
| **Fair Equity Value** | **3,200.06** |



## 3.2 Valuation methodology

### Market Approach – Company Comparable Method

The Market approach is another method to value a Company. In this method, the **market price of an equity share** as quoted on a stock exchange is normally considered as the fair value of the equity shares of that Company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

However, as the equity shares of the Company are not listed on any stock exchange, the valuation of the equity shares based on this method is not relevant in the present exercise.

Another method of valuing the shares of the Company under market method is **Company comparable method**. This method involves the comparison of the various operational metrics (ROE, ROCE etc.) and valuation multiples (EV/ EBIDTA, EV/ Sales etc.) of the listed peer companies to the subject Company for valuing the business.

CCM was considered using the EV/Sales multiple. However, significant differences in revenue growth, operating margins, business mix and profitability between the Company and selected comparable companies limit the relevance of the EV/Sales multiple. Since the multiple does not adequately capture differences in operating profitability and future earning potential, the CCM indication was not considered representative for the present valuation.

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| Particulars | INR In Lakhs |
|---|---|
| EV/Sales Multiple of Industry | 0.82 |
| **Adjusted Multiple** | **0.82** |
| EBITDA (TTM) | 2,198.16 |
| Enterprise Value of the Company's Operations | 1,802.49 |
| **Adjustments:** | |
| Less: Borrowings | (32.28) |
| Add: Cash & Cash Equivalents | 5.16 |
| Add: Other Non current assets | 5.51 |
| Add: Advances to related parties | 328.94 |
| **Equity Value of the Company as of 31 March 2026** | **2,109.82** |
| Discount for lack of marketability @10% | 210.98 |
| **Fair Equity Value** | **1,898.84** |

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## 3.3 Valuation Conclusion

- In the ultimate analysis, valuation will have to be finalized/arrived at by the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. quality and integrity of the management, present and prospective competition, yield or securities and market sentiment etc. which are not evident from the face of the balance sheet but which will strongly influence the worth of a share.

- It would be in the light of the aforesaid, and after taking into consideration the principles of valuation as propounded by various authorities, one would have to consider the business value of the Company. The valuation cannot proceed solely on the basis of what is known as historical profits or profits of past years. The present valuation exercise would have to proceed on a going concern basis and hence has to lay emphasis on earning capacity i.e. what the Company/business division is capable of earning in the future with asset value being of limited relevance and being relegated to the background.

- Valuation can be done using the cost approach, income approach and market approach. Net Asset Value Method (NAV) is most commonly used method under cost approach. Under this method the book values of the assets and liabilities are used to arrive at the value of the company. Under Income Approach, discounted cash flow (DCF) method has been used for the present valuation exercise. Considering the importance of future earning potential, we have given 100% weightage to income approach. The Company is being valued on a going concern basis, wherein the value is primarily attributable to its ability to generate sustainable future economic benefits through its underlying operating business. The Comparable Companies Multiple Method (CCM) under the Market Approach was also evaluated. However, the identified listed companies exhibited differences in business scale, operating performance, growth prospects, profitability and risk profile, limiting the direct comparability of their market multiples with those of the Company. Therefore, was considered less representative of the Company's specific projected cash flows and future earning potential. Accordingly, no weightage was assigned to the NAV Method and CCM, and the Income Approach was relied upon for the final valuation.



## 3.3 Valuation Conclusion

**The fair value of CAIPL is shown in the table below:**

*(INR in Lakhs)*

| Particulars | Value | Weights | Weighted Value |
|---|---|---|---|
| **Income Approach** | | | |
| Discounted Cashflow Method | 3,200.06 | 100.0% | 3,200.06 |
| **Market Approach** | | | |
| Company Comparable Method | 1,898.84 | 0.0% | |
| **Cost Approach** | | | |
| Net Assets value Method | 617.69 | 0.0% | - |
| **Concluded Fair Equity Value** | | | **3,200.06** |
| Divide by: # Equity Shares | | | 9,66,600 |
| **Per Share Equity Value (In INR)** | | | **331.06** |

**Based on the above, we have estimated Fair value of equity of CAIPL at INR 3,200.06/- Lakhs. i.e. INR 331.06/- per share.**

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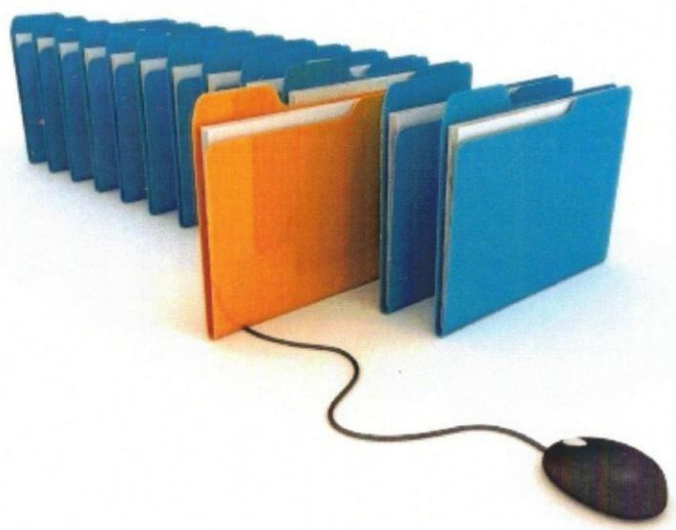
*Source: Information provided by the management and Available on the public domain*

# 4. APPENDIX

- Engagement Scope and Limiting Factors
- Glossary



## 4.1 Engagement scope and Limiting Factors

It is in the context of the aforementioned that we have been requested to give our opinion on the fair value of equity shares of the Company. 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.

**Date of the Report** - Valuation analysis and result are specific to the purpose of valuation and the transaction date mentioned in the report is agreed as per terms of our engagement. We have no responsibility to update this report for events and circumstances occurring after the date of this report. The valuation has been conducted with reference to the position as on **31st March 2026.**

**Reliance on the information provided** – We have been provided with certain written & verbal information & assumptions from the management/Client. We have evaluated the information provided to us through broad inquiry, analysis and review (but have not carried out a due diligence or audit of the company for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided).

Our work does not constitute an audit, due diligence or certification of the historical financial statements of subject businesses/companies 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.

The terms of our engagement were such that we were entitled to rely upon the information provided without detailed inquiry. Also, we have been given to understand that the company has not omitted any relevant and material factors which could impact the valuation results. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility for any errors in the above information furnished by the management/Client and their impact on the present exercise.



## 4.1 Engagement scope and Limiting Factors

No investigation of the Company's claim to title of assets of the business has been made for the purpose of this valuation and the Company's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. No responsibility is assumed for matters of a legal nature. We were not required to carry out a legal due diligence review.

**Financial Projections** – It must be understood that the valuation is for the future and it is future stream of earnings which are of utmost significance in the process of valuation. The conclusion arrived at is a Valuation Result or a Calculation result depends upon the nature of financial information provided and reliance placed on the same by the Valuer. The financial projections have been provided to us by the Company, which we have completely relied upon and therefore assume no responsibility for its accuracy & completeness. There will be some differences in the estimated and the actual data as events and circumstances generally do not occur exactly as expected.

**Competent management assumed** - It should be specifically noted that the valuation assumes the property/business will be competently managed and maintained over the expected period of ownership. This appraisal engagement does not entail an evaluation of management's effectiveness, nor are we responsible for future marketing efforts and other management or ownership actions upon which actual results will depend.

**Purpose of the Report** - This report and the information contained herein are **confidential**. It is intended only for the sole use and information of Client and only for the purpose mentioned herein. We are not responsible to any other user of the report for any decision of such user based on this report. Any user intending to provide finance / invest in the shares/business of the company and/or the client, its subsidiaries, if any, 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.



## 4.2 Glossary

| Abbreviation | Full Form |
|---|---|
| CAGR | Compound Annual Growth Rate |
| CAPM | Capital Asset Pricing Model |
| CCM | Comparable Companies Multiple Method |
| CIN | Company Incorporation Number |
| CIT | Corporate Income Tax |
| COFO | Company Owned Franchise Operated |
| CSRP | Company Specific Risk Premium |
| DCF | Discounted cash flow |
| CAIPL | Chatak Agro (India) Private Limited |
| EBITDA | Earnings before Interest, Tax, Depreciation and Amortization |
| EV | Enterprise Value |
| FCFF | Free Cash Flow to Firm |
| FOFO | Franchise Owned Franchise Operated |
| FY | Financial Year |
| INR | Indian Rupees |
| IPO | Initial Public Offering |
| Kd | Cost of Debt |
| Ke | Cost of Equity |
| MCA | Ministry of Corporate Affairs |
| Rf | Risk-free rate of return |
| WACC | Weighted Average Cost of Capital |
| Y-O-Y | Year-on-year |

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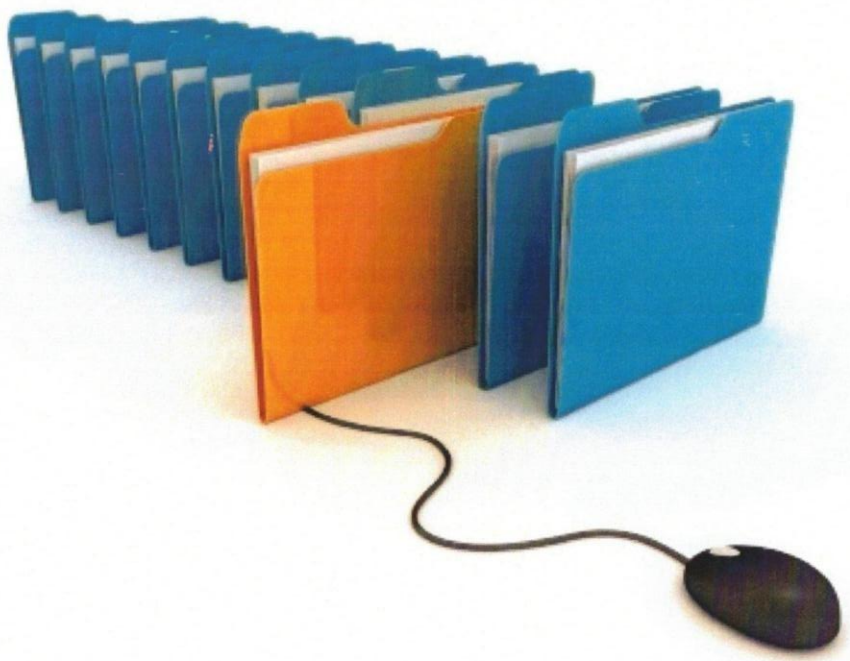
# 5. EXHIBITS



## Exhibit – I : Discount Rate Computation

A firm's cost of equity capital (Ke) is the expected, or required, rate of return on the firm's common stock. Cost of Equity has been determined by CAPM (Capital Assets Pricing Model). The capital asset pricing model (CAPM) calculates the 'Ke' as follows:

- **$Ke = Rf + \beta [Rm-Rf]+CSRP$**

### Risk free rate:

Determining Rf (Risk Free Rate) is the first step in estimating the cost of equity. Although there is no true risk free security from which one can derive a risk-free rate, we have utilized Bond rates backed by the Indian Government, which reflect a minimal level of risk. In estimating a security's expected return, we typically seek a cost to be applied to cash flows projected for many years. The inflation premium incorporated into a security's normal return is the rate of inflation expected by the market over the life of the security. Thus, to estimate the normal return that is expected over a long-term period, we have taken the risk free rate of 10-year government bond yield as on the valuation date (31st March 2026) which is 6.96%. https://in.investing.com/rates-bonds/india-10-year-bond-yield-historical-data

### Equity Risk Premium:

The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn over and above the risk free rate (6.69% as mentioned in Para above). The size of the premium varies depending upon the level of risk in the economy and changes over the time as market fluctuates. We have observed the premium of 7.98% as equity risk premium from Damodaran data base.



## Exhibit – I : Discount Rate Computation

### Beta:

Beta provides a measure of the tendency of a security's return to move with the overall market's return. For example, a security with a beta of 1.0 tends to rise and fall by the same percentage as the market. Thus, "β = 1.0" indicates an average level of systematic risk. Securities with a beta greater than 1.0 tend, on average to rise and fall by a greater percentage than the market. Likewise, a security with a beta less than 1.0 has a low level of systematic risk and is therefore less sensitive to changes in the market. We have observed a unlevered beta of 0.62 from the Damodaran database and relevered the same with the capital structure of this company and is estimated at 0.65.

### Company Specific Risk Premium (CSRP):

CSRP is an unsystematic risk specific to Company in terms of management expertise, relationship with customers and vendors, operating and financial leverage etc. and the same has been assumed as 7.00%.

### Computation of Cost of Equity:

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Based on the above discussions the Cost of equity (Ke) is estimated at 19.11% and the computation of the same is given below;

| Ke = Rf + β * Rp + α | |
|---|---|
| Risk Free Rate (Rf) | 6.96% |
| Unlevered Beta | 0.62 |
| Relevered Beta | 0.65 |
| Equity Risk Premium (Rp) | 7.98% |
| Unadjusted Cost of Equity | 13.18% |
| Company Specific Risk Premium (α) | 7.00% |
| **Computed Cost of Equity** | **19.11%** |



## Exhibit – I : Discount Rate Computation

### Cost of Debt:

Cost of Debt has been estimated using the weighted average cost of debt for each facility outstanding as on the valuation date and adjusted with the tax rate to arrive at cost of debt net of debt i.e. 8.98%.

### Cost of Capital (WACC)

Weighted average cost of capital (WACC) represents a company's cost of capital, with each category of capital (debt and equity) proportionately weighted, for the valuation exercise we have used the D/E ratio of the company as on the valuation date .

| Particulars | Weight | Rate | Weighted Rate |
|---|---|---|---|
| Cost of Equity | 95.03% | 19.11% | 18.16% |
| Cost of Debt | 4.97% | 8.98% | 0.45% |
| **WACC** | | | **18.61%** |




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## Exhibit – II : Computation of Discounted Cash Flows

*(INR in Lakhs)*

| Particulars | Mar-27 | Mar-28 | Mar-29 | Mar-30 | Mar-31 |
|---|---|---|---|---|---|
| Months | 12 M | 12 M | 12 M | 12 M | 12 M |
| Operating Revenue | 2,747.70 | 3,434.62 | 4,293.28 | 5,581.26 | 7,534.70 |
| EBITDA | 317.67 | 453.18 | 654.77 | 900.53 | 1,220.09 |
| **Less: Depreciation** | **33.80** | **11.75** | **16.08** | **23.30** | **28.56** |
| EBIT | 283.86 | 441.43 | 638.69 | 877.24 | 1,191.53 |
| Less: Taxes | 20.64 | 27.63 | 75.01 | 134.48 | 201.35 |
| PAT | 263.23 | 413.80 | 563.68 | 742.76 | 990.17 |
| Add: Deprecition | 33.80 | 11.75 | 16.08 | 23.30 | 28.56 |
| Less:Capital Expediture | 100.00 | 120.00 | 80.00 | 80.00 | 80.00 |
| Less: Incremental Working Capital | 561.51 | 170.19 | 212.73 | 319.10 | 483.97 |
| **Projected Free Cash Flow to Firm [A]** | **(364.48)** | **135.36** | **287.02** | **366.95** | **454.77** |
| Beginning Period | - | 1.00 | 2.00 | 3.00 | 4.00 |
| Ending Period | 1.00 | 2.00 | 3.00 | 4.00 | 5.00 |
| Mid Year Convention Period | 0.50 | 1.50 | 2.50 | 3.50 | 4.50 |
| Discount Rate (WACC) | 18.61% | 18.61% | 18.61% | 18.61% | 18.61% |
| Present Value of Discount Factor [B] | 0.92 | 0.77 | 0.65 | 0.55 | 0.46 |
| **Present Values of Future Free Cash Flow to Firm - Explicit Period [A*B]** | **(334.67)** | **104.80** | **187.35** | **201.94** | **211.01** |
| Sum of Present Value of Explicit Period Cash Flows | | | | | **370.42** |
| "Add: Present Value of Terminal Value (See Table "&B39&")" | | | | | **2,877.87** |
| **Enterprise Value of the Company's Operations as of 31st March 2026** | | | | - | 3,248.29 |

***Valuation Notes***

- *While calculating the present value factor, we have taken mid- year assumption, i.e. it has been assumed that cash flows will arise in the middle of the year to which they relate.*
- *A Discount for Lack of Marketability (DLOM) of 10% has been considered to account for the illiquid nature of the shares of the Company, as the shares are not publicly traded and may require a longer time horizon for exit or transferability.*

## Exhibit – II : Computation of Discounted Cash Flows

*(INR in Lakhs)*

| Particulars | Terminal Value |
|---|---|
| Terminal Growth Rate | 5.00% |
| Revenue | 7,911.44 |
| EBITDA | 1,281.09 |
| Depreciation | 28.56 |
| EBIT | 1,252.53 |
| **Taxes** | **315.26** |
| PAT | 937.27 |
| Depreciation | 28.56 |
| Capital Expenditure | 28.56 |
| Incremental Working Capital | 93.34 |
| **Projected Free Cash Flow to Firm** | **843.93** |
| **Capitalization Rate** | **13.61%** |
| Terminal Value | 6,202.40 |
| Present Value Discount Factor | 0.46 |
| **Present Value of Prepetuity** | **2,877.87** |
| **Particulars** | **Amount** |
| Enterprise Value of the Company's Operations | 3,248.29 |
| **Adjustments:** | |
| Less: Borrowings | (32.28) |
| Add: Cash & Cash Equivalents | 5.16 |
| Add: Other Non current assets | 5.51 |
| Add: Advances to related parties | 328.94 |
| **Equity Value of the Company** | **3,555.62** |
| Discount for lack of Marketability @10% | 355.56 |
| **Fair Equity Value** | **3,200.06** |

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