

Valuation Report

for

Proposed Preferential issue of Convertible Warrants

of

ALPHALOGIC TECHSYS LIMITED

(CIN: L72501PN2018PLC180757)

(Private and Confidential)

Prepared by:

CA JAY PRAKASH DOKANIA

(IBBI Registered Valuer – Security or Financial Assets)

Registration No: IBBI/RV/05/2019/12553

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To,
The Board of Directors
Alphalogic Techsys Limited
405, Pride Icon, Near Columbia Asia Hospital
Kharadi Bypass Road
Pune - 411014

Dear Sir,

Sub: Submission of Valuation Report for the proposed Preferential issue of Convertible Warrants under Regulation 164(1) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

I have been engaged by the Management of Alphalogic Techsys Limited ("Company" or "ATL") for the purpose of assessing fair value of Equity Shares for the proposed preferential issue of Convertible Warrants under Regulation 164 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations'). The Company is registered under the Companies Act 2013 (CIN L72501PN2018PLC180757) and its Registered office is situated at 405, Pride Icon, Near Columbia Asia Hospital, Kharadi Bypass Road, Pune – 411014. The Company is listed in BSE mainboard platform.

Based on the information provided by the management, we have arrived at the "Fair Value" ("Valuation" or "Value") of the Company as of the relevant date i.e., October 12, 2022. It should be noted that the valuation engagement is purely an analytical exercise based on the information and documents given to us. Based on our assessment, the value of the Convertible Warrants of the Company is recommended at **INR 39.83/- per equity share.**

The detailed valuation report including computation of fair value of the equity shares of the Company has been attached in subsequent pages.

Thanking You,
Regards,





CA Jay Prakash Dokania,
(Registered Valuer)
IBBI Regd. No: IBBI/RV/05/2019/12553
RVO Membership No: ICMAI RVO/S&FA/00143
UDIN No: 22068271BAIXMU4604
Place: Kolkata
Date: 18/10/2022

1. BACKGROUND INFORMATION OF THE COMPANY

Name	Alphalogic Techsys Limited
CIN	L72501PN2018PLC180757
Date of Incorporation	13/12/2018
Registered Address	405, Pride Icon, Near Columbia Asia Hospital, Kharadi Bypass Road, Pune – 411014
Listing status	Listed
Directors	1) Mr. Pawan Bansal (DIN: 0000312962) 2) Mr. Rohan Kishor Wekhande (DIN: 0008197194) 3) Mr. Anshu Goel (DIN: 0008290775) 4) Ms. Neha Anshu Goel (DIN: 0008290823) 5) Mr. Vedant Goel (DIN: 0008290832) 6) Mr. Amar Raykantiwar (DIN: 0009438320)

(Source: www.mca.gov.in)

Incorporated in the year 2018, Alphalogic Techsys Limited has been engaged in the business of providing Information Technology and related services. It is a boutique consulting firm helping its clients in their digital transformation journey. The Company provides services in Product Engineering, Cloud Computing, Mobility and Artificial Intelligence areas. The company got listed on BSE Start-up platform on September 05, 2019 and migrated to Main Board of BSE on December 16, 2021.

The present capital structure of "ATL" is as follows:

Particulars	Amount in INR
a) Authorised Share Capital	
4,20,00,000 Equity Shares of face value of ₹ 5/- each	21,00,00,000
Total Authorised Share Capital	21,00,00,000
b) Issued, Subscribed and Paid up	
3,38,59,767 Equity Shares of face value of ₹ 5/- each	16,92,98,835
Total Issued, Subscribed and Paid up	16,92,98,835

(Source: MCA Master Data)

Shareholding Pattern as on September 22, 2022

Category	No. of Shares Held	In %
Promoter & Promoter Group	2,53,66,647	74.92%
Public	84,93,120	25.08%
Total	3,38,59,767	100.00%

(Source: BSE Website)



2. PURPOSE OF VALUATION

We have been represented by the management and their authorised representatives that the company is in process of Preferential issue of Convertible Warrants under Regulation 164 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. As per the terms of convertible equity warrants, each convertible equity warrant will be converted into one Equity Share.

I have been appointed by Alphalogic Techsys Limited, to determine the fair value of Convertible Warrants of the company in accordance with the relevant provisions of SEBI ICDR Regulations, Companies Act 2013 and in compliance with the provision as mentioned in point no 12A(i)(c) of Articles of Association of the Company.

*The Computation of Fair Value of Equity shares is attached as per **Annexure – I, Annexure – II and Annexure – III.***

Regulation 164 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

A listed company seeking to make a preferential issue of shares is required to comply with the pricing guidelines of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Regulation 164(1) of the ICDR stipulates the pricing in case of frequently traded shares and prescribes a minimum price at which the preferential issue is required to be made. It is stipulated that:

"The price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

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

Company has also specially requested me to value the shares as per the valuation approaches usually followed as applicable.

Regulation 161 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

"**Relevant date**" means: in case of preferential issue of equity shares, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue. Where the relevant date falls on a weekend or a holiday, the day preceding the weekend or the holiday will be reckoned to be the relevant date.

The Extra-ordinary General Meeting of the shareholders of the Company will be held on November 11, 2022, and, in accordance with the provisions of Chapter V of the SEBI ICDR Regulations, the 'Relevant Date' for the purpose of determining the floor price for the Preferential Allotment of the Convertible Warrants is October 12, 2022, being the date, 30 days prior to the date of this meeting.



3. APPOINTING AUTHORITY

I have been appointed by the management of Alphalogic Techsys Limited ("appointing authority) to value the company for the stated purpose vide their engagement letter dated September 22, 2022. Terms of the engagement has been decided mutually by the management and their authorised representatives.

4. IDENTITY OF THE VALUER

CA Jay Prakash Dokania (the "Valuer"), is a Registered Valuer as required under the Companies (Registered Valuers & Valuation) Rules, 2017. CA Jay Prakash Dokania is registered with Insolvency & Bankruptcy Board of India (IBBI) vide Registration No. IBBI/RV/05/2019/12553 to undertake the valuation of "Securities or Financial Assets" of the Companies. He is a professional member of ICAI RVO and holding certificate of practice vide Membership No. ICAI RVO/S&FA/00143 since December 06, 2019.

CA Jay Prakash Dokania (the "Valuer") is also a practicing Chartered Accountant qualified in the year 2009. He is engaged in providing various corporate consultancy services since last 12 years.

5. DISCLOSURE OF VALUER INTEREST OR CONFLICT

I hereby certify that CA Jay Prakash Dokania (the "Valuer"), is suitably qualified and authorized to practice as a valuer. I am independent of the company and have no present or planned future interest in the Company or its assets and does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the company. The fee paid for my services in no way influenced the results of my analysis. The valuer accepts instructions to value the company only from the appointing authority or eligible instructing party.

6. DATE OF APPOINTMENT, VALUATION DATE AND DATE OF REPORT

- **Appointment Date:** We have been appointed by the management of Alphalogic Techsys Limited vide letter dated September 22, 2022.
- **Valuation Date:** The valuation exercise has been performed based on the information available to us as of October 12, 2022 (Relevant Date). The value of the company should be considered to the value as on this date.
- **Report Date:** Our valuation report has been submitted as of October 18, 2022.

7. INSPECTION AND/OR INVESTIGATION UNDERTAKEN

We have relied on accuracy and completeness of all the information and explanations provided by the management. We have not carried out any due diligence or independent verification or validation to establish its accuracy or sufficiency. We have received representations from the management and have accordingly assessed the fair value of the company. We believe that given the nature of the valuation and the underlying reports made available to us, it is plausible to carry out such valuation.



8. CONDITIONS AND MAJOR ASSUMPTIONS

Conditions

Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country. I have not audited nor reviewed the Financial Statement and express no assurance on them. The financial information about the companies presented in this report includes normalization adjustment made solely for the purpose to arrive at value conclusion presented in this report. Normalization adjustment as reported are hypothetical in nature are not intended to present restated historical financial result or forecasts of the future.

This report is only to be used in entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.

I have, however used conceptually sound and generally accepted methods, principle and procedure of valuation in determining the value estimate included in this report. The valuation analyst by reason of performing this valuation and preparing this report is not to be required to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.

I acknowledge that I have no present or contemplated financial interest in the Company. My fees for this valuation are based upon my normal billing rates and not contingent upon the result or the value of the business or in any other manner. I have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

Assumptions

The opinion of value given in this report is based on information provided by the management of the companies and other sources as listed in the report. This information is assumed to be accurate and complete. I have relied upon the representations contained in the public and other document in my possession concerning the value and useful condition of all other assets or liabilities except as specifically stated to the contrary in this report. I have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the owner has good title to all the assets.

I have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic condition affecting the business, the market or the industry. This report presumes that the management of the company will maintain the character and integrity of the Company through any sale, re-organisation or reduction of any owner's/ manager's participation in the existing activities of the Company.

I have been informed by management that there are no environmental or toxic contamination problems; significant lawsuits or any other undisclosed contingent liabilities which may potentially affect the



business, except as may be disclosed elsewhere in this report. I have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

9. NATURE AND SOURCE OF THE INFORMATION USED OR RELIED UPON

The Analysis is based on the information provided by the Management and the authorised representatives of the company and further discussion held with them. I have obtained data, information, explanations, documents, statements and sought clarifications to arrive at a fair market value of shares. I have placed reliance on the data, information, documents, statements, information, explanations and clarifications provided to me by the Management of the Company. I hereunder broadly summarize the principal sources of information obtained for arriving at Fair Market Value of the quoted Equity shares of the Company as follows:

- Brief received from the management about the company's background and purpose of valuation
- MOA & AOA of the Company
- Audited financial statements of the Company for FY 2020-21 and FY 2021-22
- Management certified consolidated financial projections from FY 2022-23 to FY 2026-27.
- Public documents as available from external sources such as MCA (mca.gov.in), BSE (bseindia.com) and others.
- Other relevant details relating to the Company and such other information and explanations as were required by us and were furnished by the management.

For the purpose of my assignment, I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us; we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Company. The valuation analysis and result are substantively based only on information contained in this report and are governed by concept of materiality.

10. PROCEDURE ADOPTED IN CARRYING OUT THE VALUATION AND VALUATION STANDARD FOLLOWED

Valuation is not an exact science and is dependent on various factors such as specific nature of business, economic life cycle in which the industry and company is operating, past financial performance of the business, future growth potential of the business, business model, management of the company, relevance of technology in the business model, liquidity of equity and much more. The results of the valuation exercise may vary significantly depending on the basis used, the specific circumstances and the judgement of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. This Business valuation has been carried out using approaches and methodologies given under IVS 105 "Valuation Approaches and Methods".

There are three main valuation approaches. They are all based on the economic principles of price equilibrium, anticipation of benefits or substitution. The goal in selecting valuation approaches and methods for an asset is to find the most appropriate method under the circumstances. No one method is suitable in every possible situation.



The main valuation approaches are:

- a. Cost Approach
- b. Market Approach and
- c. Income Approach

a) Cost Approach

Value of a business entity using Cost Approach is estimated using either replacement value or realizable value. The net asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. Under the Net Asset Value approach, total value is based on the sum of book value as recorded on the balance sheet of the company. The asset values reflected in books of accounts are generally not a true indicator of the future distributable cash/profit generating ability of the business which is widely regarded as the true determinant of value of assets for most of the industries. The asset values recorded in books of accounts are also impacted by accounting policies which may be discretionary at times. Further, this valuation approach (NAV) is used in cases where the firm is to be liquidated i.e., it does not meet the "going concern" criterion or is used in case where the asset base dominates earnings capacity.

The Book Value Method has been considered under this Approach.

*Computation of Fair Value of Equity shares as per Book Value Method is attached as per **Annexure – I**.*

b) Market Approach

Stock exchange quotations reflect the value of shares or the value of investment in a quoted stock. Value of equity shares under this method is computed based on historical average of market price quotations of company's shares on stock exchanges.

Another variation of Market Approach of valuation is Comparable Companies' Multiples Method. The CCM method uses multiples derived from valuations of comparable companies, as manifested through stock market valuations of listed companies. It is based on the principle that 'comparable transactions/market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation'.

The relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. The commonly used trading multiples in pricing analysis are Enterprise Value (EV) to Sales ratio (EV/Sales) or Market Capitalization / Sales ratio, Enterprise Value to EBITDA ratio (EV/EBITDA), and Price Earnings ratio (P/E ratio). Since the company is listed, we have used Market approach as per relevant regulations of SEBI.

Considering the shares of the company are frequently traded, so the methodology prescribed under regulation 164(1) of SEBI ICDR 2018, has been applied.



c) Income Approach

Value of the business using Income approach is estimated based on the earning capacity of the entity or net present value of cash flows earned from the business. Profit Earnings Capacity Value (PECV) Method or Discounted Cash Flow (DCF) Method is used to estimate the value of the entity using Earning Approach. Whereas DCF Method estimates the value of business by the cash flows which are forecasted to be earned in future, PECV method capitalizes future maintainable profits (based on past trends and expected change in business activities) to estimate the value of the business.

This methodology has been used as per specific requirement of the company. Under this method, we have considered appropriate to use discounted cash flow (DCF) method.

The discounted cash flow is considered appropriate as it serves as an indicator of the prospective return that the business is able to generate in the future. The discounted cash flow method is very effective because it allows values to be determined even when cash flows are fluctuating. The DCF method uses the future free cash flows of the firm / equity holders discounted by the cost of capital to arrive at the present value. In general, the DCF method is a strong and widely accepted valuation tool, as it concentrates on cash generation potential of a business. This method is based on future potential and is widely accepted.

*Computation of Fair Value of Equity shares as per DCF Methodology is attached as per **Annexure – II**.*

Alphalogic Techsys Limited is a listed company with shares quoted on the BSE. A listed company seeking to make a preferential issue of shares is required to comply with the pricing guidelines of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Regulation 164(1) of the SEBI ICDR stipulates the pricing in case of frequently traded shares and prescribes a minimum price at which the preferential issue is required to be made. It is stipulated that:

"The price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

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

As per SEBI ICDR Regulations, "frequently traded shares" means shares of an issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent (10%) of the total number of shares of such class of shares of the issuer.

As per trade data of Alphalogic Techsys Limited extracted from BSE from October 25, 2021 to October 11, 2022, the traded turnover is more than ten per cent of the total number of shares. So, in accordance with SEBI ICDR Regulations 164(5) the shares of the Company are frequently traded.



Note: The Company had come out with a bonus issue in the ratio of 1:2 (i.e., 1 bonus share for every 2 shares held) on September 21, 2022. While calculating the traded turnover, the said adjustments has been suitably factored in.

Computation of Fair Value of Equity shares as per SEBI ICDR Regulations is attached as per **Annexure – III**.

11. RESTRICTION ON USE OF THE REPORT, IF ANY

The Analysis is confidential and has been prepared exclusively for the Company. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without prior written consent of CA Jay Prakash Dokania (the "Registered Valuer"). Such consent will only be given after full consideration of the circumstances at the time.

12. CONCLUSION

The Summary of Valuation Computation is as follows:

Particulars	Amount in INR
Fair Value as per Book Value Method	8.21
Fair Value as per DCF Methodology	30.49
Fair Value as per SEBI ICDR Regulation 164(1)	39.83

Regulation 164(1) of the SEBI ICDR stipulates the pricing in case of frequently traded shares and prescribes a minimum price at which the preferential issue is required to be made. The value computed as per Book Value Method and DCF Methodology is lower than the minimum prescribed price as per SEBI ICDR Regulation 164(1).

As per the terms of convertible warrants, each convertible warrant will be converted into one Equity Share.

In the light of above, and on the consideration of all relevant factors, the price of the Convertible Warrants of ATL to be allotted pursuant to the preferential issue shall not be less than **INR 39.83/- (Rupees Thirty-Nine and Paise Eighty Three) per Share** as calculated under SEBI ICDR Regulation 164(1).

13. CAVEATS

- ❖ This document has been prepared for the purpose stated herein and should not be relied upon for any other purpose. My client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third party advisors whose review would be consistent with the intended use. I do not take any responsibility for the unauthorized use of this report.
- ❖ I owe responsibility to only to the client that has appointed me under the terms of the engagement letters. I will not be liable for any losses, claims, damages or liabilities arising out of the actions



taken, omissions or advice given by any other reason. In no event shall I will be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or company, their directors, employees or agents. In any case, our liability to the management or any third party is limited to be not more than 50% of the amount of the fee received by us for this engagement.

- ❖ While my work has involved an analysis of financial information and accounting records, my engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, I express no audit opinion and assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of you and the client. My report is subject to the scope and 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.
- ❖ The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.
- ❖ The valuation of companies and assets is made based on the available facts and circumstances and conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is no indisputable single value. Whilst, I consider the valuation to be both reasonable and defensive based on the information available, others may place a different value.
- ❖ My Valuation Analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any transaction with the Company or Investee Companies. Any party shall do so after seeking their own professional advice.
- ❖ An analysis of such nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in parties as in effect on and the information made available to me as of the dates hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it and I do not assume any obligation to update, revise or reaffirm this Report.
- ❖ The Companies and its management/representatives warranted to me that the information they supplied was complete, accurate and true and correct to the best of their knowledge. I have relied upon the representations of the company and their management and other third parties concerning the financial data.
- ❖ We do not provide assurance on the achievability of the results forecast by the management as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond



to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

- ❖ The actual market price achieved may be higher or lower than our estimate of value depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place. The final transaction price is something on which the parties themselves have to agree. We also emphasize that our opinion is not the only factor that should be considered by the parties in agreeing the transaction price or swap ratio.
- ❖ I have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, I assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where I have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and/or reproduced in its proper form and context.
- ❖ The report assumes that the companies comply fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to me.
- ❖ The valuation report is tempered by the exercise of judicious discretion by the valuer, taking into account the relevant factors. There will always be several factors, e.g., management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.
- ❖ I am fully aware that based on the opinion of value expressed in this report, I may be required to give testimony or attend court/judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking my evidence in the proceedings shall bear the cost/professional fee of attending court/judicial proceedings and my tendering evidence before such authority shall be under the applicable laws.



14. ACKNOWLEDGEMENT

I am thankful to the management and the authorised representatives of the Company for their kind co-operation extended to me during the course of this assignment. I trust the above meets your requirements. Please feel free to contact me in case you require any additional information or clarifications.

Thanking You,
Regards,





CA Jay Prakash Dokania,
(Registered Valuer)

IBBI Regd. No: IBBI/RV/05/2019/12553

RVO Membership No: ICMAI RVO/S&FA/00143

UDIN No: 22068271BAIXMU4604

Place: Kolkata

Date: 18/10/2022

ANNEXURE – I

Computation of fair value as per Book Value Method

Calculation of Book Value as on March 31, 2022 (Consolidated)	
Particulars	INR Lakhs
Equity Share Capital	1,128.66
Other Equity	724.32
BOOK VALUE	1,852.98
No. of Equity Shares (Face Value@5)	2,25,73,178
Value Per Share (INR)	8.21



ANNEXURE – II

Computation of fair value as per Discounted Cash Flow Methodology

Amount in INR Lakh

FY	2023	2024	2025	2026	2027	TERMINAL
PARTICULARS						
PAT	377.50	558.84	757.68	921.02	1,019.21	
Add : Depreciation	31.45	22.02	15.41	10.79	7.55	
Less :Capital Expenditure	-	-	-	-	-	
Add : Interest (Post Tax)	28.65	28.65	28.65	28.65	28.65	
Less: NWC	42.36	79.34	85.71	80.41	68.61	
Free Cash Flows	395.24	530.17	716.03	880.05	986.81	8,898.56
Discounting Factor	0.86	0.73	0.63	0.54	0.46	0.46
Present value of Cash flow	338.75	389.45	450.80	474.87	456.37	4,115.30
Cumulative present value of Cash Flows	6,225.53					
Enterprise Value	6,225.53					
Add: Cash & Cash Equivalent as on 31-3-22	13.09					
Add: Investment as on 31-3-22	1,100.16					
Less: Debt as on 31-3-22	430.58					
Less: Non-controlling Interest	26.10					
Equity Value	6,882.10					
No. of Equity Shares	2,25,73,178					
Value Per Share (INR)	30.49					

Notes:

- For the purpose of valuation of equity in this transaction through DCF methodology, we have relied upon the Consolidated projections provided by the management for the financial years starting from FY 2022-23 and ending FY 2026-27 duly supplemented by its Terminal Value based on the Gordon Model. and extrapolating the adjusted free cash flows for last year at an annual growth rate of 5% to perpetuity.
- The discount rate applied to calculate current values on March 31, 2022 has been determined based on Cost of Equity (Ke). The attached table summarizes the main assumptions used to calculate cost of equity of ATL.

COE assumptions	Values	Source
Risk free rate, Rf	7.10%	Risk Free Rate based on 10-year Zero Coupon Yield Curve*
Equity risk premium	8.07%	As per Prof. Aswath Damodaran – ERP by country
Beta	1	Assumed
Base cost of equity	15.17%	As per CAPM Model Computation
Additional risk premium	2.50%	To account for higher risk as the company is in high growth phase.
Adjusted Cost of equity, Ke	17.67%	

*Source: <https://www.ccilindia.com/RiskManagement/SecuritiesSegment/Pages/ZCYC.aspx>

- Cost of Debt is the rate of interest for existing debts outstanding. As per Management inputs about the interest rate, the WACC has been computed as 16.68%.
- Alphalogic Industries Ltd. and Faraday Digital Inc. are subsidiaries of ATL. The financial projections provided by the company is the consolidated projections considering the above subsidiaries as certified by the company.



ANNEXURE – III

Valuation Computation of Alphalogic Techsys Limited with Relevant Date as October 12, 2022

(Amount In INR)

Sl. No.	Parameters	Value
i	a. the 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; (Note 1) or	36.81
ii	b. the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date. (Note 2)	39.83
	Higher of the above	39.83

Note 1: Calculation of the 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date

Amount In INR

Date	Adjusted No. of Shares (A)	Total Turnover (B) (Rs.)
11-Oct-22	25951	1094567
10-Oct-22	15878	656555
07-Oct-22	7593	304858
06-Oct-22	9810	372922
04-Oct-22	29306	1069549
03-Oct-22	19644	736643
30-Sep-22	19826	778395
29-Sep-22	7959	328769
28-Sep-22	7088	309765
27-Sep-22	16587	705947
26-Sep-22	10401	454523
23-Sep-22	9283	427895
22-Sep-22	54990	2560061
21-Sep-22	31776	1490557
20-Sep-22	78003	3510159
19-Sep-22	163176	7249349
16-Sep-22	93726	3924135
15-Sep-22	37604	1542996
14-Sep-22	26250	1133125
13-Sep-22	84653	4072833
12-Sep-22	412361	19137775
09-Sep-22	201851	7783868
08-Sep-22	12356	431384





359712	10322	07-Sep-22
239152	6830	06-Sep-22
1012187	29132	05-Sep-22
202517	5742	02-Sep-22
1352325	38562	01-Sep-22
396735	10845	30-Aug-22
451133	12681	29-Aug-22
1367526	37119	26-Aug-22
1354449	37628	25-Aug-22
567101	15771	24-Aug-22
275298	7808	23-Aug-22
1242144	34625	22-Aug-22
575589	16475	19-Aug-22
895515	24954	18-Aug-22
839879	23564	17-Aug-22
884066	24990	16-Aug-22
2013344	55989	12-Aug-22
2950176	85361	11-Aug-22
1758102	57587	10-Aug-22
2700803	87363	08-Aug-22
1163061	39588	05-Aug-22
4407894	148026	04-Aug-22
870718	31236	03-Aug-22
228019	7925	02-Aug-22
1422226	49256	01-Aug-22
1630508	57858	29-Jul-22
220713	8810	28-Jul-22
161179	6521	27-Jul-22
178313	7055	26-Jul-22
45674	1784	25-Jul-22
357329	13836	22-Jul-22
223139	8708	21-Jul-22
360378	13919	20-Jul-22
187105	7130	19-Jul-22
64177	2400	18-Jul-22
88469	3333	15-Jul-22
238323	8957	14-Jul-22
384117	14492	13-Jul-22
612079	22293	12-Jul-22
66200	2498	11-Jul-22
305362	11415	08-Jul-22
41982	1535	07-Jul-22
73141	2702	06-Jul-22
471651	17439	05-Jul-22



Note: The Company had come out with a bonus issue in the ratio of 1:2 (i.e., 1 bonus share for every 2 shares held) on September 21, 2022. The said adjustments have been suitably factored in the above calculations.

90 trading days volume weighted average price		Total
787068	27098	04-Jul-22
498229	17826	01-Jul-22
1181050	40856	30-Jun-22
858750	31881	29-Jun-22
165915	6540	28-Jun-22
759762	30267	27-Jun-22
717091	31125	24-Jun-22
200491	9747	23-Jun-22
169237	8105	22-Jun-22
251324	12215	21-Jun-22
176665	8873	20-Jun-22
566733	27396	17-Jun-22
103240	4895	16-Jun-22
198193	9104	15-Jun-22
25718	1164	14-Jun-22
84098	3939	13-Jun-22
144819	6636	10-Jun-22
156692	7223	09-Jun-22
88505	4044	08-Jun-22
107824	4829	07-Jun-22
147063	6531	06-Jun-22
44598	1926	03-Jun-22
67772	3065	02-Jun-22
102816977	2793402	Total
36.81		

Note 2: Calculation of the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

Amount in INR

Date	No. of Shares (A)	Total Turnover (B) (Rs.)
11-Oct-22	25951	1094567
10-Oct-22	15878	656555
07-Oct-22	7593	304858
06-Oct-22	9810	372922
04-Oct-22	29306	1069549
03-Oct-22	19644	736643
30-Sep-22	19826	778395
29-Sep-22	7959	328769
28-Sep-22	7088	309765
27-Sep-22	16587	705947
Total	159642	6357970
10 trading days volume weighted average price (B/A)		39.83

----- End of Report -----

