

STRICTLY PRIVATE & CONFIDENTIAL

Date: March 30, 2023

To,  
The Board of Directors,  
Aaswa Trading and Exports Limited  
6th Floor, VB Capitol Building, Range Hill Road,  
Opp. Hotel Symphony, Bhoslenagar, Shivajinagar,  
Pune, Maharashtra, 411007

**Sub: Fairness Opinion on the valuation carried out by Bhavesh M. Rathod, Chartered Accountants, Registered Valuer.**

**Ref: Further Issue of Securities by the Aaswa Trading and Exports Limited (hereinafter referred to as "the Company") on the preferential basis.**

Dear Sir(s),

We, Swaraj Shares and Securities Private Limited, refer to our engagement letter which has been accepted by you on March 20, 2023, whereby you have appointed us as an Independent Merchant Banker for furnishing Fairness Opinion on the basis of valuation carried out by Bhavesh M. Rathod, Chartered Accountants, Registered Valuer, vide its valuation report dated March 30, 2023, in terms of the Regulation 165 of the SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2018 for the purpose of issue of further equity shares of the Company on the preferential basis.

#### PURPOSE OF VALUATION UNDERTAKEN BY THE VALUER

We have been informed that the Board of Directors of the Company have considered and approved the preferential issue and allotment of Shares of the Company by way of swap of shares to Promoter controlled Companies i.e. Brantford Limited and EMF Clinic Private Limited.

In this regard, Bhavesh M. Rathod, Chartered Accountants, Registered Valuer, (hereinafter referred to as "Valuer") was appointed by the Company to carry out the valuation with a view to recommend a fair value of shares of the Company and the Promoter controlled Companies i.e. Brantford Limited and EMF Clinic Private Limited for the purpose of the Preferential Allotment of the shares.

The information contained herein and our report is confidential. It is intended only for the sole use of captioned purpose including for the purpose of obtaining requisite approval as per the requirement.

#### 1. SOURCES OF INFORMATION

For the purposes of fairness opinion, we have relied upon the following sources of information:

Certified Valuation report dated March 30, 2023, issued by Bhavesh M. Rathod, Registered Valuer.



**Swaraj Shares and Securities Private Limited**

+91 9874283532 /+91 8097367132



mbd@swarajshares.com



www.swarajshares.com

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- b) Historical data of trading price and volume traded of the shares of the Company on BSE Limited.
- c) Provisional Financials as on February 28, 2023 and December 31, 2022 of Brantford Limited and EMF Clinic Private Limited respectively.
- d) Such other information and explanations as we have required and which have been provided by the Company and Bhavesh M. Rathod, Chartered Accountants

## 2. BACKGROUND INFORMATION OF THE COMPANY AND THE PROMOTER CONTROLLED COMPANIES

- a) Aaswa Trading and Exports Limited was incorporated on November 07, 1984 under the Companies Act, 1956 as per the Certificate of Incorporation issued by the Registrar of Companies, Ahmedabad having CIN: L51100GJ1984PLC024704. The Company is engaged in the business of trading and allied activities in cotton textile products and intermediaries. The registered office of the Company is situated at 32, Milanpark Society, Nr. Jawahar Chowk, Maninagar, Ahmedabad Gujarat 380008. The shares of the Company are currently listed on BSE.

The Details of Capital Structure of Aaswa Trading and Exports Limited as on March 30, 2023 is as follows:

Authorized Capital	Amount (INR)
7,50,000 Equity Share of Rs. 10/- each	75,00,000/-
Issued, Subscribed and Paid-up Capital	Amount (INR)
7,20,000 Equity Shares of Rs. 10/- each	72,00,000/-

- b) Brantford Limited was incorporated on July 11, 2022 under the Companies Act, 2013 as per the Certificate of Incorporation issued by the Registrar of Companies, Pune having CIN: U70103PN2022PLC212974 Brantford Limited is engaged in technology enabled, future ready provider of cutting-edge solutions in the Commercial Real Estate space. The share of the Company are not listed on any Stock Exchange. The registered office of the Company is presently situated at Unit No 1, 6th Floor, VB Capitol S. No 209, (P) CTS Pune 411007.

The Details of Capital Structure of Brantford Limited as on March 30, 2022 is as follows:

Authorized Capital	Amount (INR)
4,00,000 Equity Share of Rs. 10/- each	40,00,000/-
Issued, Subscribed and Paid-up Capital	Amount (INR)
3,97,670 Equity Shares of Rs. 10/- each	39,76,700/-

- c) EMF Clinic Private Limited was incorporated on May 15, 2020 under the Companies Act, 2013 as per the Certificate of Incorporation issued by the Registrar of Companies, Pune having CIN: U85100PN2020PTC190836. EMF Clinic Private Limited is engaged in the business of running medical clinic. The share of the Company are not listed on any Stock Exchange. The registered office of the Company is presently situated at 7th floor, Marigold Premises, Marisoft Tower 3, East wing, Kalyani Nagar Pune

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Maharashtra 411014.

The Details of Capital Structure of EMF Clinic Private Limited as on March 30, 2022 is as follows:

Authorized Capital	Amount (INR)
2,00,000 Equity Share of Rs. 10/- each	20,00,000/-
Issued, Subscribed and Paid-up Capital	Amount (INR)
2,00,000 Equity Shares of Rs. 10/- each	20,00,000/-

(\*Source: Company Management)

### 3. VALUATION METHODOLOGY ADOPTED BY THE VALUER

For the purposes of valuation, the Valuer has adopted the 3 approaches which is relevant for Company are as follows:

- "Asset Approach"
- "Market Approach"
- "Income Approach"

### 4. FINDINGS OF SWARAJ SHARES AND SECURITIES PRIVATE LIMITED

We have gone through the valuation report dated March 30, 2023 of Bhavesh M. Rathod, Registered Valuer, having Registration No: IBBI/RV/06/2019/10708 for the purpose of ascertaining the reasonableness of the valuation as done by him. We have taken into consideration the fairness on the various methodologies as considered by Mr. Bhavesh M. Rathod, Registered Valuer for the said valuation.

### 5. COMMENT ON THE VALUATION

#### Asset Approach

#### Net Asset Value Method ("NAV")

The value arrived at under this approach is based on the audited financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted for any contingent liabilities that are likely to materialise.

The Net Asset Value is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern.



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## Market Approach

### Comparable Company Market Multiple Method

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The difficulty here in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, profitability and accounting practices.

Whereas no publicly traded company provides an identical match to the operations of a given company, important information can be drawn from the way comparable enterprises are valued by public markets. In case of early-stage company and different business model the problem aggravates further.

### Comparable Transactions Multiple Method

This approach is somewhat similar to the market multiples approach except that the sales and EBITDA multiples of reported transactions in the same industry in the recent past are applied to the sales and EBITDA of the business being valued.

## Income Approach

### Discounted Cash Flows - "DCF"

DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

Beta is an adjustment that uses historic stock market data to measure the sensitivity of the Company's cash flow to market indices, for example, through business cycles.

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows in the future. The free cash flows are projected for a certain number of years and then discounted at a discount rate that reflects a Company's cost of capital and the risk associated with the cash flows it generates. DCF analysis is based mainly on the following elements:

- Projection of financial statements (key value driving factors)
- The cost of capital to discount the projected cash flows.

### SEBI Regulations for requirement of Valuation:

SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED



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The relevant Regulations under SEBI (ICDR) are reproduced as under:

Regulation 165. Where the shares of an issuer are not frequently traded, the price determined by the issuer shall take into account the valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies:

Provided that the issuer shall submit a certificate stating that the issuer is in compliance of this regulation, obtained from an independent valuer to the stock exchange where the equity shares of the issuer are listed.

Regulation 161. "relevant date" means:

a) in case of preferential issue of equity shares, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.

Explanation: Where the relevant date falls on a weekend or a holiday, the day preceding the weekend, or the holiday will be reckoned to be the relevant date.

Regulation 166A (1): Other conditions for pricing

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.

## 6. RECOMMENDATION OF FAIR VALUE OF SHARES

As stated in the valuation report, the Valuer has recommended the fair value of shares of Aaswa Trading and Exports Limited as INR 78.35, Brantford Limited as INR 1410.30, and EMF Clinic Private Limited as INR 2115.45.

Based on the information available including Valuation Report and other related documents, we are of the opinion that, the fair value of shares as recommended by Bhavesh M. Rathod, Registered Valuers is fair and reasonable.

## 7. EXCLUSIONS AND LIMITATIONS

For the purpose of our opinion we have relied upon the information provided to us and have not carried out any audit and due diligence of any independent verification of such information.



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## 8. DISCLAIMER CLAUSE

Our scope of work did not include the following:

Carrying out a market survey / financial feasibility for the Business of the Company and the Promoter controlled Companies.

Financial and Legal due diligence of the Company and the Promoter controlled Companies.

We hereby declare that we have no direct or indirect interest in the Company/ assets valued. Our work did not constitute an audit in accordance with Generally Accepted Auditing Standards, an examination of internal controls or other attestation or review services. Accordingly, we do not express an opinion on the information presented.

It may be noted that this Fairness Opinion is expressed solely with reference to the requirements under Regulation 165 of the SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2018 and the purpose and scope of this assignment is restricted to opine about fairness of valuation already done by the valuer.


The management of Aaswa Trading and Exports Limited, Brantford Limited, and EMF Clinic Private Limited or their related parties are prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this opinion available to any party other than those required by statute for carrying out the limited purpose of this opinion. This opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified in this opinion, under any Indian or Foreign Law, Statute, Act, Guidelines or similar instructions. We would not be responsible for any litigation or other actual or threatened claims.

We have been engaged by the respective companies to issue a Fairness Opinion and will receive a fixed fee for rendering this Fairness Opinion, which is independent of the happening or otherwise of the proposed activities.

The Fairness Opinion Report is only a free and fair opinion and does not constitute a commitment by Swaraj Shares and Securities Private Limited to underwrite, subscribe for or place of securities or to extend or arrange credit or to provide any other services.

Thanking You,

For Swaraj Shares and Securities Private Limited



Mr. Tanmoy Banerjee

Director

Place: Mumbai

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