

**Aurionpro Solutions Limited**  
Determination of Fair Value of Equity Shares

July 04, 2023

**NIDHI SOMANI**

*Registered Valuer*

Class – Securities and Financial Assets

Reg. No. IBBI/RV/05/2020/13676

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Date: July 04, 2023

To,  
Board of Directors  
**Aurionpro Solutions Limited**

Dear Board Members,

**Sub: Determination of Fair Market Value of Equity Shares of Aurionpro Solutions Limited**

We refer to your request for the valuation of the equity shares of **Aurionpro Solutions Limited** (hereinafter referred to as 'Aurionpro' or 'the Company') as on **June 15, 2023**, for the purpose mentioned below. We are pleased to present herewith our report on the same.

### Company Background

Aurionpro Solutions Limited is a company registered under the Companies Act, 1956 incorporated on October 31, 1997 vide CIN: L99999MH1997PLC111637 having its registered office at Synergia IT Park, Plot No-R-270, T.T.C. Industrial Estate, Near Rabale Police Station, Navi Mumbai, Thane - 400701.

The authorized, issued, subscribed and paid-up share capital of Aurionpro as on March 31, 2023 are as under:

Particulars	Amount (INR in lakhs)
<b>Authorized Share Capital</b>	
6,61,50,000 Equity Shares of INR 10 each	6,615.00
<b>TOTAL</b>	<b>6,615.00</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
2,28,00,165 Equity Shares of INR 10 each	2,280.02
<b>TOTAL</b>	<b>2,280.02</b>

### Valuation Background and Purpose

We have been informed that the Board of Directors of the company intends to issue and allot upto 3,00,000 of Equity Shares and 5,00,000 Warrants on preferential basis to identified investors i.e., Malabar India Fund Limited and Malabar Mid-Cap Fund not forming part of the Promoter Group of the Company.

The total number of securities proposed to be issued is 3.25% of the enhanced capital. The Articles of Association of the Company requires that valuation report from the registered valuer shall also to be obtained while determining price of such issuance

Pursuant to the requirements of the Articles of Association, we have been engaged by the Company to undertake a valuation exercise and express opinion on the fair value of equity shares of Aurionpro as on June 15, 2023 ("Valuation Date"), which is the Relevant Date for the purpose of determining price of such issuance.

We have been informed that this Valuation Report will be made available on the website of the Company and may also be submitted to the registrar of companies, stock exchanges or such other regulator if required.

### Sources of Information

For the purpose of this valuation exercise, we have relied upon the following sources of information as provided to us by the management of the companies:

- (a) Audited Financial Statements of Aurionpro for the Financial Year 2022-23, 2020-21 and 2021-22
- (b) Historical share price and volume databases of BSE India and NSE India
- (c) Such other information and explanations as we have required, and which have been provided by the Management including Management Representations.

The Management has been provided with the opportunity to review the Draft Report (excluding the recommended Fair Value per share) as a part of our standard practice to make sure that factual inaccuracies/omissions are avoided in the final report.

### Valuation Base

As per Indian Valuation Standard 102 issued by The Institute of Chartered Accountants of India, Valuation Base means the indication of the type of value being used in engagement. In this engagement, Fair Value as determined shall be considered as the valuation base.

### Valuation Approach and Date

- i. The valuation exercise involves selecting a method suitable for the purpose of valuation, by the exercise of judgment by the valuer, based on the facts and circumstances as applicable to the business of the company to be valued.
- ii. As mentioned earlier, the present valuation exercise is being undertaken in order to derive the fair value per share for preferential allotment as per SEBI ICDR Regulations.
- iii. We have been asked by the management to consider June 15, 2023 as the Valuation Date.

## Valuation Methodology

- i. 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 of facts 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 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.
- ii. 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.
- iii. The internationally / generally accepted valuation methodologies have been discussed hereinafter, along with the reasons for the choice of approach used based on the facts of the company.

### (A) Market Approach

#### Market Price Method

Under this method, the market price of an equity shares of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company. Regulation 164(1) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 prescribes the method for calculating pricing of frequently traded shares. If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

- a. the 90 trading days' volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or
- b. the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

### (B) Asset Approach

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

**(C) 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.

**Discounted Cash Flow 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 cash flows of the business or capitalized using a discount rate depending on the capital structure of the company. This approach also takes into account 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.

**Profit Earning Capacity Value Method**

Under PECV method, the average earning on the basis of the 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 so factored has to be decided depending upon various factors such as the earning trend in the industries, P/E prevailing in the industries etc. After this, the normalized earnings are then capitalized at an appropriate discount rate.

**Valuation Conclusion**

In view of the foregoing, the value of Aurionpro Solutions Limited needs to be determined with reference to various valuation approaches.

On the basis of the foregoing, in our opinion, the **Fair Value per Equity Share of Aurionpro Solutions Limited as on June 15, 2023**, is arrived at **INR 868.23/- (Rupees Eight Hundred and Sixty-Eight and Twenty Three paise only)**.

The current valuation has been carried out based on the discussed valuation methodology explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, management perception, key underlying assumption and limitations were given due consideration.

The Report assumes that the company complies fully with relevant laws and regulations applicable in all its area of operations unless otherwise states, and the company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the financial statements of the Companies.

In the ultimate analysis, the valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors. E.g., present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of balance sheets, but which will strongly influence the worth of a share. The value is required to be read in conjunction with the Valuation Summary in Annexure I and

Statement of Assumptions and Limiting Conditions in Annexure II. The value so arrived can undergo change in case of any change in any facts, information/ assumptions provided to us by the management of Aurionpro. We have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of this report.

In accordance with our standard practice, the Management has been provided with an opportunity to review factual information in our draft Certificate to ensure that factual inaccuracies, omissions etc. are avoided in our final Certificate. We state that we are independent of the shareholders, directors and management of Aurionpro and do not have any financial association with the shareholders, directors and management of Aurionpro other than receipt of fees in connection with the professional services provided. Our fee for the engagement is not contingent upon the results reported.

Regards

**NIDHI SOMANI**



IBBI/RV/05/2020/13676

**FOR CLASS : SECURITIES  
AND FINANCIAL ASSETS**

Nidhi Somani

Reg. No. IBBI/RV/05/2020/13676

Encl.

1. Annexure-I – Valuation Summary
2. Annexure-II - Statement of Assumptions and Limiting Conditions

## Annexure I – Valuation Summary

(Figures in INR)

Method	Value per Share	Weights	Weighted Values
Asset Approach (A)	218.30	-	-
Income Approach (B)	836.03		
Market Approach (C)	868.23	100%	868.23
<b>Fair Value per share (INR)</b>		<b>100%</b>	<b>868.23</b>

Notes:

- Pursuant to the definition provided under the SEBI ICDR Regulations 2018, the Shares of the Company are frequently traded.
- Considering the Regulation 166A price determined under regulation 164 is higher than price determined under other methods of valuation. Hence 100% weight have been considered for value determined under Regulation 164(1) while computing a fair value per equity share.

**A. Asset Approach**

The Company is a listed entity and its audited results for the year ended March 31, 2023 are available. Thus, we have based our conclusion on full year audited results of FY 2022-23.

(INR in lakhs)

Particulars	31.03.2023
Paid up Share Capital	2,280.02
Other Equity	47,492.40
<b>Net worth</b>	<b>49,772.42</b>
No of Shares (in Lakhs)	228.00
<b>Net Asset Value Per Share</b>	<b>218.30</b>

**B. Income Approach**

Since Aurionpro Solutions Limited is a listed company, financial projections of the company are considered to be price sensitive information. Thus, the management of the Company has not shared the financial projections. Hence, due to unavailability of financial projections, DCF method of valuation is not adopted.

Accordingly, we have adopted PECV method of valuation based on last 3 years of full year audited financial statements.

(INR in lakhs)



