



January 25, 2022

To,
Board of Directors,
Quality RO Industries Limited,
Plot No. 09, Por Industrial Park,
B/h Sahyog Hotel, NH 08,
Village Por, Vadodara,
Gujarat – 391243.

Subject: ADDENDUM TO VALUATION REPORT DATED 12.01.2023 ISSUED FOR THE PURPOSE OF FRESH ISSUE OF EQUITY SHARES AS PER PREFERENTIAL ISSUE REGULATIONS IN CHAPTER V OF SEBI (ICDR) REGULATIONS, 2018 (AMENDED).

Dear Sir,

With reference to our engagement with M/s Quality RO Industries Limited, for the purpose of preferential allotment of equity shares by the Company, the valuation has been carried out in accordance with Section 42 & Section 62(1)(c), of the Companies Act 2013 read with Rule 13 of Companies (Share Capital and Debenture) Rules, 2014 and Regulation 164 & 166A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 as amended.

Based on the assumptions and limiting conditions as described in this report, as well as the facts and circumstances as on the valuation date, it is concluded that the fair value of equity shares for preferential allotment of equity share of Quality RO Industries Limited is Rs. 69.29.

A detailed valuation report is appended herewith.

With best regards,

For **Snehal Shah & Associates**
Chartered Accountant & Registered Valuer

CA. Snehal Shah
Proprietor

M. No.: ICAIRVO/06/RV-P00116/2019-2020
IBBI Regn. No: IBBI/RV/06/2019/11772
UDIN: 23128640BGRKOH8498



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SECTION – 1: EXECUTIVE SUMMARY

Please note that this part of report is summary and does not include all our findings on the fair value of the subject financial instrument. Accordingly, this report must be read in full to understand the basis of our conclusion, the assumption used and the other relevant aspects with respects to our valuation report.

1.1 TERMS OF ENGAGEMENT

We refer to the engagement letter whereby, Quality RO Industries Limited (hereinafter referred as “Quality RO” or “the Company”) has appointed Snehal Shah, Proprietor, Snehal Shah & Associates, (hereinafter referred to as “Valuer” or “We” or “us”) on January 02, 2023 to determine fair value of equity shares of the Company.

This report (the “Report”) has been prepared pursuant to terms of engagement letter between Snehal Shah and Quality RO including the terms and conditions set out therein dated January 02, 2023.

1.2 PURPOSE OF VALUATION

As per the discussion held with the management, we understand that the Company wishes to do preferential allotment of equity shares and hence, the management of the Company wish to determine fair value of equity shares, to comply the requirements laid down under Regulation 164 and 166A of Chapter V of SEBI (ICDR) Regulations, 2018 (as amended).

1.3 DATE OF VALUATION

As the report is issued to comply the requirements laid down under Regulation 164 and 166A of Chapter V of SEBI (ICDR) Regulations, 2018 (as amended), the relevant date is considered at 13th January 2023.

1.4 VALUATION STANDARD

The report has been prepared considering “Fair Value” as the appropriate standard of value.

1.5 PREMISE OF VALUE

The valuation has been carried out under the fundamental premise of “Going Concern” as this, in our opinion, represents the best use of the business assets of the subject business enterprise.



1.6 VALUATION CONCLUSION

Based on the assumptions and limiting conditions as described in this report, as well as the facts and circumstances as of the valuation date, the fair value of equity shares of Quality RO is worked out as under:

Sr. No	Valuation Approach	Valuation Method	Value per Share (Rs.)
1	Asset Approach	Book Value Method	21.09
2	Market Approach	Comparable Companies Multiple Method	48.38
		Market Price Method	69.29
As per Regulation 166A of SEBI (ICDR) the floor price of per equity share is			69.29

CONCLUSION

Based on above, we recommend to have fair value of equity share of Quality RO Industries Limited at Rs. 69.29 per share.

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SECTION – 2: BACKGROUND AND PURPOSE

2.1 BACKGROUND OF THE COMPANY

Quality RO Industries Limited is engaged in the business of manufacturing, marketing and supplying components for water purifiers and softener equipment. These water purifiers parts have been designed to make a proper fitting for RO Plants and Systems of different varieties. Company is also engaged in the business of supplying of various water treatment products as well as logistics services. The company also make sales through online platforms. Additionally, the Company is engaged in providing logistics services on a contractual basis to a few local infrastructure companies.

The Company was incorporated on 30.09.2021 with Registrar of Companies, Gujarat. The Corporate Identification Number (CIN) of the Company is L29308GJ2021PLC126004.

Capital Structure of the Company:

Authorized Share Capital	Amount (Rs)
20,00,000 Equity Shares of Rs.10/- each	2,00,00,000.00
Total	2,00,00,000.00
Issued, Subscribed & Paid-up Share Capital	Amount (Rs.)
19,30,000 Equity Shares of Rs.10/- each fully paid up	1,93,00,000.00
Total	1,93,00,000.00

Shareholding Pattern of the Company (Based on latest Shareholding filed with BSE Limited):

Sr. No.	Description	No of Shareholders	Total Shares	% of Equity
1.	Promoters and Promoter Group	3	12,25,860	63.52
2.	Public	100	7,04,140	36.48
	Total	103	19,30,000	100.00%

2.2 PURPOSE OF VALUATION

As per the discussion held with the management, we understand that the Company wishes to do preferential allotment of equity shares and hence, the management of the Company wish to determine fair value of equity shares, to comply the requirements laid down under Regulation 164 and 166A of Chapter V of SEBI (ICDR) Regulations, 2018 (as amended).



SECTION – 3: SCOPE OF WORK & BASIS FOR VALATION

3.1 SCOPE OF WORK

In the light of above facts & circumstances, QUALITY RO has appointed Snehal Shah to provide the valuation services to determine Fair Value of its equity shares.

Snehal Shah is a Registered Valuer having IBBI Registration No IBBI/RV/06/2019/11772 and ICAI RVO Membership No. ICAIRVO/06/RV-P00116/2019-2020 for asset class Securities or Financial Assets.

Valuation by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Our assessment of the valuation will be on the basic assumption of a going concern entity and would be based on some or all of popular methodologies under Income Approach, Market Approach and Asset Approach.

Please note that this valuation exercise does not constitute an audit of the books and records of the Company under the Companies Act. We will not accept any responsibility for the accuracy or authenticity of the records or information provided to us.

In carrying out the exercise, we have relied upon the information and clarifications provided by the Management of QUALITY RO. We have also relied upon management's representation as well as other documentation provided to us.

The original report was issued on January 12, 2023 and this addendum report is dated January 25, 2023. No responsibility is taken to update this report for events and circumstances occurring after the report date of 25th January 2023.

3.2 VALUATION STANDARD

Business valuation can be undertaken in a variety of contexts and for a variety of purposes. To begin with any valuation process, it is most pertinent to identify the type of value relevant to the transaction/case as different standards of value would yield different valuation figure for same business interest. In the given context, Fair Value is considered as the appropriate standard of value.

Fair value is defined as: "The fair value of asset (or liability) is the amount at which that asset (or Liability) could be bought (or incurred) or sold (or settled) is a current transaction between willing parties, that is, other than in a forced or liquidation sale."



3.3 PREMISE OF VALUE

The Report has been prepared in compliance with the Valuation Standards issued by the Institute of Chartered Accountants of India and adopted by ICAI Registered Valuers Organisation.

The valuation has been carried out under the fundamental premise of "Going Concern" as this, in our opinion, represents the best use of the business assets of the subject business enterprise.

3.4 DATE OF VALUATION

As the report is issued to comply the requirements laid down under Regulation 164 and 166A of Chapter V of SEBI (ICDR) Regulations, 2018 (as amended), the relevant date is considered at 13th January 2023.

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SECTION – 4: CAVEATS, LIMITATIONS AND DISCLAIMERS

4.1 RESTRICTIONS ON USE OF VALUATION REPORT

This valuation report has been prepared for the purpose stated herein and should not be relied upon for any other purpose. Our client is only authorized user of this report and is restricted for the purpose stated. We do not take any responsibility for the unauthorized user of this report. The report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

4.2 OUR RESPONSIBILITY

We owe responsibility only to our client that has appointed us under the terms of the engagement letters. We will not be liable for any losses, claims, damages or liabilities arising out of the action taken, omissions or advise given by any other person. In no event shall we be liable for any loss, damages, cost or expense arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.

The decision to carry out the transaction (including consideration thereof) lies entirely with the management/ the Board of directors and our work and our findings shall not constitute a recommendation as to whether or not the management /the board of directors should carry out the transaction.

4.3 DECLARATION OF INDEPENDENCE

We are independent of the company and have no current or expected interest in the company or its assets. The fee paid for our services in no way influenced the results of our analysis.

4.4 ACCURACY OF INFORMATION

While our work has involved an analysis of financial information & accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client's existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information. Accordingly, we assume no responsibility and make no representation with respect to the accuracy or completeness of any information provided by and on behalf the client. Our report is subject to the scope and limitations detailed in this report. 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.



4.5 POST VALUATION DATE EVENTS

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 variations in value due to factor that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.

4.6 RANGE OF VALUE ESTIMATE

The valuation of companies and businesses is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value and estimate of the value is normally expressed as falling within a likely range. However, to comply with the client's request, we have provided a single value for the company. Whilst we consider our value or values to be both reasonable and defensible based on the information available to us, other may place a different value.

4.7 RELIANCE ON THE REPRESENTATIONS OF THE CLIENTS, THEIR MANAGEMENT AND OTHER THIRD PARTIES

The company and its management/representatives have assured us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. 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-vehicle, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. We 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, employees or agents. The management has represented that the companies have clear and valid title of asset. No investigation on the companies claim to such rights has been assumed to be valid.

4.8 NO PROCEDURE PERFORMED TO CORROBORATE INFORMATION TAKEN FROM RELIABLE EXTERNAL SOURCES

We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, 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. 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.



4.9 COMPLIANCE WITH RELEVANT LAW

The report assumes that the client complies fully with relevant laws and regulations applicable in its area of operations and usages unless otherwise stated, and that the companies will be managed in a competent and responsible manner. 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 financial statements and other information provided to us. Our report is not, nor should it be construed as me opining or certifying the compliance of the proposed transaction with the provisions of any law including companies, competition, taxation and capital market related laws or as regards any legal implications or issues arising in India or abroad.

4.10 MULTIPLE FACTORS AFFECTING THE VALUATION REPORT

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

4.11 SUBSEQUENT EVENTS

An analysis of such nature is necessary based on the prevailing stock market, financial economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

4.12 FUTURE SERVICES INCLUDING BUT NOT LIMITED TO TESTIMONY OR ATTENDANCE IN COURTS/TRIBUNALS/AUTHORITIES FOR THE OPINION OF VALUES IN THE VALUATION REPORT

We are fully aware that based on the opinion of value expressed in this report, 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. 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 tending evidence before such authority shall be under the applicable laws.



4.13 INFORMATION PROVIDED WITH RESPECT TO VALUATION

In the course of the valuation, we were provided with written information. We 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 purposes of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by/ on behalf of the company.

We do not make any representation or warranty, express or implied, as to accuracy, reasonableness or completeness of the information, based on which the valuation is 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. No responsibility or liability is accepted for any loss or damage howsoever arising that you may suffer as result of this Report and all responsibility and liability is expressly disclaimed by us.

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SECTION – 5: INFORMATION SOURCES

For the purpose of this report, the documents and/or information published or provided by management have been relied upon. We have fully relied on the information provided by the company and do not vouch for the accuracy of the information provided to us by the management of the Company.

We have relied on the following information sources:

- Background documents and information of the company.
- Memorandum and Articles of Association.
- Audited Financial Statements of QUALITY RO for Financial Year 2021-22.
- Unaudited Financial Statements of QUALITY RO for up to 30th September 2022 filed with stock exchange.
- Other relevant details such as its history, present activities and other information (including verbal) as required from time to time.
- Information available in public domain and databases such as Moneycontrol, Morningstar and Bombay Stock Exchange etc.

We have also obtained such other analysis, review, explanations and information considered reasonably necessary for our exercise, from the client or other public available sources.

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SECTION – 6: VALUATION METHODOLOGY & APPROACH ADOPTED

Valuation is not an exact science and is dependent on various factors such as specific nature of business, economic life cycle in which the industry and company is operating, past financial performance of the business, future growth potential of the business, business model, management of the company, relevance of technology in the business model, liquidity of equity and much more. The results of the valuation exercise may vary significantly depending on the basis used, the specific circumstances and the judgement of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue.

There are 3 fundamental approaches to Valuation viz. Income Approach, Market Approach and Cost / Asset Approach. Each approach uses different parameters / methodology and are used in different situations as mentioned hereunder:

Income Based Approach:

- Discounted Cash Flow Method

Asset Based Approach:

- Net Asset Value Method

Market Based Approach/Relative Valuation Approach:

- Guideline Public Company method/Comparable Company Method
- Market Price method

6.1 ANALYSIS OF VALUATION METHODS

For the purpose of determining fair value, a valuer may use any of the approaches as per the generally / internationally accepted valuation methodologies which in its opinion are most appropriate based on the facts of each situation. We have analysed following methods for the appropriateness for the current valuation exercise:



a. Discounted Cash Flows Method

Discounted Cash Flow (DCF) method is an income-based approach. Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. The terminal value represents the total value of the available cash flow for all periods subsequent to the horizon period. The terminal value of the business at the end of the horizon period is estimated, discounted to its present value equivalent, and added to the present value of the available cash flow to estimate the value of the business.

However, due to non-availability of the projections, we have not used this method.

b. Net Asset Value Method

The asset-based valuation technique is based on the value of underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. The Asset based method views the business as a set of assets and liabilities that are used as building blocks of a business value. The difference in the value of these assets and liabilities on a Book Value basis or Realizable Value basis or Replacement Cost basis is the business value. However, this methodology recognizes historical cost of net assets only without recognizing its present earnings, comparative financial performance of its peers and their enterprise values etc. Therefore, in general Net Asset Value only reflects the minimum proxy value of the company.

In the instant case, we have used asset approach and as the valuation premise is Going Concern basis, and an actual realization of the operating assets is not contemplated, we have considered it appropriate not to determine the replacement values of the assets.

c. Guideline Public Company Method / Comparable Companies Multiple Method

Guideline Company Method uses the valuation ratio of publicly traded company and applies this ratio to the company being valued. The valuation is done based on certain multiples (such as Sales, Profits, Book Value etc.) of the publicly listed companies which are in similar business/industry and comparable on parameters like business model, products, sales, geography etc. The Guideline Public Company Method is founded on the concept that companies within similar industries or similar positions within their industries will have similar valuations or characteristics upon which a valuation can be based – whether that company



is public or private. It is vital to understand the subject company's market, product lines and several other aspects to identify comparable public companies.

The difficulty in this method is the selection of comparable company as it is rare to find companies with similar product portfolio, size, capital structure, profitability etc.

There are very few companies which are operating in similar line of activities to the Quality RO Industries. However, we have selected Havells India Limited and have applied multiples of same to derive fair value under this method.

Market Price (MP) Method

As Quality RO is listed on the stock exchange, the pricing guideline of Regulation 164 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR) have been relied upon for valuing the equity share of the Company under the Market Price Method.

ICDR Regulations 2018 provides following guidelines for pricing of the Preferential Issue of frequently traded shares:

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:

- a. the 90 trading days' volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or
- b. the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

Explanation:

(a) For the purpose of this regulation, 'stock exchange' means any of the recognised stock exchange(s) in which the equity shares of the issuer are listed and in 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.



(b) "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.

6.2 VALUATION METHOD ADOPTED

Based on the discussions mentioned above, we have arrived at the value of equity share of Quality RO Industries Limited under various methods as follows:

6.2.1. Comparable Companies Multiple Method

As discussed above, we have considered Havells India Limited as the comparable company and have used EV/EBITDA Multiple to workout fair value of Quality RO. EBITDA Multiple is discounted considering the size of the company compared to peer company.

By applying this method, we have arrived at the value per share as per following table.

(Rs. In Lakh)

Particulars	EBITDA Multiple
EBITDA Multiple of Havells India Limited	36.56
% Share of Electrical Consumer Durables	22%
EBITDA Multiple of Electrical Consumer Durables of Havells India Limited	8.04
Discount for Market Size (@ 25%)	2.01
EBITDA Multiple Comparable to Quality RO	6.03
EBITDA of Quality RO (Annualised)	136.42
Enterprise Value	822.94
Less: Debts	101.97
Add: Cash & Cash Equivalents	212.81
Business Equity Value	933.78
No of Shares	19,30,000
Value per Equity Share	48.38



6.2.2. Market Price Method

We have carried out valuation as per SEBI ICDR Regulations, which is as following:

- A. 90 trading days' volume weighted average price (VWAP) of the equity shares of Quality RO Industries Limited, quoted on the BSE SME preceding 13th January 2023, (Relevant Date).

Date (a)	No of Shares (b)	Volume of Shares (c)
12-Jan-23	4,000	2,56,000
11-Jan-23	2,000	1,34,000
10-Jan-23	20,000	13,58,400
09-Jan-23	18,000	12,48,500
06-Jan-23	6,000	4,08,000
05-Jan-23	30,000	22,59,700
04-Jan-23	74,000	52,61,300
03-Jan-23	16,000	10,37,900
02-Jan-23	18,000	10,88,000
30-Dec-22	2,000	1,14,000
29-Dec-22	6,000	3,34,000
28-Dec-22	2,000	1,10,000
26-Dec-22	6,000	3,18,000
21-Dec-22	2,000	1,02,000
16-Dec-22	2,000	1,06,000
12-Dec-22	2,000	1,00,000
09-Dec-22	2,000	1,02,000
07-Dec-22	2,000	1,01,900
06-Dec-22	4,000	2,04,000
01-Dec-22	2,000	1,00,000
24-Nov-22	2,000	1,02,000
21-Oct-22	2,000	98,000
20-Oct-22	2,000	98,000
17-Oct-22	2,000	1,02,000
13-Oct-22	6,000	3,12,000
11-Oct-22	4,000	2,00,000
27-Sep-22	2,000	1,01,000
26-Sep-22	6,000	2,98,000
20-Sep-22	8,000	3,82,000
19-Sep-22	2,000	1,00,000
16-Sep-22	2,000	1,00,000
15-Sep-22	2,000	1,02,000
13-Sep-22	4,000	2,00,000
12-Sep-22	2,000	94,000
09-Sep-22	12,000	5,56,900
08-Sep-22	8,000	3,62,800
07-Sep-22	8,000	3,57,400
06-Sep-22	8,000	3,72,900
Total	3,02,000	1,86,82,700
90 trading days' Volume Weighted Average Price preceding Relevant Date, i.e., 13.01.2023 [c] / [b]		61.86



- B. 10 trading days' volume weighted average price (VWAP) of the equity shares of Quality RO Industries Limited, quoted on the BSE SME preceding 13th January 2023, (Relevant Date).

Date (a)	No of Shares (b)	Volume of Shares (c)
12-Jan-23	4,000	2,56,000
11-Jan-23	2,000	1,34,000
10-Jan-23	20,000	13,58,400
09-Jan-23	18,000	12,48,500
06-Jan-23	6,000	4,08,000
05-Jan-23	30,000	22,59,700
04-Jan-23	74,000	52,61,300
03-Jan-23	16,000	10,37,900
02-Jan-23	18,000	10,88,000
30-Dec-22	2,000	1,14,000
Total	1,90,000	1,31,65,800
10 trading days' Volume Weighted Average Price preceding Relevant Date, i.e., 13.01.2023 [C] / [B]		69.29

6.2.3. Net Asset Method

Valuation carried out as per Net Asset Value method is as follows:

ASSETS	Amount (Rs. In Lakh)
Non-Current Assets	
(a) Fixed Assets	
- Tangible Assets	250.02
(b) Deferred Tax Assets	4.38
(c) Non-current Investments	6.42
Sub total	260.82
Current assets	
(a) Current Investments	-
(b) Inventories	61.85
(c) Trade Receivables	72.82
(d) Cash and Cash Equivalents	212.81
(e) Short-term loans and advances	14.21
(f) Other Current Assets	56.12
Sub total	417.81
TOTAL ASSETS (A)	678.63



LIABILITIES	Amount (Rs. In Lakh)
Non-Current Liabilities	
(a) Long Term Borrowings	101.97
(b) Other Long-Term Liabilities	-
(c) Deferred Tax Liabilities	-
Sub total	101.97
Current Liabilities	
(a) Short Term Borrowings	149.59
(b) Trade Payables	2.33
(c) Other Current Liabilities	9.30
(d) Short Term Provisions	8.44
Sub total	169.66
TOTAL LIABILITIES (B)	271.63
NAV (A) - (B)	407.00
Number of shares (in Lakh)	19.30
NAV Per Share	21.09

Regulation 166A of SEBI (ICDR) Regulations

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:

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.



SECTION – 7: VALUATION SUMMARY & CONCLUSION

We have carried out the valuation exercise after taking into consideration all the factors and methods mentioned hereinabove. The calculations have been performed as per the methods discussed above and the results have been summarised as below:

Sr. No	Valuation Approach	Valuation Method	Value per Share (Rs.)
1	Asset Approach	Book Value Method	21.09
2	Market Approach	Comparable Companies Multiple Method	48.38
		Market Price Method	69.29
As per Regulation 166A of SEBI (ICDR) the floor price of per equity share is			69.29

CONCLUSION

Based on above, we recommend to have fair value of equity share of Quality RO Industries Limited at Rs. 69.29 per share.

With best regards,

For **Snehal Shah & Associates**
Chartered Accountant & Registered Valuer

CA. Snehal Shah
Proprietor

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