

**Valuation Report
Of
Equity Shares
Of**

**Everlon Financials Ltd
CIN: L65100MHI989PLC052747**

Prepared by:

SANKA HARI SURYA
Registered Valuer - IBBI/RV/07/2019/12576 (Securities or Financial Assets)
Shree Mahavir Sadhana Chs, D-602, Plot No. 18 EFG, Sector-14, Navi Mumbai,
Sanpada- 400705, Maharashtra
M: +91 9833932080, E-mail: ca.harisurya@gmail.com

Report Date: 27th July, 2023



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Date: 27th July, 2023

To,
The Board of Directors
Everlon Financials Ltd
67, Regent Chambers, 208, Nariman Point, Mumbai, Maharashtra, 400021

Dear Sir/Madam,

Subject: Valuation of Equity Shares of Everlon Financials Ltd (EFL)

I. Purpose:

We have been engaged by Everlon Financials Ltd having Registered office at 67, Regent Chambers, 208, Nariman Point, Mumbai, Maharashtra, 400021 for the purpose of valuation of equity shares of Everlon Financials Ltd. (“EFL”/ “Company”).

EFL 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 equity shares of the Company are infrequently traded on BSE Limited, the stock exchange where the shares of the Company are presently listed, EFL requires Valuation of its shares for issuing shares in terms of the regulation 165 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 EFL, 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. Sanka Hari Surya is an Independent valuer and he is registered with Insolvency and Bankruptcy Board of India (“IBBI”) with Registration No.: IBBI/RV/07/2019/12576 for the purpose of carrying out the said valuation of equity shares.

III. Background/Information about EFL

Everlon Financials Ltd (“EFL”/ “Company”) is based at Mumbai and Incorporated in the year 1989. The Registered office of the Company is situated at 67, Regent Chambers, 208, Nariman Point, Mumbai, Maharashtra, 400021.

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

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

Particulars	Amount in INR
Issued, subscribed and paid up Capital	5,62,22,400
56,22,240 Equity Share of INR 10 each fully paid-up	

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



IV. Shareholding Pattern of EFL

Shareholding pattern as on 30th June, 2023.

Particulars	No of Equity Shares	% of Holding
Promoter & Promoter Group	40,39,127	71.84
Other than Promoter & Promoter Group	15,83,113	28.16
Total	56,22,240	100.00

(Source: Shareholding Pattern as on 30th June, 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 EFL 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 EFL for the valuation purpose as aforesaid:

- Brief background of the business of the Company;
- Audited Financial Statements of last 3 years;
- Information available in the Public Domain;
- Latest Shareholding Pattern on 30th June, 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 three 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 three 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 infrequently traded at BSE.

Accordingly, in terms of the provisions of Regulation 165 of SEBI ICDR 2018, as amended upto date, EFL requires Valuation of its Equity shares for issuing Equity shares on preferential basis.

In terms of Regulation 165 of SEBI ICDR 2018, 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 registered valuer to the stock exchange where the equity shares of the issuer are listed.

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 (10 (Ten) days volume weighted average price of the related equity shares quoted on BSE i.e. the day immediately preceding the relevant date i.e. 27th July, 2023) and Net Asset Value and Price Earning Capacity Value (PECV).



We, being an Independent Valuer, have calculated **Rs. 24.89** per equity shares as the fair value price of each Equity Share in accordance with Regulation 165 of the SEBI (ICDR) Regulations as per **Annexure I**.

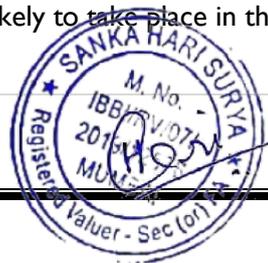
Valuation & Conclusion:

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 EFL as per above methodology is INR 24.89/- (Indian Rupees Twenty Four and Eighty Nine 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 EFL and our work and our finding shall not constitute a recommendation as to whether or not the EFL/ 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.

Hari

Sanka Hari Surya
(Registered Valuer)
IBBI/RV/07/2019/12576



Date: 27th July 2023

Place: Mumbai

Calculation of Fair Value of Shares

1. Net Asset Approach (NAV):

A] NAV METHOD	Amt in Lacs
EQUITY CAPITAL	562.41
RESERVES AND SURPLUS	437.83
NETWORTH	1,000.24
Number of Shares (in Lacs)	56.24
NAV	17.78

** Rounded off upto two decimal places.

2. Market Approach:

The price under Market Approach has been calculated considering 10 (ten) days volume weighted average price of the related equity shares quoted on BSE i.e. the day immediately preceding the relevant date i.e. 27th July, 2023, i.e. Rs. 44.71 per Equity Share.

S. No	Date	Volume	Total Turnover (Rs.)
1	26-Jul-23	10768	532607
2	25-Jul-23	2816	129322
3	24-Jul-23	841	37059
4	21-Jul-23	824	36007
5	20-Jul-23	2792	123074
6	19-Jul-23	2207	93891
7	18-Jul-23	3746	147325
8	17-Jul-23	408	16980
9	14-Jul-23	528	21196
10	13-Jul-23	5452	221052
	10 Days Volume Weighted Price	30382	1358513
		INR	44.71



3. Price Earning Capacity Value (PECV):

Amount in INR

Particulars	FY-2020-2021	FY 2021-2022	FY 2022-2023
Profit After Tax (PAT)	8.30	197.13	134.83
Weightage			
Average Profit			113.42
Capitalisation rate			13.88%
Capitalisation Value			817.08
No. of Equity Shares (in Lakhs)			56.24
Value per Share (INR)			14.53

FY- Financial Year

Fair Value as on relevant date as follow:

Weightaged Average	Price per Share (Rs.)	Weight	Product
NAV	17.78	40%	7.11
Price Under Market approach	44.71	30%	4.36
PECV	14.53	30%	13.41
		Price (Rs.)	24.89

