

Annexure 'A'

# Jainam Pragneshbhai Shah (IBBI/RV/06/2019/11722)

(Registered Valuer under Securities or Financial Assets)

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**Date: 13<sup>th</sup> August, 2021**

To  
The Board of Directors  
**Omkar Overseas Limited**  
212, New Cloth Market,  
O/s. Raipur Gate,  
Ahmedabad - 380002  
Gujarat.

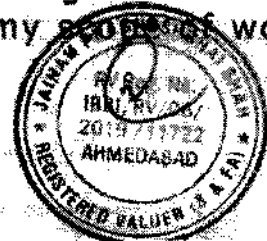
To  
The Board of Directors  
**Saanvi Advisors Limited**  
304, Shoppers, Plaza V,  
Govt. Servants Hsg. Society Ltd  
Opp Municipal Market,  
CG Road, Navrangpura,  
Ahmedabad - 380009, Gujarat - India

Dear Sir,

**Sub: Report on Valuation of the Equity Share and Share Exchange Ratio to Shareholders of company Saanvi Advisors Limited (hereafter read as SAL) in merger with Omkar Overseas Limited (hereafter read as OOL)**

I, Jainam Pragneshbhai Shah, a Registered Valuer under Securities or Financial Assets Class having Registration No. IBBI/RV/06/2019/11722 (hereinafter referred to as "JPS") refer to my engagement letter dated 10<sup>th</sup> August, 2021 for carrying out the valuation of equity shares of company "SAL" and "OOL" as per Valuation Standard issued by the Institute of Chartered Accountant of India and the rules and regulations prescribed under the companies act, 2013. I have been informed that, the company "SAL" and "OOL" is proposing the scheme of arrangement of merger / amalgamation under section 230 to 232 of the Companies Act, 2013. The exchange ratio of equity shares or any other equivalent securities with option to be convertible into equity shares to be issued in between the transferor company and the transferee company is to be determine at the fair valuation of equity shares to be determined by the registered valuer.

In accordance with the terms of the engagement, I am enclosing my valuation report dated 13th August, 2021 along with this letter. I have summarized our valuation analysis of the company together with the description of methodologies used and limitation on my scope of work in the report.



This valuation analysis is confidential and has been prepared exclusively for the purpose and the management of the company. It should not be used, reproduced, or circulated to any other person, in whole or in part, without the prior consent of Jainam Pragneshbhai Shah, Registered Valuer. Such consent will only be given after full consideration of the circumstance at the time. I am aware that the conclusion in this report may be used for the purpose of certain statutory disclosure by Company and provide consent for the same.

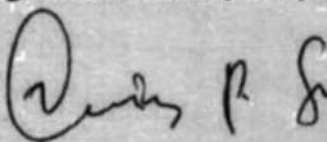
Trust the above meets your requirements.

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

Yours Faithfully,

**CA Jainam P. Shah**

**Reg. No: IBBI/RV/06/2019/11722**



**Registered Valuer**  
**(Securities or Financial Assets Class)**

**UDIN: 21151126AAAACB4367**

**Date: 13<sup>th</sup> August, 2021.**

**Place: Ahmedabad**



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## EXECUTIVE SUMMARY

### Report Summarized

Jainam Pragneshbhai Shah, a Registered Valuer under Securities or Financial Assets Class having Registration No. IBBI/RV/06/2019/11722 has issued the valuation report. The valuation is subject to the statement of limiting conditions contained in the report.

### Business Activity

The company SAL is engaged in providing consultancy business and OOL is engaged in trading and distribution of textiles and other allied products.

### Purpose of Valuation

Valuation of shares to determine the swap ratio in between the merger companies under the proposed merger scheme under the provisions of section 230 to 232 and other applicable provisions, if any, of the Act.

### Method of Valuation

Net Asset Value (NAV) method for valuation under Cost Approach.

### Standard of Value

This appraisal report relies upon the use of Fair value as the standard of value.

### Premise of Value

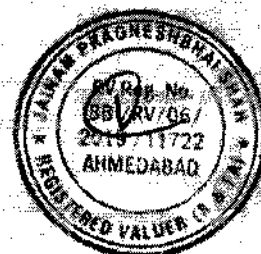
Pooling of Interest as all the entities are closely held entities promoted by same group.

### Value Conclusion

The Fair value per equity share of the companies under merging are as under read with disclosures:

1	SAANVI ADVISORS LTD.	Rs.13.50
2	OMKAR OVERSEAS LTD.	Rs.8.50*

\* After capital reduction



## BRIEF BACK GROUND OF COMPANIES IN CONCERN

### 1.0 SAANVI ADVISORS LIMITED (SAL):

**Saanvi Advisors Limited** is a public limited Company listed on Metropolitan Stock Exchange, incorporated under the Companies Act, 1956 and now governed under the Companies Act, 2013 (CIN: L74140GJ1981PLC084205) and having its Registered Office at 304, Shoppers Plaza V, Opp. Municipal Market, C G Road, Ahmedabad – 380009, Gujarat.

#### Capital structure:

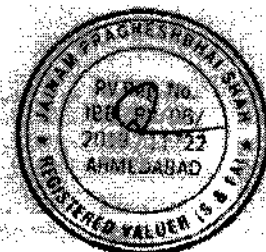
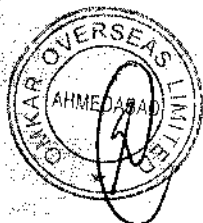
The authorised capital of the company as on 30.06.2021 remained at Rupees 3,25,00,000/-, divided into 32,50,000 Equity shares of Rs. 10/- each.

The Issued, subscribed and fully paid-up capital as on that date remained at Rs. 2,01,05,000/-, divided into 20,10,500 equity share of 10/- each fully paid up.

SAL has not issued any fresh share capital after June 30, 2021 and there is no change in capital structure since then to the date of report.

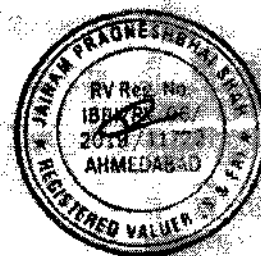
#### Company Profile:

- SAL is engaged in providing management consultancy services to various persons in commercial, industrial management and other policy matters.
- SAL has been listed on Metropolitan stock exchange. However, the same has not frequently traded on the exchange and has almost nil liquidity.
- SAL has made investment in various quoted and unquoted securities as on the balance sheet date.



- As per the draft scheme, SAL is proposed to be merged with OOL. Accordingly, SAL will cease to exist and all the operations, assets and liabilities will be transferred to OOL.
- Total Asset and liabilities of the company Saanvi Advisors Limited as on 30.06.2021 are as under:

Particulars	As on
	30.06.2021 in Rs.
<b>Shareholders Fund</b>	
- Share Capital	2,01,05,000
- Reserves and Surplus	71,82,807
<b>Non-Current Liabilities</b>	
- Deferred Tax Liability	6,65,273
<b>Current Liabilities</b>	
- Other Current Liabilities	1,94,683
- Short Term Provisions	1,36,071
<b>Total Liabilities</b>	<b>2,82,83,833</b>
<b>Non-Current Asset</b>	
- Tangible Assets	7,886
- Investments	1,35,42,236
<b>Current Assets</b>	
- Current Investments	-
- Short Term Loans & Advances	1,28,41,750
- Trade Receivables	2,21,182
- Cash and cash Equivalents	13,22,002
- Other Current Assets	3,48,778
<b>Total Assets</b>	<b>2,82,83,833</b>



## 2.0 OMKAR OVERSEAS LIMITED (OOL)

**Omkar Overseas Limited** is a public limited Company listed on Bombay Stock Exchange incorporated under the Companies Act, 1956 and now governed under the Companies Act, 2013 (CIN: L51909GJ1994PLC023680) and having its Registered Office at 212, New Cloth Market, Opp. Raipur Gate, Ahmedabad - 380002.

### Capital structure:

The Authorised Share Capital of the Company as on 30.06.2021 remained at Rs. 6,00,00,000/- divided into 60,00,000 equity shares of Rs. 10/- each.

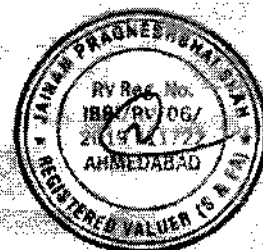
The Issued and Subscribed capital of the company is 50,00,000 Shares @ Rs. 10 each aggregating to Rs. 5,00,00,000/-

The paid up capital of the company as on that date is 48,98,100 equity shares of Rs10/- each fully paid amounting to Rs. 4,89,81,000/- and 1,01,900 Shares were paid up @ Rs.2.50 each amounting 2,54,750/- (unpaid calls of equity share of 101900 @ 7.50 amounting 7,64,250) thus aggregate paid up capital is Rs. 4,92,35,750/-

OOL has not issued any fresh share capital after June 30, 2021 and there is no change in capital structure since then to the date of report.

### Company Profile:

- OOL is engaged in trading and distribution of textile and other allied products. However, the Company, at present, is not carrying out any major business activity.
- OOL has been listed on Bombay Stock Exchange. However, the same has not frequently traded on the exchange and has almost nil liquidity.
- As per the draft scheme, the company proposes to consider re-organization and reduction of share capital under section 66 of the Companies Act, 2013. The total share capital of OOL after said reduction in capital giving the effect of above-mentioned adjustments would remain at 9,79,620 shares of Rs.10/- each.
- As per draft Scheme, Saanvi Advisors Limited is proposed to be merged with Omkar Overseas Limited.





- Total Asset and liabilities of OOL as per balance sheet as on 30.06.2021 are as under:

Particulars	As on 30.06.2021
	in Rs.
<b>Shareholders Fund</b>	
- Share Capital	4,92,35,750
- Reserves and Surplus	-11,88,781
<b>Current Liabilities</b>	
- Trade Payables	9,08,264
- Other Current Liabilities	52,943
<b>Total Liabilities</b>	<b>4,90,08,176</b>
<b>Non-Current Asset</b>	
- Fixed Assets	20,25,050.00
<b>Current Assets</b>	
- Trade Receivables	87,68,961
- Cash and cash Equivalents	1,38,090
- Other Current Assets	3,80,76,074
<b>Total Assets</b>	<b>4,90,08,176</b>

In this perspective, I, CA Jainam P. Shah, Registered Valuer has been appointed by the Company to determine the fair value of its equity shares in accordance with the Valuation Standards issued by the Institute of Chartered Accountants of India and the rules and regulations prescribed under the Companies act, 2013. It has been asked by the engagement letter issued by the company dated 10<sup>th</sup> August, 2021 to ascertain the fair value of equity shares of the company "SAL" and "OOL" as on 30.06.2021 to determine the share exchange ratio in relation to merger of SAL with OOL under section 230-232 of the Companies Act, 2013 as per the applicable pricing methodology.

**I, CA Jainam P. Shah declare that I, am an independent IBBI registered valuer having registration no. IBBI/RV/06/2019/11722**





## **TERMS OF REFERENCE AND PURPOSE OF VALUATION**

Based on the discussions held with the Management of the Company and term of reference of letter of engagement, the parties to scheme have approached and requested the undersigned, CA Jainam P. Shah, Registered Valuer (hereinafter referred to as Valuer) for determining share swap ratio. It has been informed to me that to achieve core objective of synergic gain, for efficient utilization of capital, human resource and infrastructure to create a stronger base for future prospects and others, both the companies propose for amalgamation and merger of M/s. Saanvi Advisors Limited with M/s. Omkar Overseas Limited.

To arrive at the aforesaid objective, I have been assigned to prepare this report for determining share swap ratio in light of assets held by the Company, its profitability, its competitive strength and weaknesses, historical performances and others. To meet these objectives, necessary discussions and meetings were held with the promoters of the Companies concerned to obtain the relevant information/data.

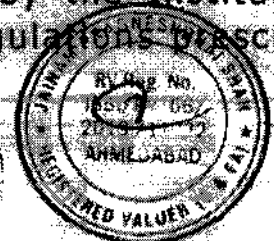
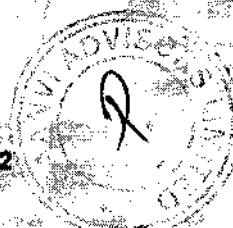
The Company intends to ascertain the fair value of equity shares of the company "SAL" and "OOL" as on 30.06.2021 at which the Equity Shares or any other equivalent securities with option to be convertible into equity shares are to be exchanged and the swap ratio among the shareholders to be determined in relation to merger of SAL with OOL under section 230-232 of the Companies Act, 2013.

It is intended only for the sole use and information of the companies and only in connection with the proposed scheme of merger of the companies.

In this respect, I have been appointed by the Company to determine the fair value of its equity shares in accordance with the Valuation Standards issued by the Institute of Chartered Accountants of India and the rules and regulations prescribed under the companies act, 2013.

## **SCOPE OF SERVICE**

This valuation report has been prepared by CA Jainam P. Shah, Registered Valuer, to determine the fair value of equity shares of Company to ascertain the Equity Shares or any other equivalent securities with option to be convertible into equity shares are to be exchanged and the swap ratio among the shareholder of SAL with OOL. The report has been prepared based on the Valuation standards issued by the Institute of Chartered Accountants of India and the rules and regulations prescribed under the companies act, 2013.



## **SCOPE LIMITATION**

This valuation report is prepared on the basis of accounting records, statutory information, documents, papers and explanations given by the officers and management of the Company/ies, as detailed under the "Sources of Information" of the report and discussions held with the management and other sourced publicly available information.

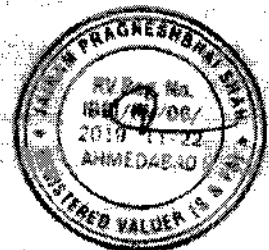
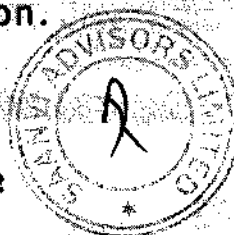
The valuation exercise was carried out under the following limitations:

- The Valuation analysis of equity shares is based upon the company Net asset value as on 30.06.2021, which is based upon balance Sheet of the companies and the assumptions, which may have an impact on the conclusion of this report.
- I have not conducted an audit or due diligence or reviewed/validated the financial data provided by the management.
- The scope of my work has been limited both in terms of the areas of the business and operations which have been reviewed and the extent to which have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncovered.
- The valuation is purely indicative and it is the prerogative of the Company to rely on the fair exchange/entitlement ratio of the Equity Shares and to decide upon the same. The exchange ratio may be higher or lower than our indicative analysis of value depending upon the circumstances and the industry practice. The final value is something that the management will have to decide upon.

## **SOURCE OF INFORMATION**

For the purpose of this report, I, have pursued and relied upon following documents and information made available to us by the management for all the Companies in concern:

- Audited financial statement of Saanvi Advisors Limited and Omkar Overseas Limited for FY 2018-19, 2019-20 and 2020-21.
- Unaudited Financial statement of Saanvi Advisors Limited and Omkar Overseas Limited as on 30<sup>th</sup> June, 2021.
- Memorandum and Article of Association.



- Brief history of the Company and broad particulars of the promoters and the management.
- Brief about the product profile and line of activity.
- Details of various tangible as well as intangible assets held by the Companies of Companies in concern.
- Key strengths and future business prospects of the Companies.
- Objective of the proposed scheme of arrangement.
- Draft scheme of arrangement.
- Certified list of shareholders from Director of SAL and OOL as on appointment date of scheme of amalgamation.

For our analysis, I have also relied on published and secondary sources of data, some of which may not necessary be accurate or current.

## **VALUATION DATE**

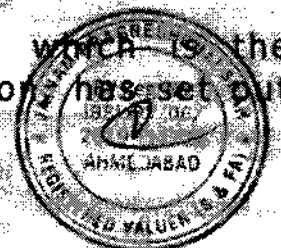
The Valuation for the exchange ratio has been carried on the limited reviewed financials as on 30<sup>th</sup> June, 2021.

## **VALUATION METHODOLOGY**

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. Given the same set off acts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions. There can therefore be no standard formulae to establish an indisputable value, although certain formulae are helpful in assessing reasonableness.

The standard of value applicable to this appraisal shall be that of fair market value. Fair market value is defined in the International Valuation Standards. The fair value refers to the amount at which the equity shares would be issued by the company to the selected investors/promoters subscribers have reasonable knowledge of the relevant facts.

The International Accounting Standard Board (IASB), which is the independent standard setting body of the IFRS foundation, has set out





two internationally accepted valuation methodologies for arriving at the fair value of a share namely, the income approach and the market approach. Guidance is also available from the Valuation Standards issued by the Institute of Chartered Accountants of India (ICAI) and technical guide published by the Institute of Chartered Accountants of India on valuation standards. It prescribes the approaches for generally accepted valuation methodologies such as the Income approach and the market approach similar to the internationally accepted valuation methodologies. However, ICAI also allows for a third method which is the asset approach for arriving at the fair value of a share.

For the purpose of determining fair value, a valuer may therefore, 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 valuation. Reliance is placed on the case of Dr. Mrs. Renuka Datlavs. Solvay Pharmaceutical B.V. & Ors on 30 October, 2003, in which it was held that, a valuer has to give a justification for selecting or rejecting a method.

The internationally / generally accepted valuation methodologies have been discussed hereinafter, along with the reasons for choice of approach used based on the facts of the companies under merger.

### **COST APPROACH**

A cost approach is a type of business valuation that focuses on the net asset value of a company. The net asset value is identified by subtracting total liabilities from total assets.

Under this approach, the book value / replaceable value / realizable value of the underlying assets of the company is determined to arrive at the value of the business, depending on the facts and circumstances applicable to a company. The cost approach valuation is often adjusted to calculate the net asset value of a company based on the market value of its Assets and liabilities.

Usually under the cost approach, the methods that maybe applied are Net Book Value Method, Net Replaceable Value, Net Realizable Value.

**Reason for the methodology adopted under the Cost Approach for subject companies:**



Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- Whether the entity is listed on a stock exchange
- Industry to which the Company belongs
- Past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated
- Extent to which industry and comparable company information are available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer.

A cost approach is a type of business valuation that focuses on a company's net asset value (NAV) of total assets minus its total liabilities to determine what it would cost to re-create the business. The cost approach establishes value based on the cost of reproducing or replacing the property less depreciation from physical deterioration and functional and economic obsolescence, if present and measurable. In its most basic form, this method of valuation indicates the asset backing of the business and is equivalent to the company's book value or shareholders' equity.

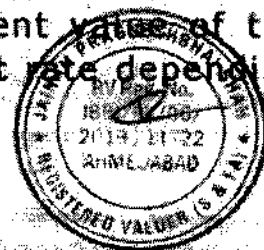
The adjusted net asset value is often used by firms that may have a going concern issue and are undergoing liquidation. They may also be used for investment holding firms, such as real estate or financial investments, where its assets are determined using the market or Income Approach.

Accordingly, the Net Asset Method has been considered appropriate to determine the fair value of the equity shares of the companies Concern.

## **INCOME APPROACH**

Usually under the Income Based Approach, the methods that maybe applied are Discounted Cash Flow (DCF) Method or the Price Earning Capacity Value (PECV) Method.

Under DCF approach, the future free cash flows of the business are discounted to the valuation date to arrive at the present value of the cashflows of the business or capitalized using a discount rate depending



on the capital structure of the company. This approach also considers the value of the business in perpetuity by the calculation of terminal value using the exit multiple method or the perpetuity growth method, whichever is appropriate.

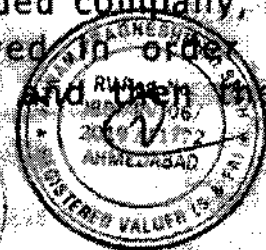
Under PECV method. The average earning on the basis of past 3-5 year are first determined; adjustments are then made for any exceptional transactions or items of non-recurring nature. The adjusted average earnings are then capitalized at an appropriate rate to arrive at the value of business. The capitalization rate factor has to be decided depending upon various factors such as the earning trend in the industries, P/E prevailing in the industries etc.

### **Reason for rejection of methodology adopted under the Income Based Approach:**

- Income approach method determines the value of a business based on its ability to generate desired economic benefit for the owners. The key objective of the income-based methods is to determine the business value as a function of the economic benefit.
- This valuation methodology is highly subjective in determining the exact growth potential, risk factors and discounting rate which are the key factors for valuation under this methodology and varies from person to person.
- In the present case of valuation, OOL is engaged in trading and distribution of textiles and other allied products, however presently there are no substantial business activity has been carried out in recent past. Further, SAL is engaged in providing consultancy business, however cash flows from the business cannot be ascertained due to its unpredictable nature. The premise of the valuation of the share is pooling of interest for which exchange ratio in between is to be determined. Hence, Discount cash flow method under Income Based Approach cannot be used for valuation purpose.

### **MARKET APPROACH**

Under this approach the valuation is done on the basis of the quoted market price of the company in case it is a publicly traded company, or publicly traded comparable businesses/date is reviewed in order to identify a peer group similar to the subject company and then their





multiples are applied to the entity being valued to determine the fair value.

Usually under the market-based approach, the methods that may be applied are Market Price Method, Comparable Multiple Method (CMM), Comparable Transaction Method (CTM) or Price of Recent Investment Method (PORI). Under CMM method various multiple like EV/Sales, EV/EBITDA, P/BV, P/E, Price/Sales can be used to value a business depending upon the facts and circumstances of the cases.

### **Reason for rejection of methodology adopted under the Market Approach:**

- In the present case, shares of SAL is listed on Metropolitan stock exchange and shares of OOL is listed on Bombay Stock Exchange. However, the shares of both the companies are not frequently traded on their respective stock exchanges. Accordingly, the Market Approach was not considered appropriate for the determination of the fair value of equity shares of the subject companies.

### **CONCLUSION**

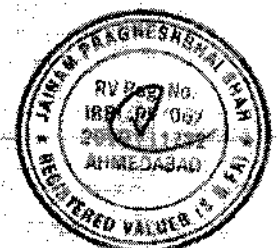
It is important to stress that the process of valuation cannot possibly be reduced to a uniform and inflexible exercise. The valuation of a company is a subjective term, and it varies from case to case. Viscount Simon in Gold Coast Selection Trust Limited v/s Humphrey (1949) 17 ITR 19 observed that valuation is an art, not an exact science. Mathematical certainty cannot, therefore, be either demanded or is it possible.

The valuation of a company is considered based on the qualitative and quantitative factors and none of the factors can be neglected while valuing of a share. There are several methods available for arriving at fair value of shares of a company.

In the ultimate analysis, therefore, valuation will have to be tampered by the exercise of judicious discretion and judgment taking into account all relevant factors.

In case of Companies in concern, the following are the key points to be taken into consideration:

- Both the concerns are public listed entities, however, shares of both the companies are not frequently traded on their respective stock exchanges.



- OOL is engaged in trading and distribution of textiles and other allied products, however no substantial activities have been carried out in recent past.
- In lieu of any major business activity, the Company is finding it difficult to forecast future financial projections.
- There is no inherent brand value or intellectual property rights.
- The nature of proposed scheme of arrangement will be under 'Amalgamation in the nature of Merger.'

In view of the above and considering the fact that future financial projections could not be ascertained by the Company, Income approach method including Discounted Cash Flow method has not been used. Further, shares of both the companies are not frequently traded on their respective stock exchange. Accordingly, market value approach method would also not be much suited to the Companies in concern.

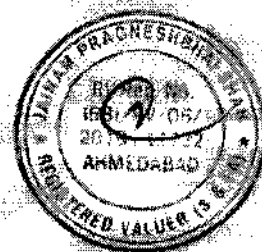
In conclusion, the fair value of business of the company's concern is determined using only one approach, namely Cost Approach by Net Asset Value Method which would provide a reasonable judgment of the fair value of the business of the subject Companies.

### **VALUATION ANALYSIS**

As per the mandate Issued it is to ascertain the fair value of equity shares of the concern companies to determine the swap ratio of equity shares of OOL to existing shareholders of the transferor company i.e., SAL pursuant to scheme of arrangement of merger of company with OOL.

To aid in my valuation analysis, I have relied on the information furnished by the management of the Company, including but not limited to background of the business of the Company and the group to which it belongs, Audited financial statements of the Company for the last 3 completed financial years, financial statement of the Company as on 30th June, 2021 and necessary explanations and information, which I believed were relevant to the present valuation exercise, from the executives and management of the company.

As per draft Scheme of Arrangement, Saanvi Advisors Limited (SAL) is proposed to be amalgamated / merged with Omkar Overseas Limited (OOL) under Section 230-232 of the Companies Act 2013 and other applicable provisions.



## CALCULATING ASSET-BASED VALUE

The Valuation of all the companies concern is proposed to be done as per Net asset method. The cost approach uses the value of assets to calculate a business entity's valuation. The net asset value is identified by subtracting total liabilities from total assets. The asset-based valuation is often adjusted to calculate the net asset value of a company based on the market value of its asset and liabilities.

The calculation of the net asset value of the concern companies and the fair value of equity shares of respective how arrived is given in following paras.

### VALUATION OF SHARES OF OMKAR OVERSEAS LTD

Omkar Overseas Limited is a listed entity and is engaged in trading and distribution of textile and other related activities. Looking to the size and nature of the company and its asset profile, the cost approach would provide a reasonable judgment of the fair value of the business of the company.

In line with the same, the value of equity according to the Net Asset Method is given as below:

Particulars	Book Value as on 30.06.2021	Market Value
<b>1. ASSETS</b>		
(a) Fixed Assets	20,25,050	-
(b) Trade Receivables	87,68,961	87,68,961
(c) Cash and cash equivalents	1,38,090	1,38,090
(d) Other Current Assets	3,80,76,074	4,51,074
<b>Total Assets (A)</b>	<b>4,90,08,176</b>	<b>93,58,125</b>
<b>2. LIABILITIES</b>		
(a) Trade Payables	9,08,264	9,08,264.0
(b) Other Current Liabilities	52,943	52,943.0
<b>Total Liabilities (B)</b>	<b>9,61,207</b>	<b>9,61,207</b>
<b>Net Asset Value of OOL (A-B)</b>	<b>4,80,46,969</b>	<b>83,96,918</b>





## Valuation of Equity Share of Omkar Overseas Ltd

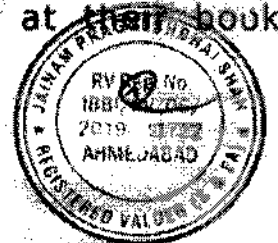
Particulars	Amount
Fair market value of unquoted equity shares	Net Asset of the Company/total Number of fully paid-up equity shares
	Rs. 8396918/4898100
	Rs.1.71 per share

### Notes:

- 101900 shares upon which calls at the rate of Rs. 7.5/- per share is outstanding, shall stand forfeited and the subscribed share capital shall stand reduced to Rs. 4,92,35,750/-. Additionally, an amount of Rs. 2,54,750/- (Rs. 2.5/- received on share application for 101900 shares) shall also stand forfeited further reducing the paid up capital to Rs. 4,89,81,000/- being the 4898100 number of equity shares of 10/- each fully paid up.
- OOL has not issued any fresh equity after June, 30, 2021.
- The Share Capital of Omkar Overseas Limited requires restructuring in view of the following impairment of its loans and advances and advance given for land. In order to present a realistic picture of its Financial Affairs post amalgamation, the scheme envisages the Restructuring as follows:

Particulars	Rs.
(i) To write off the balance of impairment of Loans and Advances	3,76,25,000
(ii) To write off the advance given for purchase of land	20,25,050
Total	3,96,50,050

- In view of the restructuring giving effect of impairment of assets as mentioned herein above, the share capital shall be reduced by Rs.3,96,50,050/- to Rs. 93,30,950/- resulting to reduction in per share value to the tune of Rs. 1.91 (9330950/4898100 number of shares) which upon rounding off to the nearest rupee would work out to Rs. 2/- per share resulting into paid up capital to the tune of Rs.97,96,200/- divided into 48,98,100 shares of Rs. 2/- each.
- All other assets and liabilities have been valued at their book values.



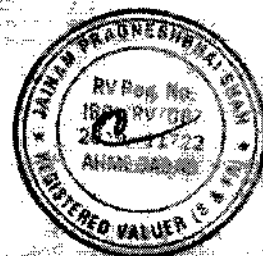
- Value of equity share of OOL has been arrived at Rs.2.00 per share as on June, 30, 2021.
- Further, the scheme envisages the consolidation of shares of Rs.2/- each, by issue of 1 share of Rs. 10/- each against 5 shares of Rs. 2/- each causing the paid up capital as 979620 shares of Rs. 10/- each.
- Accordingly, the share capital of the Company is proposed to be reduced to 9,79,620 (48,98,100 / 5) equity shares of Rs.10/- each.
- The valuation of the Company based on proposed shareholding would be as under:

Particulars	Amount
Fair market value of equity shares	Net Asset of the Company/total Number of fully paid-up equity shares
	Rs. 8396918/9,79,620
	Rs.8.57 per share
	Rounded off to Rs.8.50 per share

#### VALUATION OF SHARES OF SAANVI ADVISORS LTD.

Saanvi Advisors Ltd is a listed company and is engaged in providing consultancy services. The major worth of the company is in investment in various listed and unlisted securities, loans and advances to various concerns. Looking to the size and nature of the Company and its asset profile, the asset-based approach would provide a reasonable judgment of the fair value of the business of the Company.

In line with the same, the value of equity according to the Net Asset Valuation Approach is given as below:



Particulars	Book Value as on 31.03.2021	Market Value
<b>1. ASSETS</b>		
(a) Fixed Assets	7,887	7,887
(b) Non-Current Investment	-	-
- Quoted Securities	85,89,683	85,89,683
- Anamaya India Pvt.Ltd. (80,010 shares @ Rs.10.00 per share)	8,01,000	8,01,000
- Bansiwala Fabrics Private Limited (77,924 shares @ Rs.20.00 per share)	15,58,480	15,58,480
- Shanti Fabtex Private Limited (40,000 shares @ Rs.50.00 per share)	20,00,000	20,00,000
- Nirman Advisory Private Limited (4,500 shares @ Rs.52.64 per share)	2,36,880	2,36,880
- Mutual Funds	3,56,192	3,56,192
(c) Long Term Loans & Advances	-	-
(d) Trade Receivables	2,21,182	2,21,182
(e) Cash and cash equivalents	13,22,001	13,22,001
(f) Short Term Loans & Advances	1,28,41,750	1,28,41,750
(g) Other Current Assets	3,48,778	3,48,778
<b>Total Assets (A)</b>	<b>2,82,83,833</b>	<b>2,82,83,833</b>
<b>2. LIABILITIES</b>		
(a) Deferred Tax Liability	6,65,272	6,65,272
(b) Other Current Liability	1,94,683	1,94,683
(c) Short Term Provisions	1,36,071	1,36,071
<b>Total Liabilities (B)</b>	<b>9,96,026</b>	<b>9,96,026</b>
<b>Net Asset Value of SAL (A-B)</b>	<b>2,72,87,807</b>	<b>2,72,87,807</b>

### Valuation of Equity Share of Saanvi Advisors Ltd

Particulars	Amount
Fair market value of unquoted equity shares	Net Asset of the Company/total Number of fully paid-up equity shares
	Rs.27287807/2010500
	Rs.13.57 per share
	Say Rs.13.50 per share





**Note:**

- SAL holds investment in various listed and unlisted shares and securities. Listed shares and securities has been valued at its current market price as on 30.06.2021.
- SAL has made investment in concerns namely Bansiwala Fabrics Private Limited, Shanti Fabtex Private Limited, Nirman Advisory Private Limited and Anamaya Barwis Methods. All the companies are closely held company. Accordingly, the same has been valued at their book value.
- All other assets and liabilities have been valued at their book values as reflected in the books of SAL.
- Paid up share capital of Saanvi Advisors Limited is Rs.2,01,05,000/- as on June, 30, 2021 divided into 20,10,500 equity shares of Rs.10/- each.
- SAL has not issued any fresh equity after June, 30, 2021.
- Value of equity share of SAL has been arrived at Rs.13.57 per share say Rs.13.50 per share as on June, 30, 2021.

**CONCLUSION**

Based on my Analysis of the Company and subject to my statement of limiting conditions as further detailed in Annexure – A of this report, the fair value per Equity share of the concern company may be taken at under:

Sr. No.	Concern Companies	Fair Value of each Equity Share (In Rs.)
1.	SAANVI ADVISORS LTD	13.50
2.	OMKAR OVERSEAS LTD	8.50



## Exchange Ratio for Merger of Saanvi Advisors Limited with Omkar Overseas Limited.

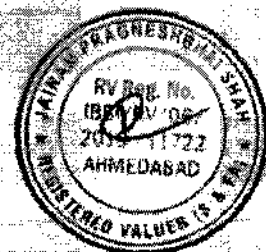
- As stated above, fair market value per share of Saanvi Advisors Limited is arrived at Rs.13.50/- per share and that of Omkar Overseas Limited is arrived at Rs.8.50/- per share post reduction in share capital.
- As per the proposed Scheme of Arrangement produced before me, Saanvi Advisors Limited is proposed to be merged with Omkar Overseas Limited.
- As a consideration, the management is desirous of issuance of equity shares by Omkar Overseas Limited to the shareholders of Saanvi Advisors Limited in exchange of shares held by existing shareholders in respective companies.

Accordingly, on merger of SAL with OOL, the share exchange ratio may be taken as under:

### Computation of Fair Share Exchange Ratio

Valuation Approach	Omkar Overseas Limited		Saanvi Advisors Limited	
	Value per Share	Weight	Value per Share	Weight
Asset Approach	8.50	100 %	13.50	100 %
Income Approach (Note 1)	Not Applicable		Not Applicable	
Market Approach (Note 1)	Not Applicable		Not Applicable	
Relative Value per Share	8.50		13.50	

Note 1: Reason for not using the Income approach and Market approach method is given in separate Paras on Valuation methodology of this report mentioned above.



**For merger of SAL with OOL**

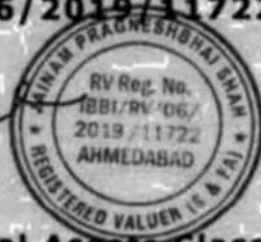
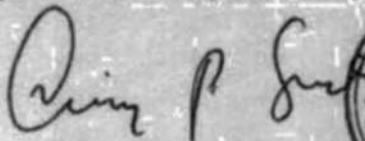
Accordingly Twenty Seven (27) Equity Shares of Rs.10/- each at par fully paid of Omkar Overseas Limited will be issued in exchange of Seventeen (17) equity shares of Rs.10/- each of Saanvi Advisors Limited.

In view of the average share holding in multiples of 100 shares each by share holders of Sanvi Advisors Ltd., the exchange ratio is simplified to 159 (one hundred fifty nine) shares of Equity Shares of Rs.10/- each at par fully paid of Omkar Overseas Limited be issued in exchange of 100 (hundred)equity shares of Rs.10/- each of Saanvi Advisors Limited.

Any Fraction of shares would be rounded up to nearest integer.

**CA Jainam P. Shah**

**Reg. No: IBBI/RV/06/2019/11722**



**Registered Valuer  
(Securities or Financial Assets Class)**

**UDIN: 21151126AAAACB4367**

**Date: 13<sup>th</sup> August, 2021.**

**Place: Ahmedabad**

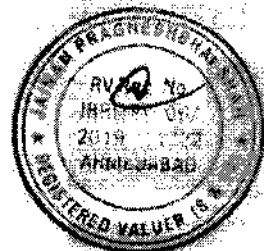




## **STATEMENT OF LIMITING CONDITIONS (ANNEXURE – A)**

### **This valuation is subject to the following limiting conditions:**

- ✓ This report has been prepared for the purpose of the Fair Value per Equity share of the subject Companies based on the international / generally accepted valuation methodologies to ascertain the swap ratio among the shareholders of concern companies proposed under the arranged scheme of merger as per the section 230-232 of the companies Act, 2013.
- ✓ This valuation analysis is confidential and has been prepared exclusively for the management of the company. It should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of JS, Registered Valuer. I am aware that the conclusion in this report may be used for the purpose of certain statutory disclosure by Company and provide consent for the same.
- ✓ The valuation is based on the company's Audited financial statements of the last 3 Financial Years of the companies' concern and balance sheet as on 30<sup>th</sup> June, 2021. The Terms of my engagement were such that I was mandated to rely upon the information provided to me by the client with no further action was done by me.
- ✓ My work does not constitute an audit or certification of the historical financial statements including the working results of the company referred to in this report. Accordingly, I am unable to and do not express an opinion on the accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and valuation date mentioned in the report and as agreed as per term of my engagement. It may not be valid if done on behalf of any other entity.
- ✓ A valuation of this nature involves consideration of various factors including those impacting industry trends. This report is issued on the understanding that company have drawn my attention to all material information, which they are aware of concerning the financial position of the respective company and any other matter, which may have impact on my opinion, on the fair value, including any significant changes that have taken place or are likely to take place in the financial position of the company, subsequent to last audited balance sheet. I have no responsibility to update this report for event and circumstances occurring after the date of this report.



- ✓ During the course of this assignment, I have relied upon assumptions made by the management of company. These assumptions require exercise of judgement and are subject to uncertainties. While I have reviewed the assumptions for reasonableness and discussed these assumptions with the management of the company, there can be no assurance that the assumptions are accurate. The assumptions may vary from actuals depending upon the occurrence or non-occurrence of significant events. The fact that I have considered the assumptions in this exercise of valuation should not be construed or taken as my being associated with or a party to such assumptions.
- ✓ The Opinion rendered in this report only represents my opinion upon information furnished by the Management and other sources and the said opinion shall be considered advisory in nature. My opinion will however not be for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors.
- ✓ Although every effort has been made by us to verify and corroborate each document and to ensure that no inaccurate or misleading data, information, statement or opinion appears in this document, I wish to make it clear that the information and data appearing herein are the responsibility of the contributors. Accordingly, I do not accept any responsibility whatsoever for the consequences of any such inaccurate or misleading information or data, opinion or statement.
- ✓ The scope of work did not include any due diligence procedures. I have not conducted a site review of the subject business premises, nor have I have reviewed any of the business financials. I do not imply that it should not be construed that I have verified any of the information provided to me, or that my inquiries could have verified any matter, which a more extensive examination might disclose.
- ✓ By this report JS is not purporting to advice the investor or investee companies on the prudence of the investment.
- ✓ Neither JS nor any of its employee undertakes responsibility in any way whatsoever to any person in respect of any errors in this report arising due to limited time and information available to me.
- ✓ JS have not undertaken responsibility to update this report for the events and circumstances occurring after the valuation date. This report is purely recommendatory in nature. Mr. CA Jainam P. Shah, liability if any, shall be limited to the professional fees paid to him for rendering these services.

