

**Valuation Report
Of
ALACRITY SECURITIES LIMITED**

CIN: L99999MH1994PLC083912

**Prepared by:
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(IBBI REGISTERED VALUER)
Registration No: IBBI/RV/05/2019/11705**

Report Date: 9th November, 2023

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Date: 9th November, 2023

To,
The Board of Directors
Alacrity Securities Limited
101, Haridarshan Building, Bhogilal Fadia Road, Near SVP Primary School, Kandivali (West),, Mumbai,
Maharashtra, 400067

Dear Sir/Madam,

Subject: Valuation of Equity Shares of Alacrity Securities Limited (ASL)

I. Purpose:

We have been engaged by Alacrity Securities Limited having Registered office at 101, Haridarshan Building, Bhogilal Fadia Road, Near SVP Primary School, Kandivali (West),, Mumbai, Maharashtra, 400067 for the purpose of valuation of equity shares of Alacrity Securities Limited. (“**ASL**”/ “**Company**”).

ASL is evaluating the fair market value of equity shares under preferential issue of shares under the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR 2018). Since, the Board of the Directors proposed to issue equity shares more than 5% to some of the proposed allottees, ASL requires Valuation of its shares for issuing shares in terms of the amended regulation 166A of SEBI ICDR 2018. Also, the shares of the Company are frequently traded, accordingly, shares of the Company has also been valued under regulation 164 of SEBI ICDR 2018.

Accordingly, as per the request received from the Company, we are valuing the Equity Shares of the Company.

The information contained herein and our report is confidential. It is intended only for the sole use for ASL, and only in connection with the purpose mentioned above. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the purpose as aforesaid, can be done only with our prior permission in writing.

II. About the Valuer:

Mr. Subodh Kumar is an Independent valuer and he is registered with Insolvency and Bankruptcy Board of India (“IBBI”) with Registration No.: IBBI/RV/05/2019/11705 for the purpose of carrying out the said valuation of equity shares.

III. Background/Information about ASL

Alacrity Securities Limited (“ASL”/ “Company”) is based at Mumbai and Incorporated in the year 1994. The Registered office of the Company is situated at 101, Haridarshan Building, Bhogilal Fadia Road, Near SVP Primary School, Kandivali (West),, Mumbai, Maharashtra, 400067.

The Company is presently listed on BSE Limited (BSE).

The Share Capital of the Company, on a fully diluted basis, as on 30th September, 2023 is as under:

Particulars	Amount in INR
Issued, subscribed and paid up Capital 210,80,000 Equity Share of INR 10 each fully paid-up	21,08,00,000

(Source: Shareholding Pattern as on 30th September, 2023 filed with BSE)

IV. Shareholding Pattern of ASL

Shareholding pattern as on 30th September, 2023.

Particulars	No of Equity Shares	% of Holding
Promoter & Promoter Group	1,37,99,700	65.46
Other than Promoter & Promoter Group	72,80,300	34.54
Total	2,10,80,000	100.00

(Source: Shareholding Pattern as on 30th September, 2023 filed with BSE)

V. Appointing Authority:

We were assigned with this project of valuation of the Equity shares of the Company by the Audit Committee of Board (ACB) of the Board of Directors of the Company.

VI. Disclosure of Valuer's Interest/ Conflict:

The Valuer is not related to the ASL or its promoters or its Directors or their relatives. The valuer does not have any interest or conflict of interest with respect to the valuation under consideration.

VII. Sources of Information:

We were provided with the following information by ASL for the valuation purpose as aforesaid:

- Brief background of the business of the Company and recent activities in the Company;
- Audited Financial Statements of last 3 years;
- Information available in the Public Domain;
- Latest Shareholding Pattern on 30th September, 2023;
- Memorandum and Articles of Association of the Company; and
- Market prices available on BSE Website.

VIII. Approach Considered in our Value Analysis:

General Principle for Valuation

There is no single definition of the term 'Value' that is suitable for all purposes or at all times. The value of a particular asset may vary according to different valuation methodologies that are adopted to ascertain the value for a specific purpose. Valuation of securities is an inexact science. It may sometimes involve a set of judgments and assumptions that may be subject to certain uncertainties.

Broadly there are approaches of Valuations which are as follows:

- a) "Net Asset Approach"
- b) "Profit Earning Capacity Value"- PECV approach
- c) "Market" Approach

IN SUMMARY:

The application of any method of valuation depends on the purpose for which the valuation exercise is performed; relevance of each method under the circumstances of the case and other factors as determined appropriate. The brief methodology in each of the approaches as mentioned above is as mentioned hereunder:

- **Net Asset Approach:** This method takes into account the value of the assets of the business or the net worth as represented in the financial statements of the Company. For the purposes of arriving at net asset value per share, the net worth so arrived at shall be divided by the number of equity shares issued and paid-up.
- **Profit Earning Capacity Value (PECV) Approach:** This method of valuation presumes the continuity of the business and uses the past earnings to arrive at an estimate of future maintainable profits (FMP). For the purpose of the calculating PECV of shares, commonly accepted approach is to capitalize weighted average of past earnings, at an appropriate rate of capitalization, to arrive at the fair value per share.
- **Market Approach:** The market approach is a method of determining the value of shares based on the quoted price in the respective stock exchange where the shares have been listed.

Selection of Valuation Methodology

The objective of the valuation process is to make a best reasonable judgment of the value of the Equity Shares of the Company. The Company's Equity shares are presently listed on BSE and are frequently traded at BSE.

Further, since the Equity Shares of the Company is frequently traded at the BSE, accordingly, Price in terms of sub-regulation (1), (2) or (4) of regulation 164 of SEBI ICDR 2018 is considered.

Further, since the Company proposed to issue shares more than 5% to some of the allottees, in terms of the provisions of Regulation 166A of SEBI ICDR 2018, as amended upto date and shares are frequently traded, ASL requires Valuation of its Equity shares for issuing Equity shares on preferential basis.

Therefore, for the evaluation of fair valuation, we, being an independent Valuer, have considered best reasonable judgment to value the equity shares through weighted average of Market Approach (90 Trading days and 10 Trading days volume weighted average price of the related equity shares quoted on BSE i.e. the day immediately preceding the relevant date i.e. 3rd November, 2023) and Net Asset Value and Comparable Company Price.

We, being an Independent Valuer, have calculated Rs. 15.78 per equity shares as the fair value price of each Equity Share in accordance with Regulation 164 and Regulation 166A of the SEBI (ICDR) Regulations as per **Annexure I**.

Method of determination of price as per the Articles of Association of the Company – Not applicable as the Articles of Association of the Company are silent on the determination of a floor price/minimum price of the shares issued on preferential basis.

Following is the summary of the Valuation:

Fair Value per Share- <i>as per Annexure-I</i> .	Rs. 15.78
Price Calculated as per Articles of Association of the Company	N.A.
Minimum price per Equity Share as per regulation 164 & 166A of SEBI ICDR 2018	Rs. 15.78

Valuation & Conclusion:

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

The Fair Market Value per equity share of ASL as per above methodology is INR 15.78/- (Indian Rupees Fifteen and Seventy Eight Paise).

Limitations & Disclaimers:

- Our report is subject to the scope limitations detailed hereinafter. 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.
- Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While we have provided an assessment of the value based on the information available, application of certain formulae and within the scope and constraints of our engagement, others may place a different value to the same.
- Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have, therefore, not performed any audit, review, due diligence or examination of any of the historical or prospective information used and therefore, does not express any opinion with regards to the same.
- No investigation on the Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the liabilities in the books. Therefore, no responsibility is assumed for matters of a legal nature.
- Our work does not constitute an audit or certification of the historical financial statements/prospective results including the working results of the Company referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation mentioned in the report is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

- In the course of the valuation, we were provided with both written and verbal 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 purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by the Company. We assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise.
- A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Company and any other matter, which may have an impact on our opinion, on the fair value of the Equity shares of the Company including any significant changes that have taken place or are likely to take place in the financial position of the Company. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- Any person/party intending to provide finance/invest in the shares/business of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- The decision to carry out the transaction (including consideration thereof) on the basis of this valuation lies entirely with ASL and our work and our finding shall not constitute a recommendation as to whether or not the ASL/ Company should carry out the transaction.
- Our report is meant for the purpose as mentioned and should not be used for any purpose other than the purpose mentioned therein. 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.
- Neither Valuer, nor its partners/directors, managers, employees make any representation or warranty, express or implied, as to the 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.

SUBODH KUMAR
(Registered Valuer)
IBBI Regn- IBBI/RV/05/2019/11705
Date: 9th November, 2023
Place: Delhi

Calculation of Fair Value**I. Net Asset Approach (NAV) as on 30th September, 2023 based upon latest unaudited Financials.:**

Particulars (Amount in INR)	Book Value
Assets	
Current Asset	79.20
non-current Asset	474.37
Investment	67.02
Cash and bank Balances	959.86
Trade Receivables	0.77
Loan	970.60
Inventories	2376.51
Other Current Assets	19.25
Total Assets	4,947.58
Liabilities	
Deferred tax liabilities	-
Trade Payables	225.89
Other current liabilities	30.14
Borrowing	978.03
Provisions (Current)	498.50
Current Tax Liabilities	-
Total Liabilities	1732.56
Net asset Value	3215.02
Number of equity shares	210.8
Value per share (INR)	15.25

** Rounded off upto two decimal places.

2. Market Approach:

The price under Market Approach has been calculated considering 90 (ninety) trading days volume weighted average price of the related equity shares quoted on BSE and 10 (ten) trading days volume weighted average price of the related equity shares quoted on BSE i.e. the day immediately preceding the relevant date i.e. 3rd November, 2023, as per following calculation:

a)

Sr. No.	Date	No. of Shares	Total Turnover (Rs.)
1	02-Nov-23	40000	552720
2	01-Nov-23		
3	31-Oct-23		
4	30-Oct-23	8000	98000
5	27-Oct-23		
6	26-Oct-23		
7	25-Oct-23		

Sr. No.	Date	No. of Shares	Total Turnover (Rs.)
8	23-Oct-23		
9	20-Oct-23		
10	19-Oct-23		
11	18-Oct-23		
12	17-Oct-23	24000	357120
13	16-Oct-23	8000	107600
14	13-Oct-23	24000	307920
15	12-Oct-23		
16	11-Oct-23		
17	10-Oct-23		
18	09-Oct-23		
19	06-Oct-23		
20	05-Oct-23		
21	04-Oct-23		
22	03-Oct-23		
23	29-Sep-23	8000	100800
24	28-Sep-23		
25	27-Sep-23	8000	93600
26	26-Sep-23		
27	25-Sep-23	8000	108800
28	22-Sep-23		
29	21-Sep-23	24000	303280
30	20-Sep-23	8000	116000
31	18-Sep-23	8000	103200
32	15-Sep-23		
33	14-Sep-23		
34	13-Sep-23		
35	12-Sep-23		
36	11-Sep-23		
37	08-Sep-23	16000	238000
38	07-Sep-23		
39	06-Sep-23	56000	785280
40	05-Sep-23		
41	04-Sep-23		
42	01-Sep-23		
43	31-Aug-23	24000	345840
44	30-Aug-23	96000	1480000
45	29-Aug-23	72000	1049760
46	28-Aug-23	8000	121440
47	25-Aug-23	480000	7293280
48	24-Aug-23	120000	1498480
49	23-Aug-23	128000	1501600
50	22-Aug-23	40000	440400
51	21-Aug-23	72000	875680

Sr. No.	Date	No. of Shares	Total Turnover (Rs.)
52	18-Aug-23		
53	17-Aug-23		
54	16-Aug-23		
55	14-Aug-23	8000	88000
56	11-Aug-23	8000	88000
57	10-Aug-23	8000	88000
58	09-Aug-23	8000	88000
59	08-Aug-23	8000	88000
60	07-Aug-23	8000	88000
61	04-Aug-23	8000	88000
62	03-Aug-23	80000	898400
63	02-Aug-23		
64	01-Aug-23		
65	31-Jul-23	8000	101600
66	28-Jul-23		
67	27-Jul-23		
68	26-Jul-23		
69	25-Jul-23		
70	24-Jul-23		
71	21-Jul-23		
72	20-Jul-23		
73	19-Jul-23		
74	18-Jul-23		
75	17-Jul-23		
76	14-Jul-23		
77	13-Jul-23		
78	12-Jul-23		
79	11-Jul-23		
80	10-Jul-23	40000	452160
81	07-Jul-23		
82	06-Jul-23	16000	224000
83	05-Jul-23		
84	04-Jul-23		
85	03-Jul-23		
86	30-Jun-23		
87	28-Jun-23		
88	27-Jun-23		
89	26-Jun-23		
90	23-Jun-23		
	Total	1480000	20170960
90 (ninety) trading days volume weighted average price			13.63

b)

Sr. No.	Date	No. of Shares	Total Turnover (Rs.)
1	02-Nov-23	40000	552720
2	01-Nov-23		
3	31-Oct-23		
4	30-Oct-23	8000	98000
5	27-Oct-23		
6	26-Oct-23		
7	25-Oct-23		
8	23-Oct-23		
9	20-Oct-23		
10	19-Oct-23		
	Total	48000	650720
10 (Ten) trading days volume weighted average price			13.56

Higher of the a or b is 13.63/-

2. Price Earning Capacity Value (PECV):

Amount in INR Lakhs

Particulars	2021	2022	2023
PAT	202.28	348.77	323.15
Weightage			
Average Profit			291.40
PE Ratio*			13.35
Capitalisation Value			3891.161333
No. of Equity Shares			210.8
Value per Share (INR)			18.46

*(Source: [average PE of comparable Companies](#))

Fair Value as on relevant date as follow:

Weightaged Average	Price per Share	Weight	Product
NAV	15.25	33.33%	5.08
Price Under Market approach	13.63	33.33%	4.54
Price under PECV	18.46	33.33%	6.15
		Price	15.78

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