

**BAGARIA & CO LLP**  
CHARTERED ACCOUNTANTS

701, Stanford,  
Junction of S. V. Road and Burfiwala  
Marg, Andheri (West),  
Mumbai - 400 058  
Tel : 6250 5600

## Valuation Report

For Proaim Enterprises Ltd., the Transferor Company and Banas  
Finance Limited, the Transferee Company.

By  
**Bagaria & Co LLP**  
Chartered Accountants

701, Stanford, Junction of S. V. Road and Burfiwala Marg,  
Andheri (West), Mumbai - 400058.  
Tel: 6250 5600



**BAGARIA & CO LLP**  
CHARTERED ACCOUNTANTS

701, Stanford,  
Junction of S. V. Road and Burfiwala  
Marg, Andheri (West),  
Mumbai – 400 058  
Tel : 6250 5600

May 7, 2018

**The Board of Directors**  
**Proaim Enterprises Limited**  
E-109, Crystal Plaza,  
New Link Road, Opp. Infinity Mall,  
Andheri (West), Mumbai - 400053

**The Board of Directors**  
**Banas Finance Limited**  
E-109, Crystal Plaza,  
New Link Road,  
Opp. Infinity Mall,  
Andheri (West), Mumbai - 400053

**Sub:** Valuation of Shares and Share Exchange Ratio for Proposed Scheme of Amalgamation between Proaim Enterprises Limited (the Transferor Company or "Proaim") and Banas Finance Limited (the Transferee Company or "Banas") and their respective shareholders and creditors

We thank Banas Finance Limited ("Banas") and Proaim Enterprises Limited ("Proaim") for appointing us to carry out valuation of shares of Banas and Proaim in pursuance of the scheme of amalgamation.

We have conducted our valuation exercise using various parameters on the basis of information/documents and explanations provided to us by the management of your Company. Based on the same, our report on valuation of Shares of Proaim and Banas is submitted herewith for your kind reference. Needless to mention, we have not independently verified the accuracy of the information provided to us.

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

For the proposed amalgamation, we are submitting herein our recommendation of Fair Value of share along with Swap Ratio for allotment of Equity shares of **Banas Finance Limited (the Transferee Company or "Banas") to Equity shareholders of Proaim Enterprises Limited (the Transferee Company or "Proaim")**.



**BAGARIA & CO LLP**  
CHARTERED ACCOUNTANTS

701, Stanford,  
Junction of S. V. Road and Burfiwala  
Marg, Andheri (West),  
Mumbai – 400 058  
Tel : 6250 5600

**Swap Ratio Calculation:**

**Exchange Ratio**

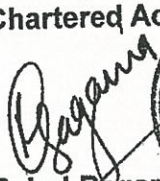
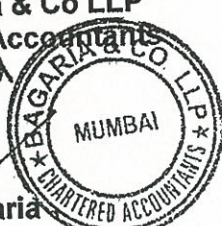
Banas Finance Limited (The Transferee Company or "Banas") shall without any further application or deed, issue and allot **50 (Fifty) equity shares** of the face value of Rs. 10 each (Rupees Ten only) credited as fully paid-up to all shareholders of Transferor Company and whose name appears in the Register of Members of Transferor Company on the Record Date, **in respect of every 100 (One hundred) equity shares** of the face value of Rs. 10 each fully paid up.

We hereby recommend, allotment of above equity shares in the matter of proposed Scheme of Amalgamation between Proaim Enterprises Limited, (the Transferor Company or "Proaim") and Banas Finance Limited (the Transferee Company or "Banas") and their respective shareholders and creditors.

Thanking you and assuring you of best of our professional services at all times.

Yours sincerely

For Bagaria & Co LLP  
Chartered Accountants

Rahul Bagaria  
Partner  
Mem. No. 145377



## Index

Section	Contents	Page No.
I	Purpose & Engagement	5
II	Source of information	5
III	Valuation approach and methodology	5
IV	Notice	7
V	Caveats/Disclaimers	7



### **I: PURPOSE & ENGAGEMENT**

As mentioned above, Proaim Enterprises Limited, the Transferor Company and Banas Finance Limited, The Transferee Company; have jointly appointed Bagaria & Co. LLP – Chartered accountants, Mumbai to carry out the **valuation of equity shares & share exchange ratio** for allotment of equity shares to the shareholders of Proaim Enterprises Limited.

### **II: SOURCE OF INFORMATION**

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

- Audited financials for the period ended March 31, 2017 and March 31, 2018
- Business plan provided by the management for the period FY19 to FY23
- Memorandum and Articles of Association
- Necessary information, explanation and data relevant to the present valuation exercise provided by management from time to time through discussions or emails
- Information available in public domain

It may be mentioned that the management of the Companies has been provided with an opportunity to review factual information in our draft report as part of our standard practice to make sure that factual inaccuracies are avoided in our final report.

### **III: VALUATION METHODS AND CONCLUSION**

Valuation of shares is an art and not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be even prepared to pay goodwill. There are number of methodologies available for the valuation of shares and it is purely valuer's discretion as to which method is to be used and the same differs on the basis of the facts and circumstances of the case. Each of these methods has its aptness, depending upon the objectives of the valuation.



**We have used following approaches and methods for valuation of shares of transferor and transferee company**

1. Asset approach - Book Value Method
2. Income approach - Discounted Cashflow Method
3. Market approach - 26 weeks / 2 weeks weighted average price

**Asset Approach**

This valuation approach assumes that the Fair Value is determinant of the Net Assets held up in the business. We have calculated net asset value of the business based on the balance sheet of transferor and transferee company as at 31.03.2018.

**Income Approach**

Income Approach determines the value of a business based on its ability to generate desired economic benefit for the capital providers. The Income Approach involves valuation methods that convert future anticipated economic benefits into a single present value. In the present case we have used Discounted Cash Flow ("DCF") Method to arrive at the value of shares. The DCF method discounts projected future cash earnings back to present value at a rate that reflects the risk inherent in the projected earnings.

**Market Approach**

The Market Approach technique is based on the value of the company on the basis of shares of the company trading on a recognized stock exchange, or comparing the company's multiple with those of its peers. In the present case, since the transferor and transferee companies are listed on BSE, value per share is determined by following pricing provisions of the ICDR Regulations. As per the provisions, the shares shall not be issued at a lower than the higher of the following:

- The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the relevant date; or
- The average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.



It may be herein noted that Stock Exchanges have issued a circular to the Listed Companies (BSE Circular LIST/COMP/02/2017-18 dated May 29, 2017) ("the Circular"), on advice by SEBI, laying down the format in which the valuation report shall display workings, relative fair value per share fair share exchange ratio. The disclosure in the format suggested by the stock exchange is as under:

Particulars	Transferor Company		Transferee Company	
	Value per share	Weight	Value per share	Weight
Asset Approach	20.40	2	26.14	2
Income Approach	22.21	3	52.64	3
Market Approach	0.84	1	5.28	1
<b>Relative value per share</b>	<b>18.04</b>		<b>35.91</b>	
<b>Exchange ratio (rounded off)</b>			<b>0.50</b>	

#### IV: NOTICE

This Report is furnished solely for the working of valuation of Equity shares as on April 1, 2018 of Banas Finance Limited, the Transferee Company to Equity shareholders of Proaim Enterprises Limited, the Transferor Company for proposed Scheme of Amalgamation.

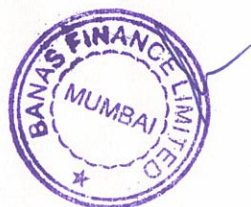
#### V: DISCLAIMER / CAVEATS

- a. This confidential report is prepared by Bagaria & Co. LLP solely for the purpose set out in the report. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued and the purpose mentioned herein. We will not accept any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report, without our written permission in each instance. The material is true only as of the date of this letter. We assume no responsibility to update or revise the opinion based upon events or circumstances that occur later on.
- b. We have prepared this report based on the information provided, explanation given and representations made by management of the respective companies involved in the proposed scheme. We have neither checked nor independently verified such



information and representations. We have solely relied on explanations, information, papers, reports, documents and statements provided by the management and accepted all those information provided to us as consistent and accurate on "as is" basis and have included the information provided in this report in good faith and in the belief that such information is neither false nor misleading.

- c. Our work does not constitute an audit, due diligence or certification of the historical or projected financial statements of the Company. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this Report.
- d. This Report is issued on the understanding that management of Proaim Enterprises Limited, The Transferor Company and Banas Finance Limited, the Transferee Company has drawn our attention to all matters of which they are aware concerning the financial position of the business of the Company, which may have an impact on our report up to the date of issue. We, however, have no obligation to update this report for events, trends or transactions relating to the company or the market/economy in general & occurring subsequent to the date of this report. We do not hold ourselves responsible or liable, for any losses, damages, costs, expenses or outgoings whatsoever and howsoever caused, incurred, sustained or arising out of errors due to false, misleading, wrong provisioning, assurance or incomplete information or documentation being provided to us or due to any acts, or omissions of any other person.
- e. Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice.
- f. The scope of our work has been limited in terms of the purpose of valuation mentioned in Para 1 of this report. There may be matters, other than those noted in this report, which might be relevant in the context of any other purpose and which a wider scope might uncover. The valuation exercise is carried out using generally accepted valuation methodologies, the relative emphasis of each often varying, based on several specific factors. 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 concern, certain valuation techniques have evolved over time and are commonly in use, which we have applied in.





**BAGARIA & CO LLP**  
CHARTERED ACCOUNTANTS

701, Stanford,  
Junction of S. V. Road and Burfiwala  
Marg, Andheri (West),  
Mumbai – 400 058  
Tel : 6250 5600

- g. Any valuation is based on certain assumptions as to discount rate, weights to various components of value, calculation methodologies etc., and the present exercise is of no exception. Further, we might not have been provided with the exact data, requiring us to make assumptions therefore. Moreover, all the assumptions are discretionary and subjective and we do not assume any responsibility for accuracy, preciseness or appropriateness of any one or more of the assumption(s) made by us for arriving at the valuation as aforesaid.
- h. Bagaria & Co. LLP has taken due care and caution in carrying out valuation solely for the internal use only of the Company on the basis of the information / documents provided by the Company and/or obtained by Bagaria & Co. LLP from sources considered reliable. Bagaria & Co. LLP does not guarantee the accuracy, adequacy or completeness of the information / documents / report and is not responsible for any errors or for the results obtained from the use of the same. Bagaria & Co. LLP especially states that it has no financial liability whatsoever to the Company or any other user of the report. Neither the valuation report nor its contents may be referred to or quoted to/in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without our prior written consent. We retain the right to deny permission for the same.

