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IBBI / RV / 05 / 2019 / 10894
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TO
THE BOARD OF DIRECTORS,
ID INFO BUSINESS SERVICES LTD
CIN-L72900MH1968PLC287172
Unit No 103,104,1st Floor, Mahinder Chambers WT Patil Marg,
Opp. Dukes Factory, Chembur, Mumbai, Maharashtra, India - 400071.

Subj: -Valuation Report of your Entity and Shares for the purpose of preferential allotment of equity shares

Hello Madam & Sirs,

Reference

We are writing to confirm our appointment to conduct the business valuation of your entity, as detailed in the engagement letter and emails.

We acknowledge the task of determining the value of your entity, as specified above and as mentioned in the engagement letter. Considering this, we have commenced the valuation assignment based on your entity operating as a going concern, aligning with the purpose detailed therein.

ENTITY INCORPORATION DATE – 03-DECEMBER-1968

Valuer Engagement Date – 15 FEBRUARY 2025
Valuation Date – 31 DECEMBER 2024
Valuer Report Date – 20-FEBRUARY-2025

Valuation Method- DCF (as per IVS & ICAI)
Valuation methods and workings are followed here on an arm's length basis.
IBBI RV- MCA ICMAI RVO - ICAI UDIN- 25204541BMHWHA8826

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Chennai - 9962496298
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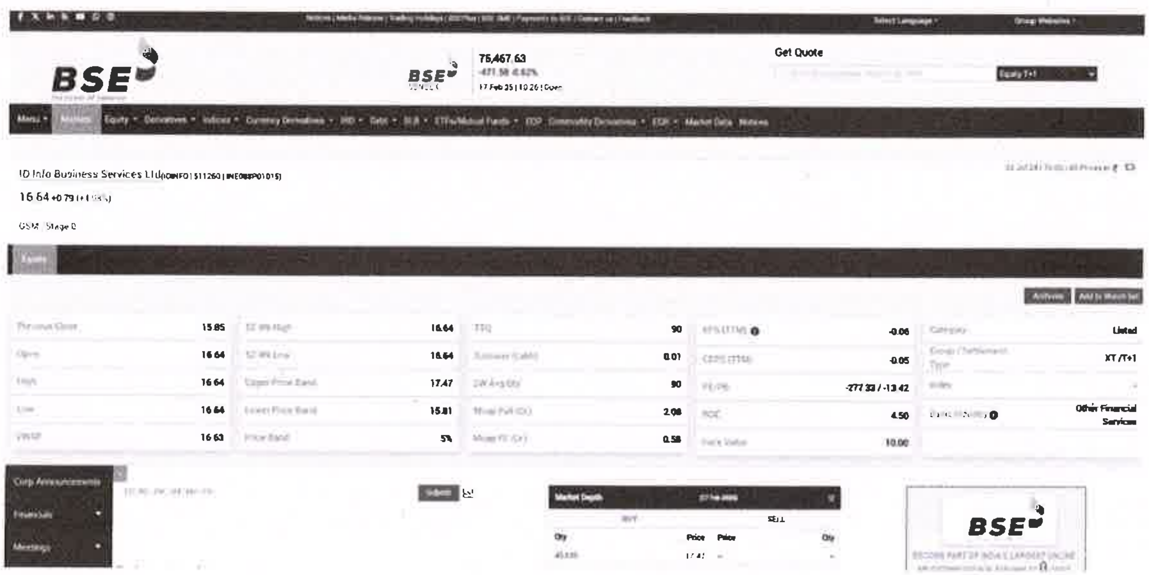
Particulars	FMV Per Share Rs	Weightage	Total- in Rs
Income Approach - DCF Method	26.68	50%	13.34
Market Approach- Lowest Traded price (BSE)	16.64	25%	4.16
NAV- Net Assets Value Method	10.00	25%	2.50
Value Per Share			**20.00**



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	Valuation working - Discounted Cash Flow Method - DCF- FMV				
	FMV=Fair Market Value - workings				
S.No	**Weighted Average Cost of Capital**			r	18.00%
	1+WACC			1+r	1.1800
	Annual Growth rate %			g	10.00%
	1+g			1+g	1.1000
	AMOUNT IN INR-LACS				
1	**Stage 1 Cash Flow**				
	March	**CASH FLOW**	**1+r%**	**DF**	**DCF**
	2025	10.68	1.1800	0.84749	9.05
	2026	36.78	1.1800	0.71824	26.41
	2027	143.76	1.1800	0.60870	87.51
	2028	402.89	1.1800	0.51587	207.84
	2029	806.18	1.1800	0.43719	352.46
	1. Sub Total- Stage 1 Cash flow				**683.26**
2	**2. Stage 2 Cash Flow (Terminal Cash flow)**				
	Terminal Cash value TV = ((FCFN*(1+g)) / (r-g)	11,091.29		0.43719	**4,849.03**
3	**3. TOTAL DISCOUNTED CASH FLOW- of FIRM**				**5,532.29**
	(Stage 1 + Stage 2) DCF for the Entity) Less: Debts & Dues Projected if any				**288.00**
4	**Value of the Entity (firm)-in LACS**				**5,244.29**
5	**Value of Firm in INR = (Enterprise Value) Rs**				**52,44,29,110**
6	Authorised Share Capital in INR- Rs- Amount				**25,00,00,000**
7	Total Equity paid up Share Capital in INR - Rs				**19,65,70,000**
8	Face Value per Equity Share- INR- Rs				10
9	**TOTAL Number of shares (in units) # (7/8)**				**1,96,57,000**
10	**VALUE PER SHARE- in Rs (INR) = FMV (10 = 5/9)**				**26.68**

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FREE CASH FLOW FIRM- FCFF- WORKINGS- FMV

AMOUNT IN INR-LACS -100K	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29
Income growth % over previous year		**300%**	**230%**	**100%**	**101%**
Income (Revenue)	**70.00**	**210.00**	**692.58**	**1,382.11**	**2,771.14**
Profit Before Tax % on Sales	25%	28%	32%	38%	38%
Profit Before Tax - Amount	17.50	58.80	221.63	525.20	1,053.03
Income Tax + Sur charges = 23%	4.03	13.52	50.97	120.80	242.20
PAT = Profit After Income Tax	**13.48**	**45.28**	**170.65**	**404.41**	**810.83**
Add + Depreciation / Loss on assets	1.00	0.90	0.81	0.73	0.65
Add + Owners Capital Inflow	0.00	2.00	3.00	5.00	5.00
Less: additional Capex - Outflow	1.00	3.00	3.00	5.00	7.00
Less: Working Capital Changes -	2.80	8.40	27.70	2.25	3.30
FIRM'S FREE CASH FLOW -FCFF	**10.68**	**36.78**	**143.76**	**402.89**	**806.18**

Our Assumptions are:	**31-Mar-25**	**31-Mar-26**	**31-Mar-27**	**31-Mar-28**	**31-Mar-29**
PAT % on Sales	19.3%	21.6%	24.6%	29.3%	29.3%
Depreciation change % yearly		-10%	-10%	-10%	-11%
WC changes % on sales	4%	4%	4%	0%	0%

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DCF VALUATION - WACC = r - WORKINGS	Symbol	%
WACC= WEIGHTED AVERAGE COST OF CAPITAL	**r**	
AMOUNT IN INR-LACS- 100K		
Paid-up Share Capital	1,965.70	
Reserves / P&L	-380.00	
Total Shareholders' Funds	1,585.70	**1,585.70**
Debts & Provisions -current		**288.00**
269+19		
Indian Income tax rate 22% + HEC 4% (approx)		23.00%
Unlevered Beta- in this sector		0.5
Risk Free Rate of Return - Govt Bonds-July24	R_F	**6.850%**
Equity Risk Premium (Ref-Prof Aswath Damodaran)	R_P	**6.800%**
Levered Beta	B_L	**0.5699**
Levered Beta = Unlevered Beta * [1 + (1 – Tax Rate) * (Debt / Equity)]		
Cost of Equity= RF + (BL * RP) **$R_F + (B_L * R_P)$**	**K_E**	**10.73%**
Liquidity premium	**L_P**	7.27%
Adjusted Cost of equity **$K_E + L_P$**	**K_{AE}**	**18.00%**
COST OF EQUITY = WACC	**r**	**18.00%**
For Risk Free rate of Return 6.850% - JULY24 - India Govt Bonds- source data link		
https://tradingeconomics.com/india/government-bond-yield		
for Equity Risk Premium - 6.80%- JULY24-source data link- Prof Aswath Damodaran's Report https://pages.stern.nyu.edu/~adamodar/pc/datasets/ctrypremJuly24.xlsx - For Liquidity Premium assumptions details please refer the Valuation report.		

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11UA - VALUE OF SHARE ON NET ASSETS METHOD- FAIR MARKET VALUE- NAV			
UNDER 11 UA RULES & SEC 56, 60 OF INDIAN INCOME TAX ACT.			
Type	**Particulars (Amt in INR'LACS)**	**Notes**	**31-Jan-25**
	Value of Assets as per Financials		**3,402.92**
	Less: Deferred Tax assets Side		22.34
	Less: TDS Receivable		0.00
	Less: GST, ITC, TDS Receivable		0.00
A	**Net Book Value of Assets as per Audited Financials**		**3,380.58**
B	Jewellery, Artistic work		0.00
C	Shares on Hand as Investments- difference amt		0.00
	Book Value of shares		
	Market Value		
	Excess of Market Value over Book Value		0.00
D	Land & Building in excess of Book carrying Value		0.00
	TOTAL ASSETS SIDE (A+B+C+D)		**3,380.58**
L	**Liabilities**		
	Long-term Borrowings Banks NBFC		268.93
	Short Term Liabilities		0.00
	Tax provisions, Employees Benefits Provson		1,146.41
L	**Total Liabilities**		**1,415.34**
A-L	**NET ASSETS (Amt in '000) INR LACS**		**1,965.24**
	NET ASSETS (Amt in INR)		**19,65,24,000**
PE	**Paid up equity share capital as per balance-sheet**		**19,65,70,000**
	Face Value of Equity Share		**10**
	Number of Shares in Units		**1,96,57,000**
PV	**Paid up value of these equity shares**		**19,65,70,000**
	VALUE PER EQUITY SHARE UNDER 11 UA RULES		**10.00**
	(A+B+C+D-L) / PE * PV= in INR- Rs- Rupees		
	Equity Share's Fair Value- in Rs- INR		**10.00**

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Valuation Methodology & Fair Value:

Cost Approach is not considered because the fixed assets are old ones, and the current assets also do not have sufficient realizable value considering the book values. Also, the new management plans to use different sets of fixed assets and not finalized the deployment assets.

Justification for adoption of the Market approach: Since this is a listed entity, even though shares are being traded infrequently, we have adopted the market approach.

DCF (Discounted Cash Flow) & Market Based (BSE Listing)- weighted Average

This entity's shares are not traded recently at big volumes and also in the last 2 financial years the Business operations had not happened at substantial capacity. So as prescribed by The Companies Act and Valuation Standards, we have to adopt the Valuation methods prescribed in the Valuation standards.

Accordingly, we have adopted the Discounted Cash Flow Method (DCF) and Market based Method (BSE Listing Price) and arrived at the weighted Average method FMV (fair Market Value) of the share. The DCF method prescribed by the Valuation standards for going concerns/ active entities which will be based on future customers, future sales & profits. The book assets Valuation method won't give a fair Value in this case as in the last 2 financial years the operational capacity was utilized only around 10%.

It is found that with the new investors and additional investment funding new markets are going to be explored and some customers' verbal order confirmations are obtained. Hence it seems the sales, profits, cash flows will be in good positive position in the future period. Accordingly, we have calculated the DCF numbers.

The DCF method assesses the entity's worth by discounting its future free cash flows, both within the forecast period and in perpetuity thereafter, to Value the entity based on its Future Earnings.

The Entity's (firm's) forecasted cash flows are discounted back to the Valuation date, resulting in the Present Value of the asset (Entity/Share). The perpetuity period value or Terminal Value represents the cash flow at the end of the explicit projection period. The Terminal Value is being considered by Gordon Growth Method. The discount rate r (WACC) is computed as per CAPM (Capital Assets pricing Model).

Cost Approach is not considered because the fixed assets are old ones, and the current assets also do not have sufficient realizable value considering the book values. Also, the new management plans to use different sets of fixed assets and not yet finalized the assets deployment details.

Justification for adoption of Market approach: Since this is a listed entity, even though shares are being traded infrequently, we have adopted the market approach as prescribed by the Valuation standards.

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MRV

DCF Method Calculation Process
The derived Free Cash Flow for Equity (FCF) is the result of discounting the cash flows by the weighted average cost of capital ('r), which encapsulates the enterprise's business and financial risks. The Enterprise value is then computed by summing the discounted cash flows for the explicit forecast period with the present value of terminal value, along with any market value of non-operating investments, minus any current and forecasted debts and liabilities.

Discount Rate Consideration
The chosen discount rate reflects the return on equity investment, adjusted for the assumed risk borne by investors and their corresponding capital contribution. The discount rate is considered after reviewing the Risk-Free Return, Equity Risk Premium, Beta, Tax rates, Debt Equity mix, Debt Leverage ratio, Liquidity Premium.

The DCF method is widely acknowledged as a robust valuation tool, particularly for Going Concerns, owing to its comprehensive consideration of future cash flows.

Usage of this Report

The information provided in this document is intended exclusively for the use and knowledge of the specified entity and solely for the above-mentioned purpose.

Anyone intending to provide financing, invest in the business or shares of the entity, or engage in any dealings with the entity should conduct their own due diligence and seek professional advice to make an informed decision. Please note that reproducing, copying, or quoting any part of this report is only permitted with our written consent.

Sources of Information:

Our analysis derives from an examination of industry-related data, along with details, representations, and explanations furnished by the management. The specific sources of information include:

Accounting Records: Audited financials & Details provided by the management from the accounting records.

MCA Records- Information available in MCA, Projected financial, Limited Review financials.

Management Approved Provisional Estimates and actuals: Future-year estimates and current period actuals as approved by the management.

Discussions with the Management of the company on various issues relating to the operational income and costs, funds flow, the capital structure including but not limited to the industry, business plan, taxes, HR policies, Artificial Intelligence, Machine Language, BLOCKCHAIN Technologies Deployment plans, Digital Assets deployment plans, Risks, additional Capex, Maintenance capex and depreciation, amortization workings, export, import plans, working capital management, Weighted cost of capital, Opportunity cost of capital investments, Long term sustainable growth rate, Terminal values, expected long term sustainable return on capital, product life cycle, Services Life cycle, Research and Development plans, CSR plans, Long term reinvestment rate and all other relevant issues relating to the project.

Management and the Valuer are in the same page with regard to Cash flow forecasts, debts forecasts, Discount rate, Additional capex, Additional owners' equity inflows and all other workings in this Valuation Report.

Other industry-related information from various publicly available sources and reports provided by the management are also considered. In addition to the above, we have also obtained such other information and explanations which were considered relevant for the purpose of the Analysis.

Assumptions Made:

Working Capital and Capex, Sales Growth and Profitability, Debt Equity calculations are made based on the specific requirements of the business and based on comprehensive discussions with Management and projected business expansions.

Liquidity Premium in WACC: Reflects the increased cost associated with investments that are not easily liquidated, determined through detailed discussions and market analysis.

Liquidity premium is also the additional cost to consider while making an additional investment, since this investment is not easy to liquidate. As unlisted businesses are difficult to liquidate.
The cost of the capital/cost of the investment / expected rate of returns by the investors will be increased because of non-easy liquidity. As of now, there is no authenticated data available in India for similar kinds of private enterprises' data and there is no written rule or guidance to consider Liquidity Premium %. In this case the Liquidity Premium number is adopted after detailed discussions with the Management and seeing the Unlisted Indian companies share transfers' trend.

Limitations

Our report is subject to various limitations and caveats outlined below. It is imperative to consider these limitations in their entirety, alongside the relevant documents referenced herein.

Valuation Analysis & Events after date
The valuation analysis provided in this report reflects the value only as of the specific date mentioned herein. We operate under the understanding that the Management has disclosed all pertinent matters within their knowledge that could affect our report up to the date of its issuance. However, we bear no responsibility for updating the report for events occurring after its publication.

CA. Ramji S/o Mahadevan ★ Regd Valuer-SFA-IBBI ★

Scope of Services
Our services do not encompass accounting, assurance, audit, financial due diligence review, investment advice, consulting, transfer pricing, or domestic/international tax-related services typically provided by us.

Reliance on Management
We have relied on explanations and information furnished by the Management, presuming them to be accurate and comprehensive. Although we have assessed this data for consistency and reasonableness, we have not independently verified it through investigation.
While the Management has provided us with written, verbal, or other representations regarding various industry, operational, or financial matters, we have evaluated these inputs through broad inquiry and review, without conducting audit, due diligence, investigation, or verification.

Subjective Judgments
Profit forecasts inherently involve subjective judgment, and we have also relied on data from external sources, assuming their reliability without assuming liability for their accuracy.
Asset Title and Govt Approvals
Our work does not confirm the Entity's claim to the title of any asset, project approvals, or any liens or encumbrances thereon.
We have operated under the assumption that all necessary Govt and Legal approvals are obtained, and the business will continue without disruptions due to statutory or other external/internal occurrences.

Independence and Fee Structure
We have no present or planned future interest in the entity, and our fee for this report is not contingent upon the values reported herein.

Valuation Standards (ICAI + IVS)
We have adhered to the ICAI Valuation Standards and International Valuation Standards (IVS) wherever applicable.

Arm's Length Transactions.
We have been informed by the management that the share issues and share transfers will be made at arm's length price. All the assets of the entity will be used in the Highest and Best way.

END OF THE VALUATION REPORT