

Valuation Analysis

Issuance of Equity Shares

Kesar India Limited



04th August 2025

Strictly Private & Confidential

To,
The Board of Directors
Kesar India Limited
2nd Floor, Saraf Chambers, Mount Road,
Sadar Bazar (Nagpur), Maharashtra, India, 440001

Ref. No.: CPV/RV/2025-26/048

Subject: Valuation Analysis of Equity Shares of Kesar India Limited ("Company") as per SEBI (ICDR) Regulations for the issuance of Equity Shares

Dear Sir/Madam,

We, **Corporate Professionals Valuation Services Private Limited**, an Insolvency and Bankruptcy Board of India ("IBBI") Registered Valuer ("herein-after-referred as **"Valuer"**) have been appointed as valuers by **Kesar India Limited** ("Company"/ "Client") to assist in determination of the fair value of equity shares of the Company for allotment of equity shares on preferential basis to certain proposed allottees.

The underlying transaction is the preferential issue of equity shares of the Company to certain proposed investors. The Company is listed on the Bombay Stock Exchange Small and Medium Enterprises platform (BSE -SME) and not frequently traded on BSE-SME.

In terms of Regulation 166A read with Regulation 165 of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018, a preferential issue, in which allotment of more than 5% of the post-issue fully diluted share capital of an issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and should be considered for determining the issue price. Accordingly, the Company has approached us to compute a valuation.

Based on our valuation analysis of the equity shares of **Kesar India Limited** and subject to the notes and comments provided herein, we hereby certify that the fair value per equity share of the Company is **INR 349.61/-**

This certificate is being issued for compliance with the aforesaid regulatory purpose only. We further undertake that we are an independent valuer having no present or future interest in any transaction of the Company.

Thanking you

Date: 04th August 2025
Place: New Delhi

For Corporate Professionals Valuation Services Private Limited
(Registration No. IBBI/RV-E/02/2019/106)



Chirag Kothari
(Director)

Enclosures:

Annexure I: Scope of Work

Annexure II: Valuation Approaches and Workings

Annexure III: Audited Financial Statements for the period ended 31st March 2025.

Annexure IV: Caveats



ANNEXURE I: SCOPE OF WORK

A. Purpose Of Valuation and Appointing Authority

Based on the discussions held with the Management we understand that the Company is proposing preferential allotment of Equity Shares to certain investor(s). In terms of Regulation 166A read with Regulation 165 of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 ('SEBI (ICDR) Regulations'), a preferential issue, which may result in a change in control or allotment of more than 5% of the post issue fully diluted share capital of an issuer, to the allottee acting in concert, shall, besides the market price, require valuation from an independent registered valuer and should be considered for determining the issue price. Thus, we, being a Registered Valuer, have been engaged as per the engagement letter dated 05th June 2025, we are issuing this certificate for compliance with Chapter V of SEBI (ICDR) Regulations.

B. Identity Of Client and Other Intended Users

Kesar India Limited

2nd Floor, Saraf Chambers, Mount Road, Sadar, Sadar Bazar (Nagpur), Maharashtra, India, 440001

C. Identity Of Valuer and Other Experts

Corporate Professionals Valuation Services Private Limited

Registered Valuer (IBBI)

Registration No. IBBI/RV-E/02/2019/106

D. Background Information of The Asset Being Valued

Kesar India Limited, incorporated on 5 November 2003 (CIN: L51220MH2003PLC142989), is a BSE-listed SME company (BSE code: 543542, ISIN: INEOL1C01019) with its registered office at 2nd Floor, Saraf Chambers, Mount Road, Sadar, Nagpur, Maharashtra – 440001. The company is primarily engaged in real estate development, investing in land and constructing residential and commercial properties. Over the years, it has diversified into multiple ventures and continues expanding its footprint via strategic acquisitions and joint projects.

- **Date of Appointment** – 05th June 2025 as per Engagement Letter
- **Valuation Date** – Based on 31st March 2025 Financials
- **Date of Report** – 04th August 2025
- **Base of value** – Fair Value
- **Valuation Currency** – INR

E. Procedures Adopted and Valuation Standards Followed

We have performed this valuation in accordance with the internationally accepted valuation standards and customary valuation practices in India for such purposes.

F. Nature And Sources of Information Used or Relied Upon

We have reviewed the following documents including but not limited to:

- Discussions with the KMPs.
- Audited Balance Sheet and Profit and Loss Statement for the period ending March 31st, 2025.
- Projections of the company beginning from 01st April 2025 to 31st March 2030.
- Capital line Database and other information in the public domain.



- Management Representation

G. Extent Of Investigation Undertaken

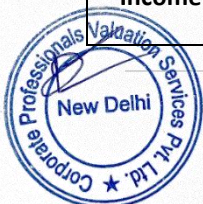
We have taken due care in performing valuation procedures and have also applied appropriate discount rates considering the riskiness of the business plan. However, we would like to expressly state that though we have reviewed the financial data for the limited purpose of valuation assessment, but we have not performed an Audit and have relied upon the historical as well as future financials (P&L Account and Balance Sheet) as prepared and submitted to us by the management of the company. It may so happen that the projections do not materialize but the management has represented to us that it has taken due care in the preparation of such forecasts of financial statements and the same may be considered as a true and fair view of the expected business plan of the company.



ANNEXURE II: VALUATION APPROACHES AND WORKINGS

There are three approaches to Valuation namely Income, Asset and Market Approaches.

Approach	Valuation Methodologies	Basis of Consideration
Asset	Net Asset Value (NAV) Method	The Asset-based method views the business as a set of assets and liabilities that are used as building blocks of 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 the historical cost of net assets only without recognizing its present earnings, the 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. While the Asset-Based (NAV) method provides a proxy or floor value of the company, it has not been considered in this valuation due to the unavailability of the fair value of certain key assets, particularly land. In the absence of reliable and updated asset valuations, especially for immovable properties, the NAV method may significantly understate or misrepresent the true economic value of the business. Further, the company's earnings potential and market-based parameters are better captured through income and market approaches.
Market	Company Comparable Multiple (CCM) Method	This methodology uses the valuation ratio of a publicly traded company and applies that ratio to the company being valued. The valuation ratio typically expresses the valuation as a function of a measure of financial performance or Book Value (e.g. Revenue, EBITDA, EBIT, Earnings per Share or Book Value). A key benefit of Comparable Company Market Multiple analysis is that the methodology is based on the current market stock price. The current stock price is generally viewed as one of the best valuation metrics because it is based on observable inputs. the Comparable Companies Multiple (CCM) method has been applied to determine the fair equity value of Kesar India Limited by benchmarking it against publicly listed companies operating in the real estate sector. Relevant valuation multiples were derived from identified comparable peers and applied to Kesar India Limited's financial parameters to arrive at an indicative equity valuation. This market-based approach provides a realistic perspective by capturing prevailing industry dynamics and investor sentiment, thereby complementing the overall valuation analysis.
	90 Trading-10 Trading Days	The equity shares of the Company are listed on the Bombay Stock Exchange (BSE - SME) and are infrequently traded, as defined under Regulation 166A read with Regulation 165 of SEBI ICDR Regulations, 2018. In such cases, the regulatory pricing guidelines based on 90-day and 10-day Volume Weighted Average Prices (VWAP) are not applicable for determining the price for a preferential issue. As the trading activity does not reflect sufficient market depth or liquidity, relying on quoted prices may not provide a reliable indication of fair value. Therefore, to capture the market sentiment and industry positioning more accurately, we have adopted the Comparable Company Analysis under the Market Approach, which benchmarks the subject company's performance against similar publicly traded peers.
Income	Discounted Free Cash Flow (DFCF) Method.	The DFCF method expresses the present value of the business as a function of its future cash earnings capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present



		time at an appropriate discount rate. The value of the firm is arrived at by estimating the Free Cash Flows (FCF) to the Firm and discounting the same with the Weighted Average cost of capital (WACC). The DFCF methodology is the most appropriate basis for determining the earning capability of a business. In the DFCF approach, the appraiser estimates the cash flows of any business after all operating expenses, taxes, and necessary investments in working capital and Capex are being met. We have considered this methodology for the calculation of the fair equity value of the Company based on its consolidated cash flows. After considering its business plan. We have calculated the Enterprise value and then derived the Equity value by adjusting its debt, cash and cash equivalents, and surplus assets on the date of valuation.
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Computation of Equity value

Market Approach

Comparable Company Method (CCM)

Particulars	Amount (INR Million)
EBITDA for the period ended 31.03.2025	274.10
Industry Multiple (Peers)	19.32
Enterprise Value as on 31.03.2025	5,295.69
Add: Cash & Bank Balances as on 31.03.2025	339.23
Add: Deferred Tax Assets as on 31.03.2025	2.65
Less: Borrowings as on 31.03.2025	268.71
Adjusted Equity Value as on 31.03.2025	5,368.86
Number of Shares	24,712,800
Per Share Equity Value	217.25



Income Approach

Discounted Free Cash Flow to Firm (DFCF):

Discounted Free Cash Flow Analysis - Kesar India Limited						
WACC :	18.12%	Amount In INR Million				
GROWTH RATE :	5.00%					
FY	2026	2027	2028	2029	2030	Terminal
Particulars						
Revenue from Operations	1,724.65	2,759.44	4,415.10	7,064.16	11,302.66	
Other Income	5.20	15.60	32.18	76.05	141.05	
PBT (Excluding Other Income)	527.31	852.13	1,387.48	2,218.56	3,582.65	
Less : Direct Taxes Paid	132.71	214.46	349.20	558.37	901.68	
PAT (Excluding Other Income)	394.59	637.67	1,038.28	1,660.19	2,680.97	
Add : Depreciation	8.92	16.22	9.82	23.17	13.07	
Less :Capital Expenditure	-	28.00	-	42.50	-	
Add: Interest (Post-tax)	9.55	7.50	6.06	5.17	1.58	
Less: Change in Non Cash Working Capital	253.29	355.33	369.61	598.51	971.41	
Free Cash Flows to Firm	159.77	278.06	684.55	1,047.52	1,724.21	20,355.44
Discounting Factor	0.92	0.78	0.66	0.56	0.47	0.47
Present value of Cash flow	147.01	216.61	451.48	584.91	815.10	9,622.76
Enterprise Value	11,837.87					
Add: Cash & Bank Balances as on 31.03.2025	339.23					
Add: Deferred Tax Assets as on 31.03.2025	2.65					
Less: Borrowings as on 31.03.2025	268.71					
Equity Value	11,911.04					
No of Shares	24,712,800					
Per Share Equity Value	481.98					

Note:

For the valuation of equity shares through DCF methodology, we have relied upon the projections provided by the management for the period beginning 01st April 2025, and ending March 31, 2030, duly supplemented by its Terminal Value based on the Gordon Model and extrapolating the adjusted free cash flows for last year at an annual growth rate of 5% to perpetuity.



DCF Assumptions:

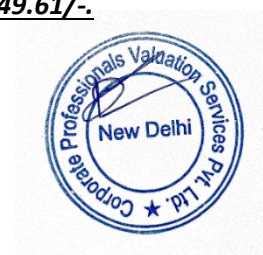
Particulars	Notes	
Risk free rate (Rf) as on 28.03.2025	6.58%	Considering of long-term Indian government bond rate
Market Rate of Return	15.02%	BSE Sensex returns on a long-term basis
Industry Beta... (β)	0.89	We have taken the Leveraged beta for 5 Years of the target company, Beta value (β) as 0.89 as the company is listed on BSE.
Additional Company Specific (Including Small Company) Risk Premium (Unsystematic Risk) (CSRP)	10.00%	We have given a 10.00 % additional risk premium looking into company profile, financial structure, and ROI an investor will investigate while investing in this type of company. This is also dependent upon the level of aggressiveness of the future cash flows, the present scenario of the country and the company environment in which it is operating.
Cost of Equity (K_e)	24.13%	As per Modified CAPM model i.e. $[K_e = R_f + \beta(R_m - R_f) + CSRP]$
Cost of Debt	9.50%	As represented by the management of the Company
Equity portion in capital structure	64.66%	As per financials provided by the company as on 31 st March 2025.
WACC	18.12%	$WACC = (K_e * \% \text{ Equity in Capital Structure}) + (\text{Cost of Debt} * \% \text{ Debt in Capital Structure} * (1 - \text{Tax Rate}))$
Growth Rate	5%	As the perpetuity growth rate assumes that the Company will continue its historic business and generate Free Cash Flows at a steady state forever. Since terminal value constitutes a major proportion of the entire value of the business, we while deciding the terminal growth rate have given emphasis to economic factors & financial factors like Inflation of the Country, GDP growth of the Country, Projected Financials, Historical Financial Position, Organic & Inorganic growth strategies of the Company etc. Accordingly, for perpetuity, we have considered 5% growth rate.



Computation of Fair Value of Kesar India Limited :

Fair Value of Kesar India Limited				
All Amount INR Million				
Approach Applied	Methodology Applied	Weight	Equity Value	Weighted Average Equity Value
Income	Discounted Cash Flow Method	50%	11,911.04	5,955.52
Market	Comparable Companies Multiples	50%	5,368.86	2,684.43
Weighted Average Equity Value as on 31.03.2025				8,639.95
Number of Equity Shares				24,712,800
Value per Equity share (INR) as on 31.03.2025				349.61

Based on our analysis of the Company and subject to our comments and caveats as further detailed in this report, we have arrived at the value per equity share of the Company as INR 349.61/-.



Annexure III:

Audited Balance Sheet as on 31st March 2025:

Particulars	Amount in INR Million
Equity share capital	247.13
Other equity	244.46
Total equity	491.59
Non-current liabilities	20.50
Current liabilities	602.47
Total equity and liabilities	1,114.56
Non-current assets	35.19
Current assets	1,079.38
Total assets	1,114.56

Audited Profit and Loss Statement for the 12 Months period ended 31st March 2025:

Particulars	Amount in INR Million
Revenue from operations	1,077.91
Other income	20.60
Total Income	1,098.50
Total Expenses	841.12
Profit Before Tax (PBT)	257.38



Annexure IV: Caveats

- This Valuation Report has been issued on the specific request of “**Kesar India Limited**” for determining the value of the Equity Share of the Company in accordance with the SEBI (ICDR) Regulations. This Report is prepared exclusively for the above-stated purpose and must not be copied, disclosed, circulated, or referred to in correspondence or discussion with any other party. Neither this report nor its content may be used for any other purpose without our prior written consent.
- No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- In Accordance with the customary approach adopted in the Valuation exercise, we have summarized the Valuation Analysis of equity shares of the Company based on the information as was provided to us by the management of the Company both written, verbal, and other publicly available information. We do not assume any responsibility for the accuracy or reliability of such documents on which we have relied in forming our opinion.
- This Report does not investigate the business/commercial reasons behind the transaction nor the likely benefits arising out of the same. In addition, we express no opinion or recommendation, and the shareholders are expected to exercise their own discretion.
- We have no present or planned future interest in the Company and the fee for this Valuation analysis is not contingent upon the values reported herein. The Valuation Analysis contained herein is not intended to represent the value at any time other than the date that is specifically stated in this Report.
- The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- In no circumstances shall the liability of a valuer, its partners, directors, or employees, relating to the services provided in connection with the engagement set out in this Valuation report shall exceed the amount paid to such valuer in respect of the fees charged by it for these services.
- Our valuation report should not be construed as investment advice; specifically, we do not express any opinion on the suitability of or otherwise of entering into the proposed transactions.

