

APM FINVEST LIMITED

Corporate Office: 201, 2nd Floor, Best Sky Tower, Netaji Subhash Place, Pitampura, Delhi-110034

Phone: (011) 42610483, **Email:** apmfinvestltd@gmail.com

CIN : L65990RJ2016PLC054921, **Website:** www.apmfinvest.com

Date 04th July, 2022

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001

Ref: Scrip Code 542774

Sub: Corrigendum to the Postal Ballot Notice dated 11th June 2022:

Dear Sir/Madam,

This has reference to the Postal Ballot Notice dated 11th June, 2022 issued by the Company for the purpose of seeking members approval on the Resolution as set out in the said Postal Ballot Notice which was already emailed to all the shareholders of the Company.

A corrigendum is being issued to inform the shareholders/beneficial owners of the Company regarding amendment in Item No. 5 & 6 of the Explanatory Statement of the said Postal Ballot Notice. Copy of detailed corrigendum is being enclosed herewith.

Except as detailed in the attached corrigendum, all other terms and contents of the Notice of Postal Ballot dated 11th June 2022 shall remain unchanged. This corrigendum will also be available on the Website of the Company www.apmfinvest.com.

You are requested to kindly take the same on your records.

Thanking You,

Yours faithfully,

For APM Finvest Limited


Mayank Pratap Singh
Company Secretary and Compliance Officer



APM FINVEST LIMITED

Regi. Off: SP-147, RIICO Industrial Area, Bhiwadi, Rajasthan-301019
Corporate Office: 201, 2nd Floor, Best Sky Tower, Netaji Subhash Place, Pitampura, Delhi-110034
Phone: (011) 42610483, **Email:** apmfinvestltd@gmail.com
CIN : L65990RJ2016PLC054921, **Website:** www.apmfinvest.com

CORRIGENDUM TO THE POSTAL BALLOT NOTICE DATED 11TH JUNE, 2022

To,
The Members of APM Finvest Limited

In continuation to the Postal Ballot Notice dated 11th June 2022 sent to Members of the Company, please consider the below amendment in Item No. 5 & 6 of the explanatory statement contained in the Postal Ballot Notice.

This corrigendum is being issued to inform the shareholders/beneficial owners of the Company regarding amendment in Item No. 5 & 6 of the Explanatory Statement of the aforesaid Postal Ballot Notice.

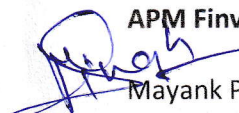
On and from the date hereof, the Postal Ballot Notice shall always be read in conjunction with this corrigendum ("Corrigendum") which is also being uploaded on the website of the Company at www.apmfinvest.com and on the website of Bombay Stock Exchange at www.bseindia.com.

All other contents of the Postal Ballot Notice dated 11th June, 2022, save and except as amended by this Corrigendum, shall remain unchanged.

XIII. Report of the registered valuer:

The issue price has been determined as per Valuation report dated June 27, 2022 issued by Ms. Neha Bhandari, Registered Valuer under the Companies Act, 2013 and under Regulation 164 and other applicable regulations of Chapter V of ICDR Regulations.

For and on behalf of the Board of Directors
APM Finvest Limited


Mayank Pratap Singh
Company Secretary & Compliance Officer
Membership No.:A46666

Date: 04.07.2022
Place: Delhi



**Valuation Report for Determination of
Fair Value of Equity Shares of
APM FINVEST LIMITED**

Neha Bhandari

Registered Valuer –Securities or Financial Assets

IBBI Reg. No.: IBBI/RV/16/2021/14449

Neha Bhandari

Registered Valuer

**The Audit Committee,
APM Finvest Limited**
SP-147, RIICO Industrial Area
Bhiwadi-301019 Rajasthan, India

27 June 2022

Subject: Opinion on Fair Value of Equity Shares of “APM Finvest Limited ” as per SEBI (ICDR) Regulations

Dear Sir/ Madam,

We refer to the engagement letter dated **11 June 2022** and the discussions undertaken with the Management of APM Finvest Limited (hereinafter referred to as ‘AFL’ or ‘the Company’) wherein the Management of AFL has requested Neha Bhandari, IBBI Registered Valuer– Securities or Financial Assets (referred to as ‘RV’) to determine fair value of Equity Shares of AFL as on **11 June 2022** (" Valuation Date").

The Management has informed that the Company is considering to issue equity shares on a preferential basis to certain shareholders/investors. As the Company is listed on BSE Limited, it need to comply with Regulation 164 & 166A of SEBI (ICDR) Regulations. Therefore, the Company is required to obtain the valuation report from independent Registered Valuer for determining the issue price.

Based on our valuation analysis of equity shares of APM Finvest Limited, I hereby certify that the fair value of per equity share as on 11 June 2022 is **INR 82.03/-**. The value determined herein should be considered as the floor price/minimum price to allot shares on a preferential basis to investors.

This report sets out our scope of work, background, sources of information, procedures performed by us, key value considerations and our opinion on the fair value of the equity shares. I have summarized the valuation analysis of the company as on the valuation date together with the description of the purpose, methodologies used and limitations on our scope of work in accordance with the Valuation Standard issued by the Institute of Chartered Accountants of India and Internationally Accepted Valuation principles.

Office: Daulat Villa, 2, Museum Road, Nr. Ramniwas Garden, Jaipur
Email: nehab22june@gmail.com; Contact No.: +91-9829364693



Our analysis and report are in conformity with the “ICAI Valuation Standards” (IVS) issued by the Institute of Chartered Accountants of India. In addition to the general standards/ guidelines of the IVS, our report specifically complies with ICAI Valuation Standards.

Because of the limited purpose of this report, the financial information presented in this report may be incomplete and contain departures from generally accepted accounting principles. We have not audited, reviewed, or compiled the financial information provided by the management and express no assurance on it. Had we audited or reviewed the financial information, matters may have come to our attention that could have resulted in our use of the amounts that differ from those provided. Accordingly, we take no responsibility for the underlying data presented in this report.

This document is provided on the basis that it is kept CONFIDENTIAL and its circulation and use are RESTRICTED. It should not be copied or sent to any other person without the express permission of our office.

I am pleased to present here with our report on the same. We are thankful to the Management of the company for their kind co-operation extended during the course of this assignment.

Yours Sincerely,

Neha Bhandari

Registered Valuer- SFA

IBBI Reg. No.: **IBBI/RV/16/2021/14449**

UDIN: 22407560AMCCPJ4798

Date: 27 June 2022

Place: Jaipur



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Executive Summary:

Valuation Date	11 June 2022
Date of Report	27 June 2022
Purpose of Valuation	Regulatory purpose
Base of Valuation	Fair Value
Premise of Valuation	Going Concern
Variation from Standard Assumptions	None
Special Assumptions	None
Capacity & Status of Valuer	External-Neha Bhandari (RV-S&FA) IBBI Registration No. : IBBI/RV/16/2021/14449
Independence	The total fees, including the fee for this assignment earned from the instructing party are less than 10% of our total annual revenues.

Fair Value :

Based on our study and analytical review procedures subject to the limitations expressed within this report, in our opinion the fair value of the equity shares of the AFL as on valuation date is **INR 82.03** /- per equity share of face value of **INR 2**/- each.

The above executive summary is to be read in conjunction with the valuation report to which it forms part of and is subject to the assumptions, caveats and bases of valuation stated herein and should not be read in isolation.



Introduction of the Company

APM Finvest Limited was incorporated on 13 May 2016 as a public limited company. It is a listed public company and having its registered office at SP-147, RIICO Industrial Area Bhiwadi -301019 Rajasthan. It is listed on the BSE Main Board Platform and is registered at Registrar of Companies, Jaipur. Corporate Identification Number of the Company is L65990RJ2016PLC054921 and its registration no. is 054921. It is the Non Banking Financial Company Non Deposit Taking (NBFC-ND) registered with Reserve Bank of India, Department of Non-Banking Supervision, Jaipur Regional Office on 16.02.2017.

AFL main business object is involved in other financial intermediation and to carry on the business of investment company and to invest in and acquire, hold or otherwise, dispose of exchange, transfer or alienate any share, stocks, debentures, debenture stock, bonds, obligation and securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere and debentures, debenture Stock, bonds, obligations and securities issued or guaranteed by any government, State dominion, Sovereign rules, commissioner, public body or authority supreme, municipal local or otherwise where in India or elsewhere.

It will be 100% focused on Environment & Social Governance focused financing products, to begin with currently focus is on India's fastest growing electric vehicle industry. EV market in India is estimated to be US\$206 billion opportunity by 2030 and is growing at booming rate of 36% CAGR year on year. APM intend to contribute to 4-5% market share of the business by 2030. Its vision is to drive growth of environment & social governance asset of India & take a 5-6% of share of the overall portfolio over next decades. Reduced carbon dioxide emissions & Drive penetration of EV Industry in India.

Existing Capital Structure

The authorized equity share capital of the company is INR 45,000,000 divided into 22,500,000 Equity Shares having face value of INR 2 each. AFL fully paid-up equity share capital as on June 11, 2022 is INR 43,222,720 divided into 21,611,360 equity shares of INR 2 each.



Ownership Structure

The ownership structure of AFL as at the report date is set out below:

Sr. No.	Name of Shareholder	Category	No. of Shares Held	% of Shares held
1	Hindon Mercantile Limited	Promoter	1,45,51,487	67.33
2	Kapil Garg	Promoter	90,000	0.42
3	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	Public	4,70,280	2.18
4	Sangeetha S	Public	5,20,000	2.40
5	Public Shareholders	Public	59,79,593	27.67
		Total	2,16,11,360	100

Management Structure

The Board of Directors of AFL as at the report date is set out below:

S no	Name of Shareholder	Designation	DIN/PAN	Begin Date
1	Abhinav Tambi	Director	00860844	09.03.2022
2	Kapil Garg	Managing Director	01716987	09.03.2022
3	Nitin Goel	Director	01737352	09.03.2022
4	Neha Agarwal	Director	03539327	09.03.2022
5	Hemant Bhageria	Director	06476292	09.03.2022
6	Manoj Kumar Bhatt	Director	09452843	09.03.2022

Purpose of Valuation Exercise

Scope of Work

Based on discussion with the management, we understand that the Company wants to issue Equity Shares to the existing/proposed investors. In this context, the management requires our assistance in determining the fair value of equity of the company. As requested by the management, we have undertaken the value analysis of the equity shares of the Company on an 'as is where is', going concern basis, as at 11 June 2022 ('Valuation Date') as per Market Approach under Companies Act 2013 and in accordance with Regulations 164 and/or 166A (as applicable) of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 ("ICDR").

Compliance with Valuation Standards and Valuation Basis

- Our analysis and report are in conformity with the "ICAI Valuation Standards" (IVS) issued by the Institute of Chartered Accountants of India. In addition to the general standards/ guidelines of the IVS, our report specifically complies with ICAI Valuation Standard 102 - Valuation Bases (IVS 102), ICAI Valuation Standard 103 – Valuation Approaches and Methods (IVS 103), ICAI Valuation Standard 201 - Scope of Work, Analyses and Evaluation (IVS 201), ICAI Valuation Standard 202 - Reporting and Documentation (IVS 202) and ICAI Valuation Standard 301 - Business Valuation (IVS 301).
- The valuation basis used in arriving at valuation conclusion is 'Fair Value'. *'Fair value' is defined by IVS102 as "the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the valuation date."*
- IVS 102 defines 'orderly transaction' as " a transaction that assumes exposure to the market for a period before the valuation date to allow for marketing activities that are usual and customary for transactions involving such assets or liabilities and it is not forced transaction. The length of exposure time will vary according to the type of asset and market conditions.



- IVS 102 further defines 'Market participants' as "willing buyers and willing sellers in the principal (or most advantageous) market for the asset or liability that have all of the following characteristics:
- ❖ they are independent of each other, that is, they are not related parties as defined under applicable accounting framework and set of reporting/ accounting standards therein, although the price in a related party transaction may be used as an input to a fair value measurement if the entity has evidence that the transaction was entered into at market term
- ❖ they are knowledgeable, having a reasonable understanding about the asset or liability and the transaction using all available information, including information that might be obtained through due care that is usual and customary
- ❖ they are able to enter into a transaction for the asset or liability; and
- ❖ they are willing to enter into a transaction for the asset or liability, i.e., they are motivated but not forced or otherwise compelled to do so."

Base & Premise for Valuation

- As per ICAI Valuation Standards 102, 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 for the valuer to identify the bases of value pertinent to the engagement. This Standard defines the following valuation bases: Fair value, Participant specific value and Liquidation value.
- As the Company is on going concern basis, RV has decided to choose Fair Value as base of valuation. 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.
- Premise of Value refers to the conditions and circumstances how an asset is deployed. This valuation is performed on the premise that the Company will continue to operate as a going concern. IVS 102 defines 'going concern value' as *"the value of a business enterprise that is expected to continue to operate in the future."*



The relevant extract of Section 62 (1)(C) of the Companies Act, 2013 is as under:

Further issue of share capital.— (1) Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.

This report has been issued in accordance with section 247 of Companies Act 2013, which provides statutory backing to the Valuation, which requires that in respect of valuation of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of this Act, it should be valued by a person having such qualification and experience and registered as valuer in such manner as may be prescribed.

In view of the above background, Registered Valuer understands that the purpose of this report is to determine the fair value of equity shares of AFL that will be allotted to the investors in accordance with the requirement of section 62(1)(c) of the Companies Act, 2013, which states that when a company proposes to issue new shares, the price of such shares should be determined by the valuation report of a Registered Valuer.



SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018

Extract of the Regulation 164 and 166A are as under:

Regulation 164 : Pricing of Frequently traded shares

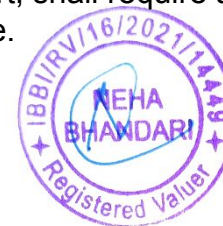
1. If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:
 - the 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or
 - the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised 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.

For the purpose of this Chapter, “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: Provided that where the share capital of a particular class of shares of the issuer is not identical throughout such period, the weighted average number of total shares of such class of the issuer shall represent the total number of shares.

Regulation 166A : Other conditions for Pricing

166A. (1) Any preferential issue, which may result in a change in control or allotment of more than five per cent. of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price.



Appointment & Identity of Valuer

Appointing Authority, Appointment date, Valuation date and Report date:

As per Section 247 of The Companies Act, 2013, the Audit Committee of AFL appointed Neha Bhandari (Registered Valuer) on 11 June 2022 for valuation of equity shares as on valuation date 11 June 2022. The valuation report is issued on 27 June 2022.

Identity of the Valuer:

Neha Bhandari is a Registered Valuer (Securities or Financial Asset class) as required under The Companies (Registered Valuers & Valuation) Rules, 2017. Neha Bhandari is registered with Insolvency & Bankruptcy Board of India vide registration number IBBI/RV/16/2021/14449. Neha's primary membership is registered with AARVF Registered Valuers Organization vide registration no. AaRVF/M/SorFA/188.

Disclosure of Valuer Interest:

I have no present or prospective contemplated financial interest in AFL nor any personal interest with respect to the Promoters & Board of Directors of AFL. I have no bias/prejudice with respect to any matter that is the subject of the valuation report or to the parties involved with this engagement. My professional 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.

Intended Users of The Report:

This Valuation Report is confidential and has been prepared exclusively for Audit Committee/Board of Directors of AFL. It should not be circulated or reproduced to any other person for any purpose other than as mentioned above, without the prior consent of the valuer. This Valuation report should not be construed as investment advice, specifically we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.



Sources of Information

Our expression of the opinion on the fair value of the Company is supported by all procedures that we deem to be relevant. We have obtained sufficient information in accordance with IVS 201- 'Scope of Work, Analyses and Evaluation', and relied on the data, facts, information, documents, and explanations as authenticated, and provided to us by the Management. The scope of this valuation included a review of the Company's historical financial statements, other financial and non-financial data.

We have fully relied on the information provided by the company and do not vouch for the accuracy of the information as is provided to us by the management of AFL. Our opinion was based on the information listed below:

- Background documents and information of the company;
- Audited financial statements of the Company for the financial years 2020-21 and 2021-2022;
- Equity share trading details for last 240 trading days before valuation date;
- Memorandum & Articles of Association
- Discussions and correspondence with the Management in connection with business operations, past industry and company trends, proposed future business plans and prospects both for company & industry, realizability of assets, business drivers & risks etc.
- Information available in public domain and databases such as Capitaline, National Stock Exchange, Bombay Stock Exchange etc.

We have also considered/ obtained such other analysis, review, explanations and information considered reasonably necessary for our exercise, from the Client or other public available sources. Supporting data, copies of source documents and other pertinent information supporting our opinion of value are maintained in our files.



Procedures adopted in carrying out the Valuation

Process Flow :Receipt of proposal for valuation includes

- Discussion with the management and acceptance of the proposal
- Receipt of intimation about appointment and acceptance of proposal
- Execution of valuation engagement letter and providing the checklist for required information, documents, and records
- Receipt of information, documents as per the checklist
- Cross verification of data with concerned officials of the company for clarifications/explanations.
- Determining valuations approach, techniques, and methods in compliance with applicable standards
- Valuation synthesis & revisiting the assumptions and decision made
- Report preparation and its validation.

Limitation of Verification

Our valuation report and analysis are subject to the assumptions and limiting conditions as mentioned in **Annexure A** of the report.

- The relevant information for the purpose of this valuation has been provided by the Management. We do not make any representations or warranty, express or implied, regarding the achievability/accuracy of the forecasts and accuracy/completeness of such other information as provided by the Management.
- The relevant information & support documents provided by the Management have not been independently verified by us with any third party or any other sources and are believed to be true and reliable. The information contained herein is based on the analysis of information known or knowable as of the valuation date.
- Unless stated otherwise, industry and market data used in this report have been obtained from market research, publicly available information & industry publications.
- In no event shall we be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or willful default on the part of the Company, their management, employees or agents. In no circumstances shall the liability of registered valuer relating to services provide in connection with the engagement set out in this report exceed the amount paid to us in respect of the fees charged for those services.



Valuation Approaches & Methodologies

Valuation Approaches

In order to value the Company, we considered three approaches to valuation, as provided under the 'IVS 103 – Valuation Approaches and Methods': the market approach, the income approach and the asset approach. We have reviewed and analyzed several methods and their results to determine which methods would generate the most reasonable opinion of value of the Company's operations as on the Valuation Date. After careful consideration of each method's underlying assumptions and variables that were utilized, we concluded that market approach which would provide the most appropriate indication of the fair value of the Company due to being listed on the stock exchange.

A description of these methods and the methods considered but not used are included within this report. Both internal and external factors, which influence the value of the Company have been reviewed, analyzed, and interpreted. Internal factors included financial position and results of operations of the Company. External factors included, among other things, the status of the economy and the position of the Company relative to the industry.

As of the date of this valuation report, citizens and the economies of India and other countries have been impacted by the coronavirus (COVID-19) pandemic. The evolution of this disease, the extent of its economic impact and the steps to be taken by governments and financial institutions are unknown. Entities may face supply chain disruptions, labor shortages, revenue declines, increases in bad debts, reduced cash flows, difficulties meeting debt service requirements, challenges obtaining credit and loans, and inventory and goodwill impairments.

A brief explanation of each valuation approach is provided below:

Income Approach

The income approach provides an estimate of the present value of the monetary benefits expected to flow to the owners of the business. It requires the projection of the cash flows that the business is expected to generate. These cash flows are then converted to their present value by means of discounting, using a rate of return that accounts for the time value of money and the appropriate degree of risk in the investment. The value of the business is the sum of the discounted cash flows.



Market Approach

Market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. It considers actual arm's-length transactions for which the market value of investments alternative to the subject company can be observed. The value of a company or an ownership interest in the company can be estimated by developing relevant multiples for the comparative companies that relate value to underlying revenue, earnings, or cash flow variable, and then applying these multiples to the comparable underlying revenue, earnings, or cash flow variable for the subject company. The value multiples can be derived from guideline public company and guideline transactions of the publicly traded company or private companies.

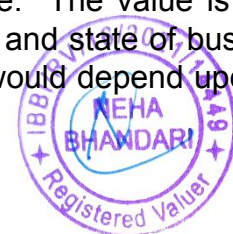
Cost (Asset-Based) Approach

The asset-based (net underlying assets) approach is a form of the cost approach. The values of the individual assets (i.e., current, fixed, and intangible) of the business are estimated. The sum of the individual asset values represents the total asset value of the enterprise. The enterprise's liabilities related to working capital are deducted to arrive at an indication of value for the invested capital of the business. Since the cost approach does not always reflect the full value of intangible assets, it is often inappropriate to value an operating business completely on the basis of this approach without giving weights to other valuation methods. Cost approach may be relevant to the value of an operating business that is not sufficiently profitable and whose "breakup" values may be greater than its going concern value.

Valuation Methodologies

The valuation methodology to be adopted varies from case to case depending upon different factors affecting valuation. Different methodologies are adopted for the valuation of manufacturing, investment, consultancy and trading companies. Though there are no thumb rules for valuation, the method to be adopted has to be appropriate to the particular purpose for which valuation is being done as well as the attendant circumstances of each case. For example, a manufacturing company is generally valued on the combination of asset value and the earning potential of the business. An investment company is valued based on the fair market value of underlying assets.

However, the value is specific to the point in time and may change with the passage of time. The value is derived in the context of an existing environment that includes economic conditions, state of industry/market and state of business activities of companies being valued etc. as on the appointed date of valuation. The basis of valuation would depend upon the purpose of valuation, the type of business, the prospects and other attendant circumstances.



Method of Valuation

There are several commonly used and accepted methods for determining the value of business/shares of the company, which would be applied to the present case, to the extent relevant and applicable, such as:

Income Approach - Discounted Free Cash Flow Method (DCF)

The DCF method values the asset by discounting the cash flows expected to be generated by the asset for the explicit forecast period and also the perpetuity value (or terminal value) in case of assets with an indefinite life. The DCF method is one of the most common methods for valuing various assets such as shares, businesses, real estate projects, debt instruments, etc. This method involves discounting of future cash flows expected to be generated by an asset over its life using an appropriate discount rate to arrive at the present value. The important inputs for the DCF method are (1) Cash flows; (2) Discount rate; and (3) Terminal value.

Market Approach -Comparable Company Multiples Method (CCM)

Under the CCM Method, the value of shares/ business of a company is determined based on market multiples of publicly traded comparable companies, that is, valuation based on multiples benchmark to the multiples of similar assets in the industry. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

This method involves reviewing valuation multiples for companies that are in the same or similar line of business as the company being valued and then applying the relevant valuation multiples to the subject company to determine its value. The theory behind this approach is that valuation measures of similar companies, as manifested through stock market valuations of listed comparable companies, should represent a good proxy for the specific company being valued. Depending on the source of data available and the underlying company being valued, a variety of valuation measures might be used including Enterprise Value (EV) to Sales, EV to EBITDA, Price to Earnings, etc.

Asset Approach - Net Asset Value Method (NAV)

The net asset value method is an asset-based approach to valuation where the value of the business is based on the difference between the fair market value of the assets and liabilities of the business. This method is a sound method for estimating the value of a non-operating business, such as real estate holding company, or a business that is continuing to generate losses, or which is expected to be liquidated. Net Asset Value Method is also considered appropriate, where the future cash flows / commercial operations of the valued company cannot be reasonably ascertained.



Valuation Exercise & Working

Valuation of the Company via Market Approach : Market Price Method

The three approaches discussed in previous section of the report are internationally accepted valuation approaches and used globally for valuations. After considering all the approaches, I have decided to use market approach as the best approach to ascertain fair value of AFL equity shares.

As AFL is listed company and need to comply with SEBI ICDR Regulations 2018, I have considered the Regulation 164 of valuing frequently traded shares. As per Regulation 164 “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.

In the present case, the relevant valuation date is 11 June 2022, therefore I have obtained the trade data from BSE for the period 24th June 2021 to 10th June 2022 (i.e. 240 trading days) to determine if the shares are frequently traded or not.

During the 240 trading days preceding to the valuation date, there has been trading of 98,50,868 number shares. The issued number of shares as on valuation date is 2,16,11,360. The trading number of shares 98,50,868 in 240 days are higher than 10% of outstanding number of shares i.e. 21,61,360 (10% of issued shares 2,16,11,360). Therefore, we conclude that the shares are frequently traded and fair value will be determined as per Regulation 164 of SEBI ICDR Regulations 2018.

As per SEBI ICDR Regulations 2018, the preferential issue shall be not less than higher of the following for frequently traded shares:

- the 90 trading days volume weighted average price preceding the relevant date; or
- the 10 trading days volume weighted average prices preceding the relevant date.



90 trading days volume weighted average price of equity shares of APM Finvest Limited preceding the relevant valuation date

Date	No. of Shares	Total Turnover	Date	No. of Shares	Total Turnover	Date	No. of Shares	Total Turnover (Rs.)
10-Jun-22	18895	1708480	28-Apr-22	28834	2335465	14-Mar-22	12039	733677
09-Jun-22	42967	3845813	27-Apr-22	295266	24381213	11-Mar-22	35244	2128987
08-Jun-22	47384	4090413	26-Apr-22	176295	14358677	10-Mar-22	10081	602111
07-Jun-22	39743	3382105	25-Apr-22	89427	6890118	09-Mar-22	13909	790503
06-Jun-22	30893	2465082	22-Apr-22	51736	3823887	08-Mar-22	10154	546706
03-Jun-22	23435	1866257	21-Apr-22	60588	4226138	07-Mar-22	8548	439312
02-Jun-22	19574	1520249	20-Apr-22	37148	2499128	04-Mar-22	12163	639333
01-Jun-22	52863	4092159	19-Apr-22	40941	2650839	03-Mar-22	5463	280394
31-May-22	29068	2229632	18-Apr-22	18885	1260218	02-Mar-22	30852	1506830
30-May-22	32749	2489550	13-Apr-22	11009	743705	28-Feb-22	12978	661799
27-May-22	12938	966167	12-Apr-22	24064	1588156	25-Feb-22	19088	1016483
26-May-22	16000	1184340	11-Apr-22	7736	505801	24-Feb-22	23926	1240310
25-May-22	16125	1193030	08-Apr-22	6024	404210	23-Feb-22	11802	653663
24-May-22	32778	2461248	07-Apr-22	5495	364447	22-Feb-22	20941	1160265
23-May-22	57341	4154321	06-Apr-22	10575	709367	21-Feb-22	9368	546907
20-May-22	33710	2392866	05-Apr-22	38038	2410672	18-Feb-22	6522	389460
19-May-22	29465	2091867	04-Apr-22	9813	619468	17-Feb-22	16725	1035780
18-May-22	26994	1951534	01-Apr-22	1732	107947	16-Feb-22	5272	315739
17-May-22	15275	1115555	31-Mar-22	5989	364975	15-Feb-22	17367	1004303
16-May-22	24429	1800375	30-Mar-22	12087	737663	14-Feb-22	32230	1882248
13-May-22	9220	686229	29-Mar-22	14429	873057	11-Feb-22	18904	1142130
12-May-22	17548	1318617	28-Mar-22	8612	535141	10-Feb-22	10630	668276
11-May-22	69776	5423345	25-Mar-22	9237	583075	09-Feb-22	14859	924919
10-May-22	31886	2451778	24-Mar-22	18273	1188893	08-Feb-22	36611	2331703
09-May-22	54462	3966798	23-Mar-22	49151	3333646	07-Feb-22	143974	9650792
06-May-22	26851	1982307	22-Mar-22	10605	703226	04-Feb-22	25619	1781074
05-May-22	5299	403710	21-Mar-22	33108	2263017	03-Feb-22	31324	2181217
04-May-22	38128	2951151	17-Mar-22	27821	1892635	02-Feb-22	50434	3481124
02-May-22	20427	1621664	16-Mar-22	46692	3101477	01-Feb-22	49869	3348101
29-Apr-22	22482	1778581	15-Mar-22	14901	960325	31-Jan-22	123011	7830332

Total value of shares traded (INR)	20,69,16,287
Total no. of shares traded in 90 days	28,83,123
VWAP	71.77



10 trading days volume weighted average price of equity shares of APM Finvest Limited preceding the relevant valuation date

Date	No.of Shares	Total Turnover
10-Jun-22	18895	1708480
09-Jun-22	42967	3845813
08-Jun-22	47384	4090413
07-Jun-22	39743	3382105
06-Jun-22	30893	2465082
03-Jun-22	23435	1866257
02-Jun-22	19574	1520249
01-Jun-22	52863	4092159
31-May-22	29068	2229632
30-May-22	32749	2489550

Total value of shares traded (INR)	2,76,89,740
Total no. of shares traded in 90 days	3,37,571
VWAP	82.03



Valuation analysis

Based on the above workings, the fair value of the share of APM Finvest Limited is determined as under:

Higher of 90 trading days or 10 trading days preceding relevant valuation date:

- **90 trading days - volume weighted average price: INR 71.77/-**
- **10 trading days - volume weighted average price: INR 82.03/-**

In accordance with SEBI ICDR Regulations 2018, the shares of the company are frequently traded based on preceding 240 trading days data. Therefore, the preferential allotment shall not be less than INR 82.03 i.e. the higher price between 90 & 10 trading days before the valuation date.

I have also reviewed the book value per equity share i.e. INR 47.03 based on 31 March 2022 audited financials. As confirmed by Management, there has been no change in equity shares and substantial business model from 31 March 2022 to valuation date.

The Company may consider issuing share at INR 82.03 or at a price higher than INR 82.03 as they deem fit in accordance with relevant Company's Act & SEBI regulations.

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Conclusion

In the ultimate analysis, valuation have to be tempered by the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable 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. This concept is also recognized in judicial decisions. For example, Viscount Simon said in Gold Coast Selection Trust Ltd. Vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible."

Based on the above workings, the calculation of the fair value of the share of APM Finvest Limited is as under:

In accordance with SEBI ICDR Regulations 2018, the shares of the company are frequently traded. Therefore, I have determined the price per share in accordance with Regulation 164 that deals with valuation of frequently traded shares. Accordingly, pursuant to Regulation 164, for the purpose of preferential allotment of shares of Face value of INR 2/-, I have determined the fair value of the Equity share based on market approach to be **INR 82.03/-** as on valuation date i.e. 11 June 2022. The determined price is to be considered as floor price and preferential allotment can be made at any price but not less INR 82.03/- The values so arrived at are subject to the matters enumerated in 'Scope of Work, 'Caveat, Limitation & Disclaimer statement' and information provided to us and should be viewed in the light thereof.

Neha Bhandari

Neha Bhandari

Registered Valuer- SFA

IBBI Reg. No.: **IBBI/RV/16/2021/14449**

UDIN: 22407560AMCCPJ4798

Date: 27 June 2022

Place: Jaipur



Annexure A-CAVEATS, LIMITATIONS & DISCLAIMERS

This report is subject to the following assumptions and limiting conditions:

❖ Restrictions on use of Valuation Report

- a) This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose.
- b) Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter.
- c) This restriction does not preclude the client from providing a copy of the report to third party advisors whose review would be consistent with the intended use.
- d) I do not take any responsibility for the unauthorized use of this report.

❖ Responsibility of RV

- a) I owe responsibility only to the authority that has appointed me under the terms of the engagement letter.
- b) I will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions or advice given by any other person.
- c) In no event I shall be liable for any loss, damage, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or wilful default on part of the client or companies, their directors, employees or agents.

❖ Accuracy of Information

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

❖ Achievability of the forecast results

- a) I do not provide assurance on the achievability of the results forecast by the management / owners as events and circumstances don't occur as expected, difference between actual and expected results may be material.
- b) I express no opinion as to how closely the actual results will correspond to those projected / forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.



❖ **Post Valuation Date Events**

- a) The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date.
- b) Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.

❖ **Range of Value Estimate**

- a) The valuation of companies and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement .
- b) Although every scientific method has been employed in systematically arriving at the value , there is no indisputable single value and the estimate of the value is normally expressed as falling within a likely range.

❖ **No Responsibility to the Actual Price of the subject asset if sold or transferred/ exchanged**

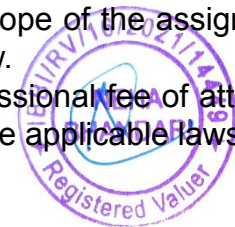
- a) The actual market price achieved may be higher or lower than our estimate of value (or range of value) depending upon the circumstances of the transaction (eg: the competitive bidding environment), the nature of the business (eg : the purchaser's perception of potential synergies).
- b) The knowledge,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

❖ **Multiple factors affecting the Valuation Report:**

- a) The valuation report is tempered by the exercise of judicious discretion by the RV, taking into account the relevant factors.
- b) There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.

❖ **Future services including but not limited to Testimony or attendance in courts/ tribunals/ authorities for the opinion of value in the Valuation Report**

- a) I/We are fully aware that based on the opinion of value expressed in this report, I/we may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law.
- b) In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my / our tendering evidence before such authority shall be under the applicable laws.



❖ **Reliance on the representation of the owners/ clients , their management and other third parties**

- a) The client/ owner and its management/ representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge.
- b) We have relied upon the representations of the owners/ clients, their management and other third parties concerning the financial data , operational data, and maintenance schedule of all plant –machinery –equipment –tools- vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report.
- c) I shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents
- d) I express no opinion as to how closely the actual results will correspond to those projected / forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

❖ **No procedure performed to corroborate information taken from reliable external sources**

- a) We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable .
- b) we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis.
- c) Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

❖ **Compliance with relevant laws**

- a) The report assumes that the company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner.
- b) Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us.

(End of report)

