

**VALUATION  
OF  
EQUITY SHARES  
OF  
RICHIRICH INVENTURES LIMITED  
CIN:L65990MH1986PLC039163**

Prepared by:  
CA GOPAVARAPU MURALI REDDY  
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Hyderabad, Telangana-500038.  
RV Registration No – IBBI/RV/02/2019/11566







# GOPAVARAPU MURALI REDDY., FCA

Registered Valuer ( Securities or Financial Assets) Under IBBI  
Registration No. IBBI/RV/02/2019/11566

Date: July 05, 2023

To,  
Board of Directors,  
RICHIRICH INVENTURES LIMITED

A-1, Ground Floor Emperor Court,  
Church View Yashwant Nagar,  
Vakola Santacruz, East Mumbai,  
Maharashtra, 400055, India.

Dear Sir,

**Sub: Report on Floor Price for Preferential Allotment of Equity Share calculated in accordance with Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 of RICHIRICH INVENTURES LIMITED**

I refer to our engagement letter dated July 4, 2023 for carrying out the valuation of Equity Shares of RICHIRICH INVENTURES LIMITED (here-in-after referred as "Company" or "RRIL"). In accordance with the terms of the engagement, I am enclosing my report along with this letter. In attached report, I have summarized my Valuation analysis of the Shares together with the description of methodologies used and limitation on my Scope of Work.

Based on my assessment and in terms of first Proviso to the Sub-Regulation 1 of Regulation 166A r.w. 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"), as amended from time to time, the Floor Price of the Equity Share of the Company having Face Value of Rupees 5.00 each has been arrived at **Rs. 5.22/-** In case you enquire any further assistance, please feel free to contact me.

This Valuation Analysis is confidential and has been prepared for you for providing the same to government or regulatory authorities and this report can be provided to potential investor of RRIL for enabling compliance under various laws as detailed herein after in this report. It should not be used, reproduced or circulated to any other person, in whole or in part, without my prior consent. Such consent will only be given after full consideration of the circumstance at that time. I trust that above meets your requirements.

Please feel free to contact us in case you require any additional information or clarifications.

Thanking you,  
Yours faithfully,



CA GOPAVARAPU MURALI REDDY  
Registered Valuer  
IBBI Reg.No. IBBI/RV/02/2019/11566  
UDIN: 23234971BGVFTT7402  
VRN: IOV/2023-2024/4708  
Place: Hyderabad



## 1. BACKGROUND OF THE COMPANY:

### 1.1. History:

RICHIRICH INVENTURES LIMITED ("RRIL") is Public Limited Company Incorporated Under The Companies Act, 1956 On March 07, 1986. Having Its Registered Office At A-1, Ground Floor, Emperor Court, Church View, Yashwant Nagar, Vakola Santacruz, East Mumbai Mumbai City, Maharashtra, 400055, India. The Company Identification Number (CIN) of the company is L65990MH1986PLC039163. Equity Shares of RRIL are listed on Bombay Stock Exchange Limited.

1.2. The company is engaged in Financial Services.

### 1.3. Capital Structure of the Company;

Particulars	Amount (in Rupees)
<b>Authorized Share Capital</b>	
99,96,000 Equity Shares of Rs.5/- each	4,99,80,000
2000 11% Non-Cumulative Preference Shares of Rs. 10 each.	20,000
<b>Issued, Subscribed Share Capital</b>	
48,00,000 Equity Shares of Rs.5/- each fully paid up	2,40,00,000
Less: Calls in Arrear	-
<b>Total Paid up Share Capital</b>	<b>2,40,00,000</b>

1.4. The summarized shareholding pattern of the Company as on 31<sup>st</sup> March 2023 is as follows:

Shareholder Category	No. of Equity Shares	% Of Holding
Promoter and Promoter Group	11,51,994	24%
Public	36,48,006	76%
Total	<b>48,00,000</b>	<b>100%</b>

(Source: BSE)





### 1.5. Board of Directors and Other Key Managerial persons:

Full Name	DIN/PAN	Designation	Date of Appointment
Ashokkumar Annraj Jain	00094224	Director	07/03/1986
Renu Ashok Jain	00094290	Director	05/05/1988
Krutika Jain	AHZPJ1056B	CFO(KMP)	14/07/2022
Vikram Singh Babu Singh Bhati	07243145	Director	25/07/2015
Sumit Saurabh	07243150	Director	25/07/2015
Khadija Zulfeqar Lokhandwala	AOYPL9872R	Company Secretary	14/07/2022

## 2. SCOPE AND PURPOSE OF THIS REPORT:

- 2.1 The Company proposes to issue the Securities to an identified investors on preferential Basis (“the proposed Transaction”) and needs to determine the floor price of securities as per Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (“ICDR 2018”). The Company has informed to us that they propose to issue Securities which shall be more than 5% of the post issue fully diluted share capital of the Company and result in a change in control.
- 2.2 In this connection, the Company has engaged us to submit a report on floor price of the Securities for preferential allotment.
- 2.3 The Scope of our service is to submit a report on floor price of the Securities of the company calculated in accordance with Regulation 164(1) - Pricing of frequently traded shares and Regulation 166 & 166A of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Indian Valuation Standards issued by ICAI (Ind VS).
- 2.4 Management of the Company has informed us to consider the Valuation Date for the current valuation exercise as 03<sup>rd</sup> July 2023 (“Valuation Date”). Therefore, the cut off off date for all information, including market data, has been considered till 30<sup>th</sup> June 2023 for valuation under Regulation 164(1) of ICDR 2018 and 31<sup>st</sup> March 2023 for valuation under Regulation 166A (1) of the ICDR 2018.

## 3. KEYDATES:

**Appointing Authority-**Audit Committee of the RRIL

**Appointment Date:** July 04, 2023

**Valuation Date/Relevant Date:** July 03, 2023

**Report Date:** July 05, 2023

## 4. IDENTITY OF VALUER:

I am independent Registered Valuer as required under the Companies (Registered Valuer & Valuation) Rules, 2017 registered with Insolvency & Bankruptcy Board of India having registration no. IBBI /RV/ 02/2019 /11566 . No other Experts are involved in this valuation exercise.





**5. PECUNIARY INTEREST DECLARATION:**

I do not have pecuniary interest in the Shares of RRIL, past, present or prospective, and the opinion expressed is free of any bias in this regard. I strictly follow the code of conduct of the IOV Registered Valuer Foundation registered under IBBI.

**6. SOURCES OF INFORMATION:**

I have been provided the following information for the valuation analysis:

- 6.1. MOA & AOA of RRIL;
- 6.2. Annual Report for the year ended on March 31, 2021 and March 31, 2022, March 31, 2023
- 6.3. Trading History Data of Equity Shares of RRIL for last one year from relevant Date;
- 6.4. Written Representations made by the Company in course of the valuation exercise;
- 6.5. Other related information from various sources;

Besides the above listing, there may be other information provided by the Client which may not have been perused by me in any detail, if not considered relevant for my defined scope.

Discussions (in person / over call) with the management to: Understand the business and fundamental factors that affect its earning- generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance. During the discussions with the management, I have also obtained explanations and information considered reasonably necessary for this exercise.

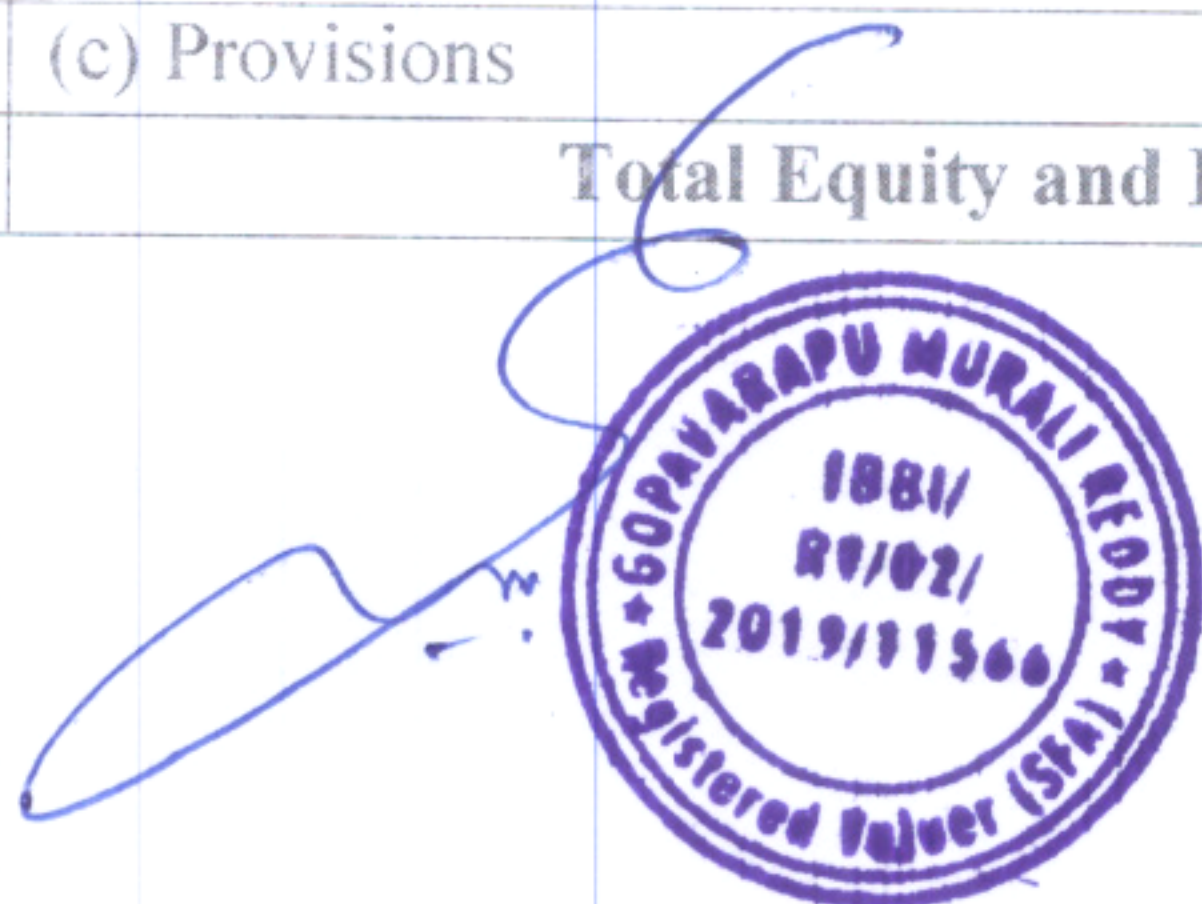




7. FINANCIAL INFORMATION:

(Amounts in Thousands)

	Particulars	Figures as at the end of 31.03.2023	Figures as at the end of 31.03.2022
1	<b>ASSETS</b>		
	<b>Non-current assets</b>		
	(a) Property, Plant and Equipment	8.40	15.13
	(d) Financial Assets	-	-
	(i) Investments	-	-
	(ii) Trade receivables	-	-
	(iii) Long term loans and Advances	-	-
	(i) Deferred tax assets (net)	195.70	105.51
	(j) Other non-current assets	-	-
2	<b>Current assets</b>		
	(a) Inventories		
	(b) Financial Assets		
	(i) Investments	2791.95	1474.51
	(ii) Trade receivables	-	-
	(iii) Cash and cash equivalents	994.76	1135.23
	(iv) Loans	8328.32	8905.15
	(v) Other Financial Assets	1467.10	2093.32
	(d) Other current assets	4137.38	4219.02
	<b>Total Assets</b>	<b>17,823.61</b>	<b>17,947.88</b>
	<b>EQUITY AND LIABILITIES Equity</b>		
	(a) Equity Share capital	24000	24,000
	(b) Other Equity	(6176.39)	(6130.49)
	<b>LIABILITIES</b>		
1	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
2	<b>Current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	-	-
	(ii) Lease liabilities	-	-
	(ii) Trade payables	30.68	11.26
	(iii) Other financial liabilities (other than those specified in item (c))	69.32	67.11
	(b) Other current liabilities	-	-
	(c) Provisions	-	-
	<b>Total Equity and Liabilities</b>	<b>17,923.61</b>	<b>17,947.88</b>





## 8. VALUATION METHODOLOGY AND APPROACH:

### 8.1. VALUATION BASE

As per the Indian Valuation Standards 102 Valuation Bases, of Indian Valuation Standards 2018 issued by The Institute of Chartered Accountants of India, Valuation Base means the indication of the type of value being used in an engagement. Different valuation bases may lead to different conclusions of value. Therefore, it is important to identify the bases of value pertinent to the engagement. For the purpose of arriving at the value of the equity shares in the instant case, the valuation base is considered as 'Fair Value'. 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. Fair value reflects characteristics of an asset which are available to market participants in general and do not consider advantages/ disadvantages which are available/applicable only to particular participant(s).

### 8.2. VALUATION PREMISE

Indian Valuation Standards 102 also defines the 'premise of value' which refers to the conditions and circumstances how an asset is deployed. In a given set of circumstances, one or more premise of value may be adopted. The IVS provides a list of common premises of value. These are Highest and best use, Going concern value, as is where is value, orderly liquidation and forced transaction.

For the purpose of arriving at the value of the equity shares in the instant case, the valuation premise is considered as **Going Concern value**. Going concern value is the value of a business enterprise that is expected to continue to operate in the future.

8.3. Ind VS 301 on Business Valuation deals with valuation of a business or business ownership interest (i.e., it includes valuation of equity share). This standard specifies that following three approaches are used for valuation of business / business ownership interest:

Market Approach  
Income Approach  
Cost Approach

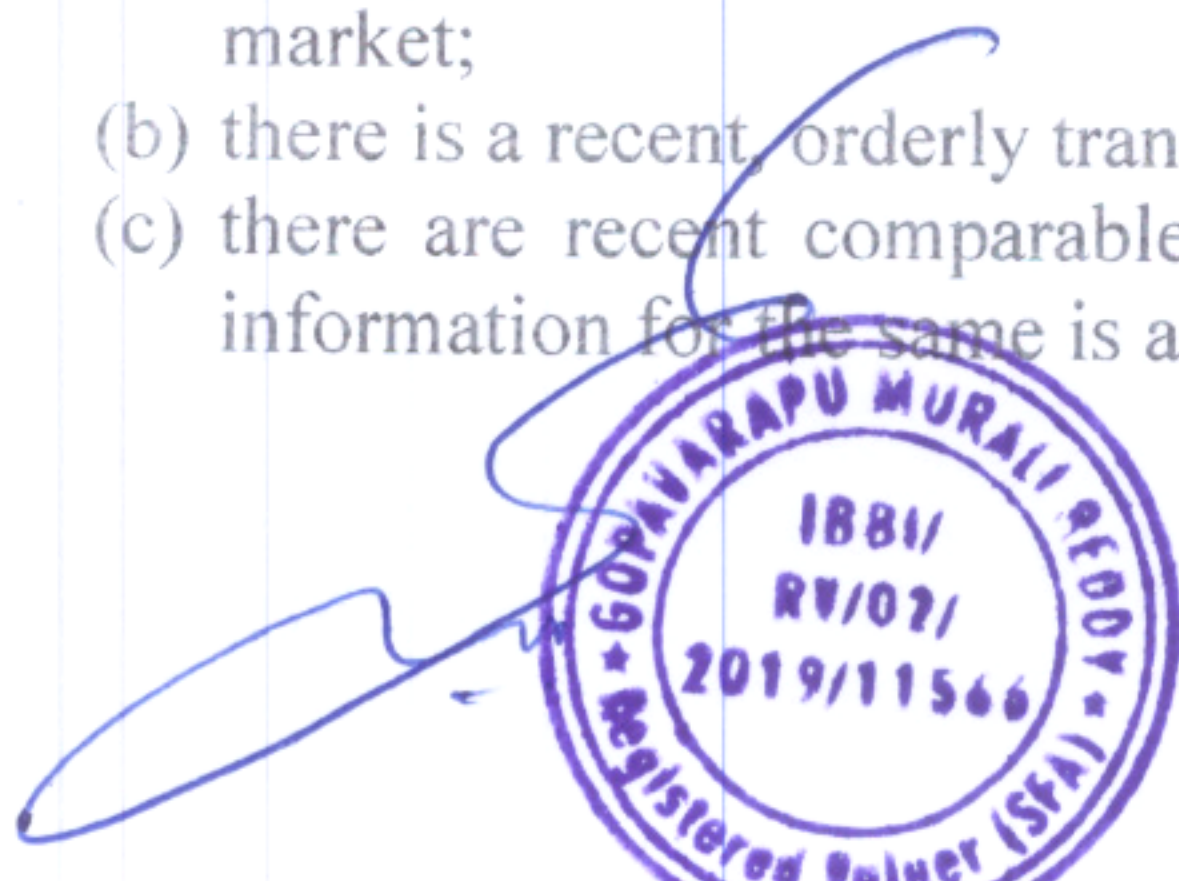
Each of the above approaches are discussed in the following paragraphs.

### 8.4. Market Approach

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

The following are some of the instances where a valuer applies the market approach:

- (a) where the asset to be valued or a comparable or identical asset is traded in the active market;
- (b) there is a recent, orderly transaction in the asset to be valued; or
- (c) there are recent comparable orderly transactions in identical or comparable asset(s) and information for the same is available and reliable.





Under this approach following valuation methods are commonly used:

**Market price method**, which uses traded price observed over a reasonable period while valuing assets which are traded in the active market.

**Comparable Companies Multiple (CCM) method**, which involves valuing an asset based on market multiples derived from prices of market comparable traded on active market. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. To the value of the business so arrived, adjustments need to be made for the value of contingent assets/liabilities, surplus Asset and dues payable to preference shareholders, if any, in order to arrive at the value for equity shareholders.

**Comparable Transaction Multiple (CTM) method**, which involves valuing an asset based on transaction multiples derived from prices paid in comparable transactions of assets to be valued.

*We have adopted Market price method as company is listed and traded price is available*

## 8.5. Income Approach

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalized) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

This approach involves discounting future amounts (cash flows/income/cost savings) to a single present value.

The following are some of the instances where a valuer may apply the income approach:

- (a) where the asset does not have any market comparable or comparable transaction;
- (b) where the asset has fewer relevant market comparables; or
- (c) where the asset is an income producing asset for which the future cash flows are available and can reasonably be projected.

Some of the common valuation methods under income approach are as follows:

### **Discounted Cash Flow ('DCF') Method**

Value arrived under this approach is based on maintainable or future amounts (e.g., cash flows or income and expenses) converted into a single current value (e.g., discounted or capitalised amount). Under this technique, either:

the projected free cash flows from business operations available to all providers of capital are discounted at the weighted average cost of capital to such capital providers, from a market participant basis, and the sum of such discounted cash flow is the value of the business, from which value of debt and other capital is deducted, and other relevant adjustments made to arrive at the value of equity Free Cash Flow to Firm ("FCFF") Technique; or

The projected free cash flows from business operations available to equity shareholders (after





deducting cash flows attributable to the debt and other capital providers) are discounted at the cost of equity, from a market participant basis, and the sum of such discounted free cash flows, after making other relevant adjustments, is the value of equity- Free Cash flow to Equity (“FCFE”)

### **Relief from Royalty (RFR) Method**

RFR Method is a method in which the value of the asset is estimated based on the present value of royalty payments saved by owning the asset instead of taking it on lease. It is generally adopted for valuing intangible assets that are subject to licensing, such as trademarks, patents, brands, etc.

### **Multi-Period Excess Earnings Method (MEEM)**

MEEM is generally used for valuing intangible asset that is leading or the most significant intangible asset out of group of intangible assets being valued.

### **With and Without Method (WWM)**

Under WWM, the value of the intangible asset to be valued is equal to the present value of the difference between the projected cash flows over the remaining useful life of the asset under the following two scenarios:

- (a) business with all assets in place including the intangible asset to be valued; and
- (b) business with all assets in place except the intangible asset to be valued

### **Price Earning Capacity Value (PECV)**

The profit-earning capacity value will be calculated by capitalizing the average of the after-tax profits at the following rates;

- I. 15% in the case of manufacturing companies.
- II. 20% in the case of trading companies.
- III. 17.5% in the case of “intermediate companies”, that is to say, companies whose turnover from trading activity is more than 40%, but less than 60% of their total turnover.

The crux of estimating the profit-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.

In the current case, Discounted Cash Flow Method under the Income Approach has not been considered as the management has not provided us the information related to future financial projections being price sensitive.

*We have adopted Price Earning Capacity Value (PECV) as the past financial data is available can be applied.*





## 8.6. Cost Approach

Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost). In certain situations, historical cost of the asset may be considered by the valuer where it has been prescribed by the applicable regulations/law/guidelines or is appropriate considering the nature of the asset.

Examples of situations where a valuer applies the cost approach are:

- (a) an asset can be quickly recreated with substantially the same utility as the asset to be valued;
- (b) in case where liquidation value is to be determined; or
- (c) income approach and/or market approach cannot be used.

The following are the two most commonly used valuation methods under the Cost approach:

### Replacement Cost Method

Replacement Cost Method, also known as 'Depreciated Replacement Cost Method' involves valuing an asset based on the cost that a market participant shall have to incur to recreate an asset with substantially the same utility (comparable utility) as that of the asset to be valued, adjusted for obsolescence.

### Reproduction Cost Method

Reproduction Cost Method involves valuing an asset based on the cost that a market participant shall have to incur to recreate a replica of the asset to be valued, adjusted for obsolescence.

*We have considered The Net Assets Method represents the value with reference to historical cost of assets owned by the company and the attached liabilities on particular date.*

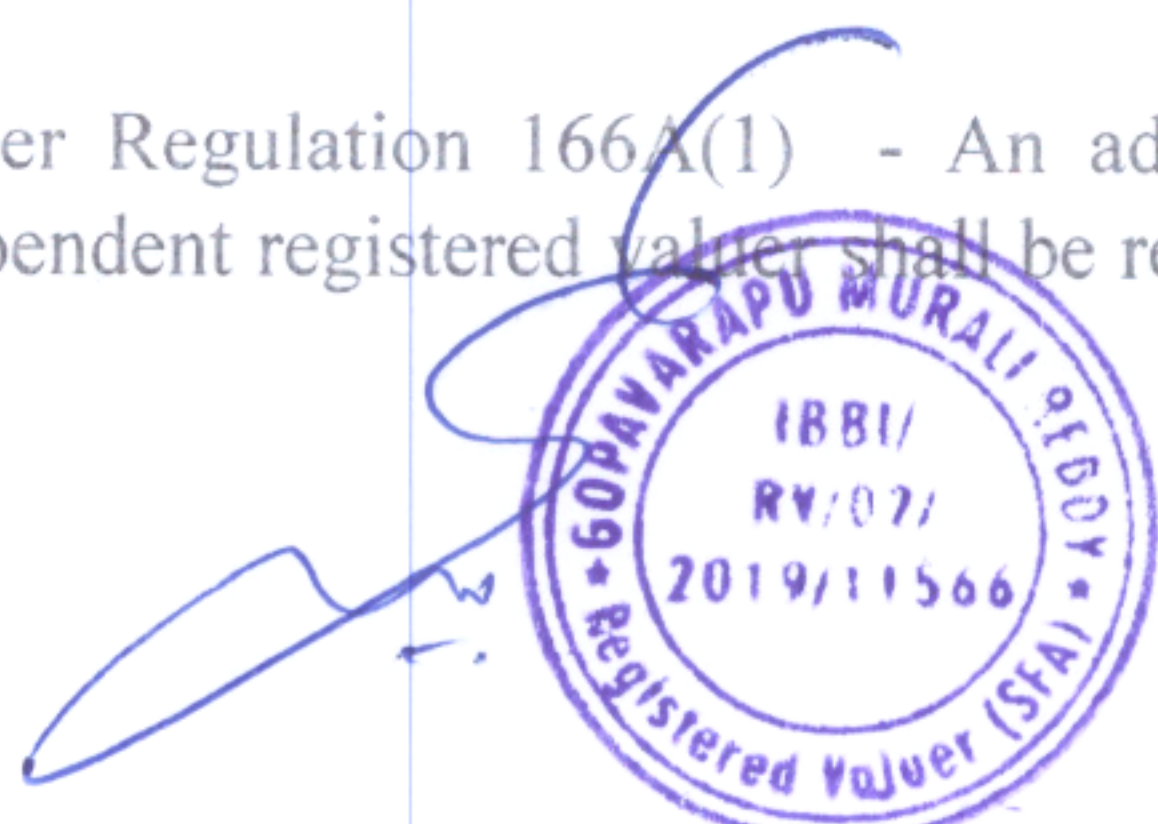
## 8.7. Applicable Provisions of ICDR 2018

As stated in the previous section, we have to determine the floor price of Securities of the Company, as per the relevant provisions of ICDR Regulations as applicable, which are as follows:

As per Regulation 164 (1) - for frequently traded shares, the floor price of the equity shares to be allotted pursuant to preferential issue shall be higher of 90/10 trading Days' volume weighted average price (VWAP) of the scrip preceding the relevant date.

As per first proviso to Regulation 164 (1) - 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.

As per Regulation 166A(1) - An additional requirement for a valuation report from an independent registered valuer shall be required in case of change in control/ allotment of more





than 5% of post issue fully diluted share capital of the issuer company to an allottee or to allottees acting in concert. The same shall be considered for determination of floor price in addition to the methodology brought out above.

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:

As per Regulation 166A(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.

Explanation—The meeting of the independent directors referred in sub-regulation (2) shall be attended by all the independent directors on the board of the issuer. ]

As per Regulation 164(5)-“Frequently traded shares” means the shares of the issuer, in which the traded turnover on any recognized 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.

As per Regulation 161- the ‘Relevant date’ in case of preferential issue of equity shares means the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.





## 9. VALUATION METHODS ADOPTED

### 9.1. Net Asset Value (NAV)

### 9.2. Price Earning Capacity Value (PECV)

### 9.3. Market Value.

#### 9.1 Net Asset Value (NAV)

The Net Assets Method represents the value with reference to historical cost of assets owned by the company and the attached liabilities on particular date. Net asset will be calculated starting from the total assets of the company and deducting there from all debts, borrowing and liabilities, including current and Likely contingent Liability and preference capital if any. In other words it should represent true net worth of business after providing for all outside present and potential liabilities. In the case of companies, the net assets value calculated from assets side of the balance sheet in the above manner will be cross checked with equity share capital plus free reserve and surplus, less likely contingent liabilities.

We have arrived value per share Rs.3.71 under this method workings enclosed in annexure -1

#### 9.2 Price Earning Capacity Value (PECV)

The profit-earning capacity value will be calculated by capitalizing the average of the after-tax profits at the following rates;

- I. 15% in the case of manufacturing companies.
- II. 20% in the case of trading companies.
- III. 17.5% in the case of “intermediate companies”, that is to say, companies whose turnover from trading activity is more than 40%, but less than 60% of their total turnover.

The crux of estimating the profit-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.

We have arrived value per share Rs.(0.38) under this method; workings enclosed in annexure -2

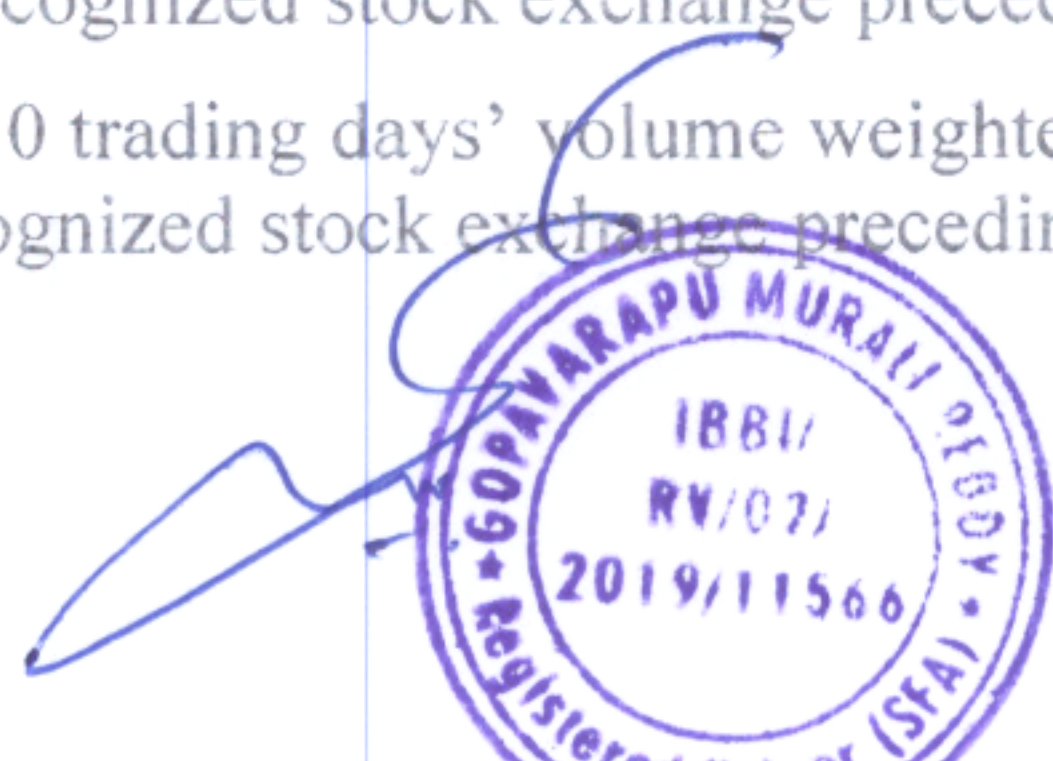
#### 9.3 Market Value: As per the Provisions of Regulation 164(1) of ICDR 2018

The Equity Shares of Company are listed on Bombay Stock Exchange Limited (BSE) for a period of more than 90 trading days as on the relevant date i.e. Monday, July 03, 2023 and are frequently traded in accordance with SEBI ICDR Regulations.

#### *In case of “frequently traded shares(Regulation 164(1) of the SEBI ICDR Regulations:*

If the equity shares of the Company 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 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 SEBIICDR Regulations.

The Company's Equity Share are listed only at i.e. on Bombay Stock Exchange Limited and accordingly, "Bombay Stock Exchange Limited" is the Stock exchange on 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.

Particulars	Value per Share
Average of 90 trading days VWAP	4.48
Average of 10 trading days VWAP	5.09
<b>Higher of the above</b>	<b>5.09</b>

(workings enclosed in annexure -3)

#### 10. VALUATION ANALYSIS:

As informed to us by the Client, the allotment of Securities shall be more than 5% of post issue fully diluted share capital of the issuer company to an allottee or to allottees acting in concert and also a change in control. Accordingly, an independent valuation by registered valuer has been undertaken:

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 Rupees)
1.	Price Earning Capacity Value Method	(0.38)
2.	Market Value Method	5.09
3.	Net Assets Value Method	3.71





For, detailed working calculation of Value of Equity Share, please refer;

Annexure 1 -For Net Assets Value Method

Annexure 2 -For Price Earning Capacity Value Method

Annexure 3 -For Market Value Method (Value as per regulation 164(1) of ICDR regulation – Refer para 9.3)

Sr. No	Method	Value per Equity Share (in Rupees) (A)	Weights(B)	Weighted (C=A*B)
1.	Price Earning Capacity Value Method	(0.38)	0%*	0.00
2.	Market Value Method	5.09	75%	3.82
3.	Net Assets Value Method	3.71	25%	0.93
		<b>Total(D)</b>	<b>1</b>	<b>4.75</b>
Add: Control Premium of 10%**				0.47
<b>Price Arrived</b>				<b>5.22</b>

\*value under Price Earning Capacity Value Method is negative hence weight taken as 0 (Zero).

#### \*\* Control Premium

The value of a company can be estimated, but cases are usually not about the value of a company but about the value of Equity stake in a company. Equity Shares may be subject to a premium or discounts, depending upon whether they represent controlling or minority interests.

Controlling Equity Shareholders have the ability to elect directors or appoint management; Set levels of management compensation and other perks; Determine cash dividends/distributions; Set company policies or business course; Purchase or sell assets; and Determine when and how to sell the company.

The ownership of a non-controlling interest in a company does not have the ability to unilaterally direct the items above, which generally makes it less valuable than a controlling ownership interest. The full range of premiums has been anywhere more the market price, while some controlling interests were acquired at discounts from the publicly traded market prices.

Company is loss making company from the past couple of years; we have considered control premium of 10% over the weighted average price arrived based on the Price Earning Capacity Value Method, Market Value Method and Net Assets Value Method.





## 11. 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.	Provisions	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	5.22
B	Floor Price in terms of the Sub-Regulation 1 of Regulation 164 of the SEBI ICDR Regulations	5.09

Accordingly, the Floor Price of the Equity Share of the Company having Face Value of Rupees 5.00 each in terms of Chapter V of SEBI ICDR Regulations as at Relevant date is INR 5.22/- (Rupees Five and Twenty Two Paise).





## 12. CAVEATS, LIMITATIONS AND DISCLAIMERS:

My report is subject to the scope limitations detailed hereinafter.

As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. My engagement for this valuation consulting work does not include any procedures designed to discover any defalcations or other irregularities, should any exist.

I have provided an assessment of the value based on the information available, application of certain formula and within the scope and constraints of our engagement, others may place a different value to the same. However, I independently did not verify such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.

The company and its representatives warranted to us that the information supplied to us was complete and accurate to the best of their knowledge and that the financial information properly reflects the business conditions and operating results for the respective periods in accordance with generally accepted accounting principles. Information supplied to us has been accepted as correct without any further verification. I have not audited, reviewed, or compiled the historical provided to us and, accordingly, i do not express any audit opinion or any other form of assurance on this information. Because of the limited purpose of the information presented, it may be incomplete and contain departures from generally accepted accounting principles. In the course of the valuation, i were provided with both written and verbal information. I have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement.

My conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company. I assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise.

The draft of the present report was circulated to the Management for confirming the facts stated in the report and to confirm that information or facts stated are not erroneous and the assumptions used are reasonable.

No investigation on the Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the liabilities in the books. Therefore, no responsibility is assumed for matters of a legal nature.

My work does not constitute an audit or certification of the historical financial statements including the working results of the Company referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation mentioned in the report and it is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

I have no responsibility to update this report for events and circumstances occurring after the date of this report. My fees is not contingent to the results or output of this report. I will not be responsible to appear in front of Companies act, income tax, RBI or any other regulatory authority in relation to the said valuation.

The decision to carry out the transaction (including consideration thereof) on the basis of this valuation lies entirely with the RRIL and my work and my finding shall not constitute a recommendation as to whether or not RRIL should carry out the transaction. The report and





conclusion of value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The conclusion of value represents my opinion, based on information furnished to us by the client and other sources. Any person/party intending to provide finance/invest in the shares/business of the Company 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.

My report is meant for the purpose mentioned in point 2 of this report and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared.

I acknowledge that I am independent valuer and have no present or contemplated financial interest in the Company. My fee for this valuation is based upon my normal billing rates, and not contingent upon the results or the value of the business or in any other manner. I have not been engaged by the Company in any unconnected transaction during last five years.

Neither me, nor any managers, employees of my firm makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuations carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

Thanking you,

yours

faithfully,



**CA GOPAVARAPU MURALI REDDY**

**(IBBI Registered Valuer)**

**Flat No.507, Everest Block, Aditya enclave, Ameerpet,  
Hyderabad, Telangana-500038.**

**RV Registration No – IBBI/RV/02/2019/11566**



## Valuation of Equity Shares of RRIL under NAV Method:

## Calculation of Net Assets Value of the Company as at March 31, 2023

Particulars	Amount in Rs. Lakhs
Share Capital	240.00
Add: Reserves and Surplus	(61.76)
<b>Net worth</b>	<b>178.24</b>
No. of Equity Shares Issued, Subscribed	48.00
<b>Book Value per Share in Rupees</b>	<b>3.71</b>





Annexure-2

Valuation of Equity Shares of RRIL under PECV Method:

Amount in Rupees

Particulars	2022-23	2021-22	2020-21	Total
Total Revenue	13,06,320	10,15,820	8,44,640	31,66,780
Profit Before Tax	(45,900)	(5,35,660)	(6,97,230)	(12,78,790)
Weights	3	2	1	6
Product	(1,37,700)	(10,71,320)	(6,97,230)	(19,06,250)
Weighted Average Profit Before Tax				(3,17,708)
Tax@26%				-
Future Maintainable Profit				(3,17,708)
Capitalization rate@17.5%				(18,15,476)
No of Shares				48,00,000
Fair Value under PECV Method				(0.38)





## Valuation of Equity Shares of RRIL under Market Price Method

(Source: Bombay Stock Exchange Limited)

Average of the volume weighted average price (VWAP) of the equity shares of RICHIRICH INVENTURES LIMITED quoted on the Bombay Stock Exchange Limited during the 90 trading days preceding the relevant date (considering relevant date as 03/07/2023).

Days	Date	No. of shares Traded	Total Turnover (Rs.)	Days	Date	No. of shares Traded	Total Turnover (Rs.)
1	30-Jun-23	213	1143	46	26-Apr-23	1030	3560
2	28-Jun-23	1025	5279	47	25-Apr-23	12538	46298
3	27-Jun-23	686	3375	48	24-Apr-23	23	87
4	26-Jun-23	101	448	49	21-Apr-23	528	2002
5	23-Jun-23	1251	5615	50	20-Apr-23	1066	4052
6	22-Jun-23	1012	4748	51	19-Apr-23	139	556
7	21-Jun-23	514	2508	52	18-Apr-23	123	492
8	20-Jun-23	2	9	53	17-Apr-23	125	501
9	19-Jun-23	7141	37420	54	13-Apr-23	26551	106885
10	16-Jun-23	7123	36540	55	12-Apr-23	7030	28637
11	15-Jun-23	4026	20421	56	11-Apr-23	1323	5513
12	14-Jun-23	2225	11624	57	10-Apr-23	1002	4297
13	13-Jun-23	6182	34324	58	6-Apr-23	9359	37165
14	12-Jun-23	14273	79643	59	5-Apr-23	1225	5161
15	9-Jun-23	11837	62831	60	3-Apr-23	258	1054
16	8-Jun-23	16244	82357	61	31-Mar-23	4062	15886
17	7-Jun-23	9401	45406	62	29-Mar-23	4554	16621
18	6-Jun-23	7803	36002	63	28-Mar-23	1075	4181
19	5-Jun-23	54120	247634	64	27-Mar-23	3752	14208
20	2-Jun-23	29408	139713	65	24-Mar-23	380	1469
21	1-Jun-23	1285	6258	66	23-Mar-23	2182	8502
22	31-May-23	11203	52249	67	22-Mar-23	1290	5235
23	30-May-23	1000	4460	68	21-Mar-23	673	2839
24	29-May-23	500	2230	69	20-Mar-23	1815	7701
25	26-May-23	359	1525	70	17-Mar-23	565	2280
26	25-May-23	4457	18050	71	16-Mar-23	1971	7430
27	24-May-23	283	1061	72	15-Mar-23	500	1935
28	23-May-23	1009	3884	73	14-Mar-23	17	69
29	22-May-23	1665	6338	74	13-Mar-23	0	0
30	19-May-23	55	217	75	10-Mar-23	0	0
31	18-May-23	593	2383	76	9-Mar-23	0	0
32	17-May-23	4785	19487	77	8-Mar-23	0	0
33	16-May-23	1204	5139	78	6-Mar-23	0	0
34	15-May-23	2549	9979	79	3-Mar-23	0	0
35	12-May-23	451	1754	80	2-Mar-23	0	0
36	11-May-23	1283	4925	81	1-Mar-23	0	0





37	10-May-23	596	2245	82	28-Feb-23	2	8
38	9-May-23	10209	39627	83	27-Feb-23	0	0
39	8-May-23	427	1592	84	24-Feb-23	0	0
40	5-May-23	678	2566	85	23-Feb-23	0	0
41	4-May-23	527	1855	86	22-Feb-23	0	0
42	3-May-23	10555	36911	87	21-Feb-23	0	0
43	2-May-23	67	243	88	20-Feb-23	0	0
44	28-Apr-23	307	1061	89	17-Feb-23	0	0
45	27-Apr-23	1863	6747	90	16-Feb-23	0	0
<b>Total Turnover</b>							<b>14,24,450</b>
<b>Total Number of Shares traded</b>							<b>3,17,655</b>
<b>Average Value</b>							<b>4.48</b>

Average of the volume weighted average price (VWAP) of the equity shares of RICHIRICH INVENTURES LIMITED quoted on the Bombay Stock Exchange Limited during the 10 trading days preceding the relevant date(considering relevant date as 03/07/2023)

Days	Date	No. of share Traded	Total Turnover (Rs.)
1	30-Jun-23	213	1143
2	28-Jun-23	1025	5279
3	27-Jun-23	686	3375
4	26-Jun-23	101	448
5	23-Jun-23	1251	5615
6	22-Jun-23	1012	4748
7	21-Jun-23	514	2508
8	20-Jun-23	2	9
9	19-Jun-23	7141	37420
10	16-Jun-23	7123	36540
<b>Total</b>		<b>19,068</b>	<b>97,085</b>
<b>Average Price (Total Turnover/Total Shares)</b>			<b>5.09</b>

A	Average of 90 trading days VWAP	<b>4.48</b>
B	Average of 10 trading days VWAP	<b>5.09</b>
C	Applicable Minimum Price (Higher of the A or B)	<b>5.09</b>

