
FERVENT SYNERGIES LIMITED

DETERMINATION OF FLOOR PRICE FOR PREFERENTIAL ALLOTMENT OF EQUITY SHARES

Prepared By:

**ADITYA SATISH DERASHRI,
REGISTERED VALUER by ICAI-RVO UNDER IBBI
IBBI/RV/06/2023/15422**

Contact Details of Valuer

**A/21, Sahil Apt.Near Dev Nagar, Kandivali (W),
Mumbai 400067 Connect:8779866198
caadityaderashri@gmail.com**

May 18th, 2024



To,
The Audit Committee and Board of Directors,
Fervent Synergies Limited
B-7/8, Satyam Shopping Centre, M.G. Road,
Ghatkopar East, Mumbai, Maharashtra, India,
400077

Sub: Report on determination of Floor Price for Preferential Allotment of Equity Shares, evaluated in accordance with Regulation 165 and Regulation 166 & 166A of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amended from time to time.

Dear Sir/Madam,

I refer to the engagement letter (LoE) dated 14th May 2024, whereby **CA Aditya Satish Derashri**, Registered Valuer – Securities or Financial Assets (hereinafter referred to as "the Valuer", "We" or "I") have been appointed by the Audit Committee of the **Fervent Synergies Limited** (hereinafter referred to as "**FSL**" or "**Company**") for determination of floor price of Equity Shares ("the Securities") as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ("ICDR Regulations" or "SEBI (ICDR) Regulations, 2018"), in accordance with the terms set out in the said LoE.

Based on discussions with the management, we understand that the Company is proposing to issue its Securities to identified investors on preferential basis ("the Proposed Transaction") and we are expected to determine the floor price of the Securities as per the SEBI ICDR Regulations.

We are glad to present herewith our report on the same. We enclose our report reaching a conclusion of Floor Price of the Equity share to be at **INR 10** as on 16th May 2024 ("Valuation Date"). The attached report details the valuation methodologies, calculations, and conclusions with respect to this valuation.

The scope of our services is to conduct the valuation exercise and determine the fair value attributable to the equity share of the company in accordance with internationally accepted valuation standards and Valuation Standards issued by ICAI for the limited purpose mentioned in para above. The report is confidential to the company and may not be used for any purpose other than as specified above.

Our report will be issued by us on the express understanding that it shall not be copied, disclosed, or circulated or referred to in correspondence or discussion with any third party or used for any other purpose other than for submitting it to regulatory authorities in relation to the purpose mentioned

Fervent Synergies Limited



above without our prior written consent. We will not accept any responsibility to any third party to whom the report may be shown or who may acquire a copy of the report.

This report is based on the information and representations received by us from the client till 15th May 2024. Any update of additional information which might be brought to our knowledge after the issuance of this valuation report could change the information herein and hence there could be a material change in our valuation.

Please note that the above-mentioned value or estimates and all other related comments in the report should be read in conjunction with the assumptions and limiting conditions as set forth in the following section.

I shall be happy to discuss this report with the Audit Committee/ Board of directors, any other approved committee, or any other authorized official of the Company, as may be required.

In case any clarification is required with respect to our report, please let us know.

Respectfully submitted,

ADITYA SATISH
DERASHRI

Digitally signed by
ADITYA SATISH DERASHRI
Date: 2024.05.18 18:53:43
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For CA Aditya Satish Derashri

IBBI Valuer Reg No - IBBI/RV/06/2023/15422

Membership No – ICAIRVO/06/RV-P034/2023-2024

UDIN: 24192728BKEAOY5416

ICAI Membership No. 192728

Place - Mumbai.

Date – May 18, 2024

Fervent Synergies Limited



Fervent Synergies Limited



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Introduction, Purpose and Rationale for Valuation

Aditya Satish Derashri, Chartered Accountant and a registered Valuer under Institute of Chartered Accountants of India – Registered Valuer Organization and with Insolvency and Bankruptcy Board of India has been engaged by **Fervent Synergies Limited** to determine the Floor Price for Preferential Allotment of Equity Shares considering 16th May 2024 as Valuation Date.

Purpose & Rationale

We refer to our LoE dated 14th May, 2024 as Independent Registered Valuers of FSL. In the following paragraphs, we have summarized our valuation Analysis (the "Analysis") of the business of the Company as informed by the management and detailed herein, together with the description of the methodologies used and limitation on our scope of work.

Based on the discussions held with the management, we understand that this valuation shall assist in the determination of the fair market value of equity shares of the company for allotment of equity shares ("Securities") on preferential basis in accordance with the provisions of regulation 166A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with Regulation 165 of the said Regulations.

Accordingly, we have been appointed by the Audit Committee as a Registered Valuer for the determination of the fair market value of equity shares of the company to meet the pricing guidelines of SEBI.

This Report is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter.

Valuation Premise:

The premise of value for our analyses is going concern value as there is neither a planned or contemplated discontinuance of any line of business nor any liquidation of the Company.

Scope of Work:

The Analysis of the Value of Equity shares of the FSL has been carried out as per Regulation 165 and 166A of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements), 2018. The value arrived is as on close of trading hours of the date preceding the relevant date (16th May 2024) i.e. 15th May 2024.

- ☐ Date of Appointment- 14th May 2024
- ☐ Valuation Date-16th May 2024
- ☐ Relevant Date- 16th May 2024
- ☐ Date of Report- 18th May 2024
- ☐ Base of value- Fair Market Value
- ☐ Valuation Currency- INR

Fervent Synergies Limited



Assumptions and Limiting Conditions

My report is subject to the limitations detailed herein after:

1. The determination of floor price analysis recommendation contained herein represents the analysis done for the date on which appointed and not for any other time of the year.
2. The scope of our work has been limited to the extent of arriving at the determination of floor price as explained above. I have no responsibility to update this report for events and circumstances after the date of this report.
3. Work was not designed to verify the accuracy or reliability of the information provided to us and nothing in this report should be taken to imply that I have conducted procedures, audits or investigations in an attempt to verify or confirm any information supplied to us.
4. This report is issued on the understanding that the Management of the Companies has drawn my attention to all matters concerning the financial and legal position of the businesses, which may have an impact on my reporting, including any significant changes that have taken place or are likely to take place in future.
5. I have no present or planned future interest in the Company and the fee for this report is not contingent upon the values reported therein.
6. I do not express any opinion as to any tax or other consequences that might arise from the transaction, nor does our opinion address any legal, tax, regulatory or accounting matters.
7. The valuation of any entity or its assets is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing analysis, I have relied on explanations provided by the Management and have made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Company. This valuation could fluctuate with lapse of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions, financial and otherwise, of the company, and other factors which generally influence the valuation.
8. The Report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated. This 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 disclosed in the audited/ unaudited balance sheet of the Company/ subsidiary/ associates / joint ventures/ investee companies, if any. No investigation of the Company's claims of title of assets has been made for the purpose of this Report and the Company's claim to such rights has been assumed to be valid. No consideration has been given to



liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. Our conclusion of value assumes that the assets and liabilities of the company reflected in their respective latest balance sheet remain intact as of the Report Date.



Company Overview

- a. **Fervent Synergies Limited ("FSL")** is a Public Company incorporated as on July 6, 2009, in the name of Fervent Pharma Synergies Limited, under the Companies Act, 1956 and obtained certificate of commencement of business on August 13, 2009, from the Registrar of Companies, Maharashtra, Mumbai.

Name of the company was changed from Fervent Pharma Synergies Limited to Fervent Synergies Limited with effect from 24th July, 2012, vide 'Fresh Certificate of Incorporation Consequent upon Change of Name' issued by GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS, Registrar of Companies, Maharashtra, Mumbai

The Company has its registered office at B-7/8, Satyam Shopping Centre, M.G. Road, Ghatkopar East, Mumbai, Maharashtra, India, 400077. The Corporate Identity Number of the Company is L24239MH2009PLC193843. The Company is engaged in the business of manufacturing, buying, selling, dealing, importing, exporting, factoring, agenting and supplying of Pharmaceuticals, Organic and Inorganic Chemicals, food products, agricultural, commercial, cash crops and any other kind and type of food products in India or elsewhere.

The main business of the company is divided into the food division and finance division of lending funds as and when available with the company, for earning business income in line with continuation of its business activities. The company is now looking to foray into the real estate sector and hence is looking for the possibility of raising funds via preferential allotment.

The equity shares of the Company are listed and traded on Bombay Stock Exchange of India Limited (BSE).

The Articles of Association of the Company do not categorically mention the pricing of preferential issue.

- b. **The Capital Structure of FSL as on 15th May 2024 is as under:**

Particulars	Amount (Rs.)
Authorized Share Capital	
3,00,00,000 Equity Shares of 10/- each	30,00,00,000
Total	30,00,00,000
Issued, Subscribed and Paid-up Share Capital	
3,00,00,000 Equity Shares of 10/- each.	30,00,00,000
Total	30,00,00,000



c. The Shareholding Pattern of FSL as on 15th May 2024 is as under:

Particulars	Category	No. of Shares	% of Share Holding
<u>Equity Shares of INR 10/- each fully paid up</u>			
Vijay Thakkar	Promoter	1,57,75,000	52.58
Urvi Vijay Thakkar	Promoter	21,50,000	7.17
Karan V Thakkar	Promoter	21,50,000	7.17
Sanjay P Thakkar	Promoter	10,00,000	3.33
Vijay P Thakkar HUF	Promoter	9,00,000	3.00
Ashok Premji Gohil	Promoter	25,000	0.08
Total Promoter Group		2,20,00,000	73.33
Public	Public	80,00,000	26.67
Total Paid up Capital		3,00,00,000	100.00

d. Directors and Key Managerial Persons of FSL as on 15th May 2024 is as under:

Name	Designation	DIN/PAN	Date of Appointment
Vijay Pravinchandra Thakkar	Chairman & Director	01276104	06/07/2009
Sanjay Pravinchandra Thakkar	Managing Director	00588420	06/07/2009
Karan Vijay Thakkar	Director	02724666	03/12/2013
Karan Vijay Thakkar	CFO	02724666	23/02/2015
Nitin Bhalchandra Parikh	Director	00717297	01/07/2011
Falguni Kaushik Mehta	Director	01612198	26/03/2015
Rajesh Manekji Maheshwari	Director	02375795	22/07/2011
Nehal Bharat Mehta	Company Secretary	CDXPM3846E	15/03/2024

Procedures Followed

We have undertaken the following procedures covering our valuation exercise for the said valuation and recommendation of fair value of equity share:

- Requested and received the relevant data (including the relevant financials and qualitative data) from the Managements of FSL.
- Discussions with the Managements on understanding of the businesses and fundamental factors etc.
- Analysis and review of the historical financials as provided to us including provisional/unaudited income statement, cash flow and balance sheets.
- Discussions with the Managements to obtain an understanding on the historical financial data.
- Analysis of market data and industry information available in public domain which could affect the valuation.
- Selection of valuation approaches and valuation methodologies as considered appropriate by us.
- Analysis of other relevant facts and data, including consideration of the SEBI (ICDR) Regulations, 2018 and ICAI Valuation Standards, 2018 issued by The Institute of Chartered Accountants of India.
- Computation of relative values to arrive at valuation conclusion and to determine the fair value of equity share.
- Prepared and issued this valuation report as required under the applicable laws.



Sources of Information

For the purposes of undertaking this exercise, I have relied on the following sources of information and documents received from the Management:

1. Certificate of Incorporation (COI), Memorandum of Association (MOA) and Articles of Association (AOA) of FSL.
2. Audited Financial Statements of FSL as on 31st March 2024, 31st March 2023 and 31st March 2022.
3. Provisional/Unaudited Financial Statements of FSL as on 15th May 2024.
4. Shareholding pattern of FSL as on 15th May 2024.
5. Total Traded Quantity and Turnover data from the Bombay Stock Exchange ("BSE") for computing the 240 trading days' volume preceding the Relevant date.
6. SEBI Preferential Allotment pricing guidelines as per ICDR Regulations, 2018
7. Discussions with the Management on various issues relevant to the valuation including the prospects and outlook for the industry expected growth rate and other relevant information.
8. Discussion with Management including Management Representation Letter.
9. Other information and explanations have been required, and which have been provided by the Management.
10. I have also relied on published and secondary sources of data whether made available by the Company.

We have based our calculation as prescribed by Regulation 165 and 166A of the SEBI (ICDR) Regulations, 2018 read with SEBI (SAST) Regulations 2011.

Besides the above information and documents, there may be other information provided by the Companies which may not have been perused by me in any detail, if not considered relevant for the defined scope. The Companies have been provided with the opportunity to review the draft report as part of the standard practice to make sure that factual inaccuracy & omissions are avoided in the final report.



Approach to Valuation

The purpose of fair value is to enable a valuer to exercise his discretion and judgement in light of all circumstances, in order to arrive at a value which is fair to all parties. Fair market value has been defined as the price at which a property passes between a willing buyer and willing seller, neither under any compulsion to buy or sell, and both with knowledge of all relevant facts.

For the purpose of arriving at valuation, we have considered the valuation base as 'Fair Value'. My valuation, and this report, is based on the premise of 'going concern value'. Any change in the valuation base, or the premise could have a significant impact on valuation exercise, and therefore, this Report.

The selection of method to be used must be made under the most appropriate method rule. The most appropriate method is that method, which, under the fact and circumstances of the transaction under review, provides the most reliable valuation.

For the purpose of the valuation exercise, generally the following valuation approaches are adopted:

- (1) the 'Asset' approach.
- (2) the 'Income' approach; and
- (3) the 'Market' approach

In determining the reliability of a method, the most important factors to be taken into account are the coverage and reliability of the available data. Other factors such as conditions prevailing in the market, potential of the industry and business to growth, extent and reliability of adjustment that may be required in applying the method shall also be taken into account.

1. ASSET APPROACH:

The value under the Asset Approach is determined based on the underlying value of the assets which could be on book value basis, replacement cost basis or on the basis of realizable value. Under the Asset approach, total value of business is based either on net asset value or realizable value or replacement cost basis. The Asset Approach method is most applicable for business where value lies in underlying assets and not the ongoing operations of the business. Asset approach does not capture the future earning capacity of the business. **Given the nature of business and past trend of business, we have considered the Asset approach as the most suitable approach.**

2. INCOME APPROACH

The Income Approach derives an estimate of value based on the sum of the present value of expected economic benefits associated with the asset or business (Economic benefits have two components: cash flow (or dividends) and capital appreciation). Under the Income Approach, the appraiser may select a single period capitalization method (Profit earning capacity value method), or a multi-period discounted future income method. This approach is appropriate in most going concern situations as the worth of the

business is generally a function of its ability to earn income or cash flow and to provide an appropriate return on investment.

We have not used this approach as the past earnings are not consistent and hence management is unable to forecast the same.

3. MARKET APPROACH

Under the Market Price Method ("MP Method"), the market price of an equity shares as quoted on a recognized Stock Exchange is normally considered as the value of the equity shares of that company, where such quotations are arising from the shares being regularly and frequently traded. Generally, market value is reflective of investors' perception about the actual worth of the company. However, in certain situations the value of the shares quoted on the Stock market would not be regarded as a proper index of the fair value of the shares, especially where the market values are fluctuating in a volatile capital market.

We understand that the shares are infrequently traded in BSE Ltd.

In terms of Regulation 166A of SEBI ICDR Regulations,

166A. (1) 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:

Provided further that the valuation report from the registered valuer shall be published on the website of the issuer and a reference for the same shall be made in the notice calling the general meeting of shareholders.

(2) Any preferential issue, which may result in a change in control of the issuer, shall only be made pursuant to a reasoned recommendation from a committee of independent directors of the issuer after considering all the aspects relating to the preferential issue including pricing, and the voting

pattern of the said committee's meeting shall be disclosed in the notice calling the general meeting of shareholders.

Regulation 165 of ICDR Regulations shall continue to apply in case of infrequently traded shares:

(Explanation: The pricing in case of infrequently traded shares as per Regulation 165 of ICDR Regulation is determined by the issuer taking into account the valuation parameters such as book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies, and such valuation is required to be certified by independent valuer)

Since FSL is a listed Company and equity shares of FSL are traded on BSE Ltd platform over a reasonable period but **are infrequently traded**, therefore we have considered the Net Asset Value method to determine the value of equity shares of FSL. We have been informed by the Management that the report date as per SEBI ICDR Regulations, for the purpose of calculation of the price per share of FSL for the proposed preferential issue of shares is 15th May 2024. Since the latest financial data available is till 15th May 2024, we have considered the same for our valuation purposes.

Date	Volume	Date	Volume	Date	Volume	Date	Volume
15-May-24	1,232	19-Apr-24	18,186	21-Mar-24	109	27-Feb-24	5,295
14-May-24	9,530	18-Apr-24	8,426	20-Mar-24	216	26-Feb-24	10,350
13-May-24	14,106	16-Apr-24	20,248	19-Mar-24	1,622	23-Feb-24	4,756
10-May-24	44,602	15-Apr-24	13,692	18-Mar-24	164	22-Feb-24	8,444
09-May-24	12,656	12-Apr-24	14,566	15-Mar-24	1,058	21-Feb-24	6,533
08-May-24	3,274	10-Apr-24	25,833	14-Mar-24	4,427	20-Feb-24	8,139
07-May-24	18,870	09-Apr-24	14,072	13-Mar-24	1,912	19-Feb-24	14,629
06-May-24	24,912	08-Apr-24	14,424	12-Mar-24	1,168	16-Feb-24	5,124
03-May-24	29,065	05-Apr-24	1,564	11-Mar-24	1,786	15-Feb-24	3,605
02-May-24	36,901	04-Apr-24	2,082	07-Mar-24	1,619	14-Feb-24	9,863
30-Apr-24	19,507	03-Apr-24	953	06-Mar-24	3,914	13-Feb-24	7,263
29-Apr-24	32,961	02-Apr-24	2,404	05-Mar-24	4,463	12-Feb-24	3,804
26-Apr-24	17,055	01-Apr-24	3,484	04-Mar-24	2,672	09-Feb-24	3,777
25-Apr-24	23,769	28-Mar-24	4,028	02-Mar-24	229	08-Feb-24	5,181
24-Apr-24	22,721	27-Mar-24	3,076	01-Mar-24	1,632	07-Feb-24	6,184
23-Apr-24	6,577	26-Mar-24	1,312	29-Feb-24	3,516	06-Feb-24	5,815
22-Apr-24	11,682	22-Mar-24	974	28-Feb-24	751	05-Feb-24	12,433

Date	Volume	Date	Volume	Date	Volume	Date	Volume
02-Feb-24	11,217	06-Dec-23	1,475	09-Oct-23	1,376	09-Aug-23	612
01-Feb-24	7,128	05-Dec-23	2,397	06-Oct-23	2,638	08-Aug-23	529
31-Jan-24	9,006	04-Dec-23	483	05-Oct-23	800	07-Aug-23	365
30-Jan-24	39,249	01-Dec-23	3,093	04-Oct-23	1,002	04-Aug-23	4,517
29-Jan-24	28,402	30-Nov-23	3,799	03-Oct-23	1,311	03-Aug-23	435
25-Jan-24	86,118	29-Nov-23	3,302	29-Sep-23	485	02-Aug-23	727
24-Jan-24	14,213	28-Nov-23	5,326	28-Sep-23	606	01-Aug-23	650
23-Jan-24	166,008	24-Nov-23	1,384	27-Sep-23	390	31-Jul-23	3,097
20-Jan-24	22,321	23-Nov-23	85	26-Sep-23	456	28-Jul-23	293
19-Jan-24	16,619	22-Nov-23	4,266	25-Sep-23	953	27-Jul-23	327
18-Jan-24	42,753	21-Nov-23	2,703	22-Sep-23	12,683	26-Jul-23	255
17-Jan-24	1,062	20-Nov-23	1,876	21-Sep-23	598	25-Jul-23	361
16-Jan-24	2,367	17-Nov-23	2,774	20-Sep-23	3,643	24-Jul-23	1,557
15-Jan-24	11,501	16-Nov-23	3,012	18-Sep-23	9,360	21-Jul-23	1,017
12-Jan-24	15,300	15-Nov-23	8,136	15-Sep-23	3,886	20-Jul-23	1,281
11-Jan-24	17,302	13-Nov-23	514	14-Sep-23	683	19-Jul-23	112
10-Jan-24	7,275	12-Nov-23	3,804	13-Sep-23	1,895	18-Jul-23	2,015
09-Jan-24	5,039	10-Nov-23	5,212	12-Sep-23	254	17-Jul-23	776
08-Jan-24	28,619	09-Nov-23	1,575	11-Sep-23	2,195	14-Jul-23	1,302
05-Jan-24	16,342	08-Nov-23	2,821	08-Sep-23	498	13-Jul-23	2,708
04-Jan-24	14,722	07-Nov-23	1,515	07-Sep-23	245	12-Jul-23	465
03-Jan-24	17,186	06-Nov-23	5,567	06-Sep-23	2,258	11-Jul-23	4,252
02-Jan-24	26,574	03-Nov-23	804	05-Sep-23	5,023	10-Jul-23	413
01-Jan-24	66,431	02-Nov-23	4,350	04-Sep-23	2,447	06-Jul-23	105
29-Dec-23	238,341	01-Nov-23	3,176	01-Sep-23	1,375	05-Jul-23	860
28-Dec-23	83,615	31-Oct-23	1,877	31-Aug-23	2,972	04-Jul-23	1,495
27-Dec-23	167,699	30-Oct-23	11,848	30-Aug-23	2,487	03-Jul-23	4,296
26-Dec-23	11,831	27-Oct-23	1,115	29-Aug-23	3,138	30-Jun-23	4,229
22-Dec-23	23,914	26-Oct-23	894	28-Aug-23	7,721	28-Jun-23	1,240
21-Dec-23	113,076	25-Oct-23	4,661	25-Aug-23	1,100	27-Jun-23	2,081
20-Dec-23	11,728	23-Oct-23	10,611	24-Aug-23	200	26-Jun-23	1,174
19-Dec-23	21,324	20-Oct-23	2,576	23-Aug-23	2	23-Jun-23	2,511
18-Dec-23	27,499	19-Oct-23	7,556	22-Aug-23	245	22-Jun-23	210
15-Dec-23	1,513	18-Oct-23	368	21-Aug-23	1,636	21-Jun-23	930
14-Dec-23	1,275	17-Oct-23	2,340	18-Aug-23	10,477	20-Jun-23	167
13-Dec-23	7,089	16-Oct-23	2,177	17-Aug-23	511	19-Jun-23	972
12-Dec-23	1,360	13-Oct-23	6,382	16-Aug-23	110	16-Jun-23	19,249
11-Dec-23	4,680	12-Oct-23	8,110	14-Aug-23	399	15-Jun-23	285
08-Dec-23	83	11-Oct-23	86,094	11-Aug-23	629	14-Jun-23	3,725
07-Dec-23	1,052	10-Oct-23	30,819	10-Aug-23	684	13-Jun-23	7,838

Date	Volume
12-Jun-23	10,601
09-Jun-23	765
08-Jun-23	2,775
07-Jun-23	8,514
06-Jun-23	7,553
05-Jun-23	5,783
02-Jun-23	5,504
01-Jun-23	8,353
31-May-23	1,200
30-May-23	253
29-May-23	524

No. of shares traded	2,491,536
Total O/s Shares	30,000,000
% of shares traded	8.31%

**Calculations for determining frequently and infrequently traded shares*

- Comparable Companies Multiple Method ("CCM Method") Under the CCM method, the value of the business / equity share of a company is determined based on publicly available information of the market valuations of the comparable companies on the basis of multiples derived from such market information. This method is applied on the premise that markets are perfect and have captured all the information and factors, which are reflected through their market valuations.

The comparable approach method provides a high degree of varying values basis EPS and Book value. The same is not reliable and hence is not considered.

- Comparable Transaction Method ("CTM") Under the CTM, the value of the business / equity share of a company is determined considering the past transactions of similar companies as well as the market value of comparable companies that have an equivalent business model to the business / company being valued.

Selection of the most appropriate approach

As mentioned earlier, the valuation is performed to derive the value of equity shares. The valuation has been derived using the methodology that is widely acceptable. Based on the above description of the approach, I have selected the Asset Approach – Book Value method

Valuation Analysis and Conclusion

Computation of fair value of share.

The value per equity share of FSL are based on the various approaches/methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses of the Companies, having regard to information base, key underlying assumptions, and limitations. I have independently applied different valuation methods for determining value per share of Fervent Synergies Limited which is explained below:

Valuation Approach	Value per Share (Rs.)	Weight (%)	Weighted Value
	A	B	A*B
Underlying Asset Approach	9.81	100.00%	9.81
Income Approach	NA	NA	0.00
Market Approach	-14.66	0.00%	0.00
Weighted Average Value per Share (INR)	9.81	100.00%	9.81

NA = Not Applied / Not Applicable

*As per provisions of Companies Act, 2013, a company cannot issue shares at discount. Since the Fair value comes out to INR 9.81, which is less than the Face value per share of INR 10. Therefore, the Face value becomes its Fair value.

In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove referred to earlier in this Report for the proposed transaction, in my opinion, I recommend the **fair value of equity shares of FSL at INR 10 per equity share.**



Distribution of Report

Our value analysis report has been solely prepared for use by the Management. Further, the Company is not entitled to submit such report to Government Authorities as disclosures differs from such reporting. Our reports should not be distributed for any other purpose except as mentioned above or to any other person without our written consent. In no event shall I be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or wilful default on the part of the Management of the company. In no circumstances liability of services provided in connection with the engagement exceed the amount paid to us in respect of the fees charged for those services.

We have no present or prospective contemplated financial interest in the Companies, and we have no personal interest with respect to the Promoters and Board of Directors of the Companies. We have no bias/prejudice with respect to any matter that is the subject of the valuation report. The fee for the valuation engagement is not contingent upon the results reported and no way influenced the results of our valuation analysis.

**ADITYA
SATISH
DERASHRI**

Digitally signed
by ADITYA
SATISH DERASHRI
Date: 2024.05.18
18:54:11 +05'30'

For CA Aditya Satish Derashri

IBBI Valuer Reg No - IBBI/RV/06/2023/15422

Membership No – ICAIRVO/06/RV-P034/2023-2024

UDIN: 24192728BKEA0Y5416

ICAI Membership No. 192728

Place - Mumbai.

Date – 18th May, 2024



ASP
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Annexures

Annexure I: Determination of value per equity share of FSL using Asset Method

Particulars	Amount (INR)
Non- Current Assets	6,48,01,765
Current Assets	23,11,03,514
Total Assets (A)	29,59,05,279
Non- Current Liabilities	10,65,131
Current Liabilities	6,28,073
Toal Liabilities (B)	16,93,204
Net worth (A-B)	29,42,12,075
No. of Shares	3,00,00,000
Book Value per Share	9.81



Annexure II: Determination of value per equity share of FSL using Comparable Companies Method**I. Fair value as per comparable multiple Ratio:**

Particulars	P/E as on 15.05.2024	P/B as on 15.05.2024
MMTC	115.7	9.59
Redington	13.8	2.23
PTC India	12.9	1.28
Average PE	47.47	4.37
Average EPS (FSL)	-1.52	
Book value		9.81
Market price as per Average Ratio	(72.15)	42.83
Average Market price		(29.32)
Fair price as per CCM		(14.66)

Hence, Fair Value as per CCM is INR -14.66.

As fair value cannot be negative, therefore we have considered fair value as per Book Value method i.e. INR 9.81.

* Comparable Companies data has been sourced from www.screener.in

