

ANNEXURE - 1

Report
On
Share Exchange Ratio

EFC (I) Limited (E(I)L)
("Transferee Company")
&
Whitehills Interior Limited (WIL)
("Transferor Company")

Bhavesh M Rathod
Chartered Accountants Registered Valuer - SFA
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IBBI Registration No.: IBBI/RV/06/2019/10708
ICAI RVO Membership No.: ICAIRVO/06/RV-P00113/2018-19
PAN: AAEP3560Q



To,
The Board of Directors,
EFC (I) Limited (E(I)L),
6th Floor, VB Capitol Building, Range Hill Road,
Opp. Hotel Symphony, Bhoslenagar, Shivaj
inagar, Pune 411007

To,
The Board of Directors,
Whitehills Interior Limited (WIL)
6th Floor, VB Capitol Building, Range Hill Road,
Bhoslenagar, Shivajinagar Pune 411007 IN

Re: Recommendation of Share Exchange Ratio for the purpose of proposed merger of Whitehills Interior Limited (WIL) with EFC (I) Limited (E(I)L).

Dear Sir(s)/Madam(s),

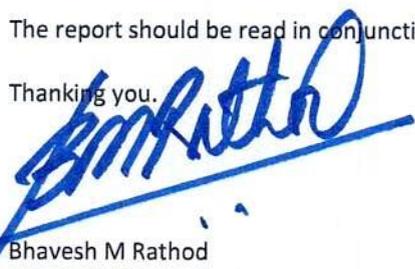
As per our discussions with the Management of EFC (I) Limited (E(I)L) and Whitehills Interior Limited (WIL) (hereinafter collectively referred to as the "Management"), we have carried out the fair valuation of equity shares of EFC (I) Limited (E(I)L) (hereinafter referred to as "the Transferee Company") and Whitehills Interior Limited (WIL) (hereinafter referred to as "the Transferor Company") to recommend the share exchange ratio for the proposed Scheme of Merger by absorption of Whitehills Interior Limited (WIL) with EFC (I) Limited (E(I)L) (hereinafter collectively referred to as "Companies").

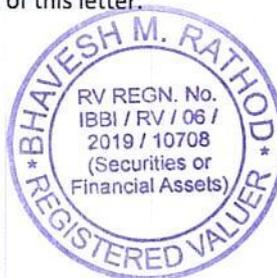
The cut-off date for the valuation exercise has been considered as **30th June 2023** ("Relevant Date", "Valuation date"). A summary of the analysis is presented in the accompanying report, as well as description, methodology and procedure we used and the factors we considered in formulating our opinion.

We believe that our report should be considered in whole, and the selective reading of the report may not give proper picture and may be misleading.

The report should be read in conjunction of this letter.

Thanking you.


Bhavesh M Rathod
Chartered Accountants
M No: 119158
Registered Valuer - Securities or Financial Assets
(Reg No: IBBI/RV/06/2019/10708)



Place: Mumbai
Date: 20th July 2023

UDIN:

231915886VZOK4672

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1. Purpose of Valuation.

During the financial year 23-24, We have been informed that, the managements of EFC (I) Limited (E(I)L) and Whitehills Interior Limited (WIL) are considering a merger proposal by absorption of Whitehills Interior Limited (WIL) with EFC (I) Limited (E(I)L), (hereinafter referred to as "Amalgamation" or "Merger") pursuant to the provisions of the Companies Act, 2013 (including statutory modifications or re-enactments thereof) for the time being in force, (hereinafter referred to as "Scheme"). Subject to necessary approvals, the merger by absorption of Whitehills Interior Limited (WIL) with EFC (I) Limited (E(I)L) will be with effect from the Appointed Date of as may be approved by Hon'ble NCLT. In consideration for the Merger, Equity Shares of EFC (I) Limited (E(I)L) would be issued to Equity Shareholders of Whitehills Interior Limited (WIL)

In this connection, I, Bhavesh M Rathod, Registered Valuer-Securities or Financial Assets, have been appointed to recommend the fair equity share exchange ratio.

2. Background of the Companies.

EFC (I) Limited (E(I)L)

EFC (I) Limited is engaged, inter alia, in the business of developing, buying, selling or renting out serviced and virtual office space, meeting rooms, office equipments, storage facilities, software development centers, network infrastructure, business executive suites, furnished meeting space and any other infrastructure projects including software parks, health care centers and business of software development, web site development, training, exporting, importing, buying, selling, distributing or otherwise deal in any other manner in computer software, computer programming, system software, data processing, data entry data warehousing, systems, software procedures, peripheral products, to commercialize the results in the areas of software engineering, generating technology, software development, and methodology.

Company URL: - [_https://www.efclimited.in/](https://www.efclimited.in/)

Further Details of the Company:

CIN	L74110PN1984PLC216407
Company / LLP Name	EFC (I) LIMITED
ROC Code	RoC-Pune
Registration Number	216407
Company Category	Company limited by Shares
Company Subcategory	Non-govt company
Class of Company	Public
Authorised Capital (Rs)	100000000
Paid up Capital (Rs)	77273740
Number of Members (Applicable in case of company without Share Capital)	0
Date of Incorporation	07/02/1984

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Registered Address	6th Floor, VB Capitol Building, Range Hill Road, Opp. Hotel Symphony, Bhoslenagar, Shivajinagar, Pune 411007
Email Id	compliance@efclimited.in
Whether listed or not	Listed
Date of last AGM	30/09/2022
Date of Balance Sheet	31/03/2022
Company Status (for efilling)	Active

Directors and Key Managerial Persons:

DIN/PAN	Name	Begin date	Designation
0000119614	Rajesh Chandrakant Vaishnav	13/08/2022	Independent Director
0001733060	Umesh Kumar Sahay	06/05/2022	Managing Director
0001873087	Abhishek Narbaria	26/05/2022	Wholetime Director
0002111646	Nikhil Dilipbhai Bhuta	26/05/2022	Wholetime Director
0008095079	Mangina Srinivas Rao	26/12/2022	Independent Director
BFLPA1782C	Aman Kumar Gupta	20/10/2022	Company Secretary
0009054785	Gayathri Iyer	26/05/2022	Independent Director
AIVPV5924D	Uday Tushar Vora	26/05/2022	CFO(KMP)

Shareholding Pattern:

Name of Shareholders	Total	% Holding
Promoter	45,37,000	55.09%
Public	31,90,374	38.74%
Outstanding Share Warrants (*)	5,08,500	6.17%
Total	82,35,874	100.00%

Face Value per share is Rs. 10/-

(*) Conversion ratio of share warrants is 1:1, as represented by management warrants will be converted to equity in due course, hence considered under diluted equity share capital.

Whitehills Interior Limited (WIL)

White Hills is primarily engaged in the business of interior designing, interior designing consultancy, manufacturers, assembling, reassembling, repairing, importing, exporting, selling, buying, exchanging, altering, letting on hire, distributing or dealing in all kinds of ceramic items for homes and offices, curtains, panel products, household utensils, china and glass goods, floorings, wallpapers, kitchenware, carpets and other decorative and utility items etc.

Further Details of the Company:

CIN	U26990PN2022PLC216228
Company / LLP Name	WHITEHILLS INTERIOR LIMITED
ROC Code	RoC-Pune
Registration Number	216228
Company Category	Company limited by Shares

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Company Subcategory	Non-govt company
Class of Company	Public
Authorised Capital (Rs)	1000000
Paid up Capital (Rs)	1000000
Number of Members (Applicable in case of company without Share Capital)	0
Date of Incorporation	20/11/2022
Registered Address	6th Floor, VB Capitol Building, Range Hill Road, Bhoslenagar, Shivajinagar Pune Pune MH 411007 IN
Email Id	compliance@whitehillsdesign.com
Whether listed or not	Unlisted
Date of last AGM	-
Date of Balance Sheet	-
Company Status (for efilling)	Active

Directors and Key Managerial Persons:

DIN/PAN	Name	Begin date	Designation
0001733060	Umesh Kumar Sahay	20/11/2022	Director
0001873087	Abhishek Narbaria	20/11/2022	Director
0006859500	Vishal Omprakash Sharma	15/03/2023	Additional Director

Shareholding Pattern:

Name of Shareholders	No. of Shares	% Holding
EFC (I) Ltd	51,000	51.00%
Umesh Kumar Sahay	39,000	39.00%
Abhishek Narbaria	9,996	10.00%
Others	4	0.00%
Total	1,00,000	100.00%

Face Value per share is Rs. 10/-

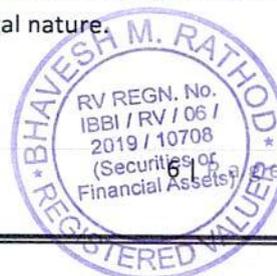
3. Exclusions and Limitations

Our report is subject to the scope limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, and in conjunction with the relevant documents referred to herein.

No investigation of the Companies' 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 loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

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Our work does not constitute an audit or certification of the historical financial statements / prospective results, including the working results of the Companies referred to in this report, and should not be construed as such. 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 and is as per the 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.

A valuation of this nature involves consideration of various factors, including those impacted by prevailing market trends, in general, and industry. This report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of, concerning the financial position of both the Companies and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies, subsequent to the Appointed Date for the proposed merger. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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 Companies through broad inquiry, analysis and review, but have not carried out a due diligence or an audit of the information provided for the purpose of this engagement. Public information, estimates, industry and statistical information relied upon in this report have been obtained from sources considered by us to be reliable. However, we have not independently verified such information and make no representation as to the accuracy or completeness of such information from or provided by such sources. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Companies. We assume no responsibility for any errors in the above information furnished by the Companies and its consequential impact on the present exercise.

Our report should not be construed as our opining or certifying the compliance of the proposed merger with the provisions of any law, including companies, taxation and capital market related laws, or as regards any legal implications or issues arising from such proposed merger.

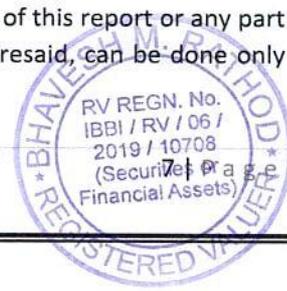
This report is prepared only in connection with the proposed merger, exclusively for the use of the Companies and for submission to any regulatory/statutory authority, as may be required under any applicable law.

Any person/party intending to provide finance/invest in the shares/businesses of any of the Companies, 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.

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 proposed merger, as aforesaid, can be done only with our prior permission in writing.

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The fee for the engagement and this report is not contingent upon the results reported.

Neither Bhavesh M Rathod, or its employees, nor any of their agents, 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 the afore stated parties expressly disclaim any and all liability for or based on or relating to any such information contained in the valuation.

4. Sources of Information

For the purpose of the valuation exercise, we have relied upon the following sources of information provided by the management.

- a) Provisional Financial statements of EFC (I) Limited (E(I)L) & Whitehills Interior Limited (WIL) as on 30th June 23.
- b) Audited Financial statements of EFC (I) Limited (E(I)L) as of FY21 & FY22.
- c) Provisional Financials of Investee Companies of EFC (I) Limited (E(I)L) & Whitehills Interior Limited (WIL) as on 30th June 2023.
- d) Management certified projected financial statements for the period of 5 years from FY24 to FY28 of EFC (I) Limited (E(I)L)
- e) Management certified projected financial statements for the period of 6 years from FY24 to FY29 of Whitehills Interior Limited (WIL).
- f) Details of Shareholding and numbers of fully Equity Shares as on valuation date of EFC (I) Limited (E(I)L) and Whitehills Interior Limited (WIL).
- g) Other relevant details regarding the Companies, such as their history, their promoters, past and present activities, other relevant information and data including information in the public domain.

Such other information and explanations as we required, and which have been provided by the management of the Companies. We have relied on the representations made to us by the management, including financial information, significant transactions and events occurring subsequent to the balance sheet date. We have assumed such representations to be reliable and our conclusions are dependent on such information being complete and accurate in all material respects.

5. Approach & Methodology

The valuation methodologies used by registered valuer to arrive at the value attributable to the equity shareholders of EFC (I) Limited (E(I)L) and Whitehills Interior Limited (WIL) are discussed hereunder:

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1. Asset Approach:

The value arrived at under this approach is based on the audited financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted for any contingent liabilities that are likely to materialise.

The Net Asset Value is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern.

2. Market Approach:

Comparable Company Market (CCM) Multiple Method

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The difficulty here in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, profitability and accounting practices.

Whereas no publicly traded company provides an identical match to the operations of a given company, important information can be drawn from the way comparable enterprises are valued by public markets. In case of early stage company and different business model the problem aggravates further.

3. Income Approach:

Discounted Cash Flows – ("DCF")

DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

Beta is an adjustment that uses historic stock market data to measure the sensitivity of the Company's cash flow to market indices, for example, through business cycles.

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows in the future. The free cash flows are projected for a certain number of years and then discounted at a discount rate that reflects a Company's cost of capital and the risk associated with the cash flows it generates. DCF analysis is based mainly on the following elements:

- Projection of financial statements (key value driving factors)
- The cost of capital to discount the projected cash flows.



Valuation Methodology

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose.

In the instant case, based on the nature of business of the Company, availability of data and generally acceptable valuation methodologies, we have valued the Equity Shares of EFC (I) Limited (E(I)L) as per weighted average of Discounted Cash Flows (DCF) Method & Comparable Company Market (CCM) Multiple Method and for Whitehills Interior Limited (WIL) as per Discounted Cash Flows (DCF) Method, Market Price of the EFC is not considered as company is infrequently traded.

Our choice of methodology and valuation has been arrived using usual and conventional methodologies adopted for purposes of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of similar nature.



4. Determination of Exchange/Swap Ratio

Computation of Fair Share Exchange Ratio				
Valuation Approach	EFC(I)Ltd (Transferee)		WIL (Transferor)	
	Value Per Share (INR)	Weight	Value Per Share (INR)	Weight
	Asset Approach (*)	126.43	0%	173.57
Income Approach (*)	839.55	50%	54,556.24	100%
Market Approach (*)	578.11	50%	0.00	0%
Fair Value Per Share / Relative Value Per Share	708.83		54,556.24	
Exchange Ratio			76.97	
Exchange Ratio (R/Off)			77.00	

(*) Refer Annexures for working.

Note: As the company is infrequently traded, hence Market Price is not considered.

Swap Ratio
For every 1 share of WIL 77.00 shares of E(I)L will be issued

Issued under my hand.

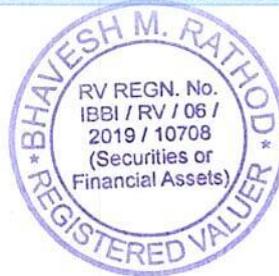
Yours faithfully


Bhavesh M Rathod
Chartered Accountants

M No: 119158

Registered Valuer - Securities or Financial Assets

(Registration No: IBBI/RV/06/2019/10708)



Date: 20th July 2023

Place: Mumbai

UDIN:

23119158B6VZOK4672

5. Annexure 1

EFC (I) Limited (E(I)L)

Net Assets Method as on 30th June 2023

Particulars	Amount	(INR Lakhs)
Assets		
Non-current assets		
Fixed assets		
Tangible Assets & Intangible Assets		5,755.64
Right of use assets		22,325.20
Deferred tax Assets (Net)		323.25
Non-Current Investments		24.43
Current assets		
Deposits		2,718.93
Current Investments - FD		3,972.72
Inventories		1,845.46
Trade receivables		3,335.72
Cash and cash equivalents		30.08
Other current assets		8,441.14
Short term Loans and Adv		3,363.30
Total Assets	A	52,135.89
Non-Current Liabilities		
Long Term Borrowings		15,079.66
Lease Liabilities		23,621.36
Deferred Tax Liabilities		441.73
Other Non-Current Liabilities		13.85
Long Term Provision		67.48
Current liabilities		
Trade Payables		1,847.19
Other current liabilities		650.32
Short Term Provision		535.76
Total Liabilities	B	42,257.35
Net Worth	A - B	9,878.53
Add: Outstanding Share Warrants Amount	C	533.93
Revised Net Worth	(A - B) + C	10,412.46
No. of Equity Shares	D	82,35,874
Value Per Share	(A - B + C) / D	126.43

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Whitehills Interior Limited (WIL)

Net Assets Method as on 30th June 2023

(INR Lakhs)

Particulars	Amount
Assets	
Non-Current Assets	
Right to use Assets	88.92
Deferred tax Assets (Net)	1.07
Current Assets	
Deposits	7.40
Trade receivables	64.57
Advance from Creditors	308.04
Cash and cash equivalents	15.22
Other current assets	112.45
Short term Loans and Adv	2.14
Total Assets	A 599.81
Non-Current Liabilities	
Long Term Borrowings	128.79
Other Non-Current Liabilities	89.88
Current liabilities	
Trade Payables	73.83
Advance from Debtors	85.95
Other current liabilities	18.55
Short Term Provision	29.25
Total Liabilities	B 426.25
Net Worth	A - B 173.57
No. of Equity Shares	C 1,00,000
Value Per Share	(A - B) / C 173.57



6. Annexure 2

EFC (I) Limited (E(I)L)

Discounted Cash Flows

We have been provided with the business projection of the Company for **Five years** by the Management, which we have considered for our Analysis. Accordingly, the projected free cash flows to Equity ("FCFE") based on these financial statements is set out below:

Number of Months	9	12	12	12	12	
Particulars	FY24	FY25	FY26	FY27	FY28	TV
PAT	2,345.13	6,139.07	11,491.01	18,893.51	28,800.68	30,240.71
Add: Depreciation	1,582.17	4,300.78	7,676.03	11,570.72	16,065.38	16,868.65
Less: Capex	-12,412.87	-20,080.25	-23,173.31	-26,745.80	-30,872.03	-16,868.65
(Increase)/ decrease in working capital	17,362.02	1,093.67	-2,161.68	2,641.86	1,251.90	
Free cash flow to firm ('FCFF')	8,876.45	-8,546.73	-6,167.96	6,360.29	15,245.92	30,240.71
Net Debt Taken / (Repaid)	-10,248.69	-523.74	-450.93	-450.93	-450.93	
Other Non-Current Liability	6,729.72	7,591.33	9,169.45	11,267.58	14,061.31	
Other Non-Current Assets	-5,046.89	4.89	0.00	0.00	0.00	
Free cash flow to Equity ('FCFE')	310.59	-1,474.25	2,550.56	17,176.94	28,856.30	30,240.71
Annual factor	0.75	1.00	1.00	1.00	1.00	
Discounting period (end year)	0.75	1.75	2.75	3.75	4.75	
PV factor	26.18%	0.84	0.67	0.53	0.42	0.33
PV of FCFE	260.68	-980.58	1,344.47	7,175.72	9,553.54	

PV of FCFE for the horizon period	17,353.82	A
FCFE for terminal year	30,240.71	
WACC	26.18%	
Perpetuity Growth	5.00%	
Capitalisation Rate	21.18%	
Gross terminal value	1,42,769.02	
PV factor	0.33	

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PV of terminal value	47,266.95	B
Enterprise value	64,620.77	A+B
Less: Minority Interest	-38.00	
Add: Cash from Outstanding Share Warrants	533.93	
Add: Investments	24.43	
Add: Cash & Bank	4,002.81	
Fair Value of Equity	69,143.93	
No of Share	82,35,874	
Value Per Share (in INR)	839.55	

Assumptions

Cost of Equity	26.18 %
Risk free rate (Rf)	7.29 %
Market Return (Rm)	14.28 %
Long Term Growth Rate	5.00 %
Beta	1.56

Terminal Value

The terminal value refers to the present value of the business as a going concern beyond the period of projections up to infinity. This value is estimated by taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimates growth rate of the industry and economy. Based on dynamics of the sector and discussions with the Management we have assumed a terminal growth rate of **5.00 %** for the Company beyond the projections periods. The cash flows of **Rs. 30,240.71 Lakhs** have been used to determine the terminal value. Based on these assumptions the terminal value has been calculated at **Rs. 1,42,769.02 Lakhs**.

Using these cash flows and a discount rate of **26.18%**, we estimate the equity value of the Company **Rs. 69,143.93 Lakhs**.

Discount Factor

Discount Factor considered for arriving at the present value of the free cash flows to the Equity Shares of the Company is the cost of equity. The cost of equity is computed using the capital asset pricing model (CAPM) using the formula shown below.

$$rE = rf + B (rM - rf) + CSP$$

Were,

rf = Risk free rate.

rM =Market return.

B = sensitivity of the index to the market / measure of market risk

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CSP – Company Specific Risk

	Rate	Source
Risk free return (rf)	7.29 %	10-year average government bond yield from last 12 months
Market Return (Rm)	14.28 %	Return of BSE 500 from Feb 01, 1999 to June 30, 2023
Measure of market risk(B)	1.56	No peer available
Company Specific Risk	8.00 %	Contingency of revenues, projected high profitability, achievability of projections

Based on the above parameters, the cost of Equity has been calculated at **26.18 %**.

Whitehills Interior Limited (WIL)

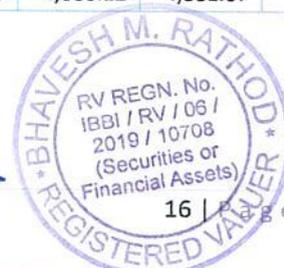
Discounted Cash Flows

We have been provided with the business projection of the Company for **Six years** by the Management, which we have considered for our Analysis. Accordingly, the projected free cash flows to Equity ("FCFE") based on these financial statements is set out below:

Number of Months	9	12	12	12	12	12	
Particulars	FY24	FY25	FY26	FY27	FY28	FY29	TV
PAT	4,106.78	5,997.42	8,254.96	10,227.17	12,609.86	15,401.34	16,017.83
Add: Depreciation	71.74	134.46	158.44	182.42	206.40	230.38	239.60
Less: Capex	-620.00	-125.00	-125.00	-125.00	-125.00	-125.00	
(Increase)/ decrease in working capital	378.50	16.70	26.05	17.23	20.47	22.03	-239.60
Free cash flow to firm ('FCFF')	3,937.02	6,023.57	8,314.45	10,301.82	12,711.73	15,528.75	16,017.83
Other Non-Current Liability	1.80	1.83	1.87	1.91	1.95	1.98	
Free cash flow to Equity ('FCFE')	3,938.82	6,025.41	8,316.32	10,303.73	12,713.68	15,530.74	16,017.83
Annual factor	0.75	1.00	1.00	1.00	1.00	1.00	
Discounting period (end year)	0.75	1.75	2.75	3.75	4.75	5.75	
PV factor	22.28%	0.86	0.70	0.57	0.47	0.38	0.31
PV of FCFE	3,384.85	4,234.38	4,779.30	4,842.36	4,886.12	4,881.07	

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PV of FCFE for the horizon period	27,008.08	A
FCFE for terminal year	16,017.83	
WACC	22.28%	
Perpetuity Growth	4.00%	
Capitalisation Rate	18.28%	
Gross terminal value	87,605.14	
PV factor	0.31	
PV of terminal value	27,532.94	B
Enterprise value	54,541.02	A+B
Add: Cash & Bank	15.22	
Fair Value of Equity	54,556.24	
No of Share	1,00,000	
Value Per Share (in INR)	54,556.24	

Assumptions

Cost of Equity	22.28 %
Risk free rate (Rf)	7.29 %
Market Return (Rm)	14.28 %
Long Term Growth Rate	4.00 %
Beta	1.00

Terminal Value

The terminal value refers to the present value of the business as a going concern beyond the period of projections up to infinity. This value is estimated by taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimates growth rate of the industry and economy. Based on dynamics of the sector and discussions with the Management we have assumed a terminal growth rate of **4.00 %** for the Company beyond the projections periods. The cash flows of **Rs. 16,017.83 Lakhs** have been used to determine the terminal value. Based on these assumptions the terminal value has been calculated at **Rs. 87,605.14 Lakhs**.

Using these cash flows and a discount rate of **22.28 %**, we estimate the equity value of the Company **Rs. 54,556.24 Lakhs**.

Discount Factor

Discount Factor considered for arriving at the present value of the free cash flows to the Equity Shares of the Company is the cost of equity. The cost of equity is computed using the capital asset pricing model (CAPM) using the formula shown below.

$$rE = rf + B (rM - rf) + CSP$$

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$$rE = rf + B (rM - rf) + CSP$$

Where,

rf = Risk free rate.

rM = Market return.

B = sensitivity of the index to the market / measure of market risk

CSP – Company Specific Risk

	Rate	Source
Risk free return (rf)	7.29 %	10-year average government bond yield from last 12 months
Market Return (Rm)	14.28 %	Return of BSE 500 from Feb 01, 1999 to June 30, 2023
Measure of market risk(B)	1.00	No peer available
Company Specific Risk	8.00 %	Contingency of revenues, projected high profitability, achievability of projections

Based on the above parameters, the cost of Equity has been calculated at **26.18 %**.

7. Annexure 3

EFC (I) Limited (E(I)L)

Comparable Company Market Multiple Method

We have considered the following companies for considering comparable multiples.

1. Prestige Estates Projects Ltd
2. DLF Ltd
3. Mercantile Ventures Ltd

Comparable Company Method (CCM)

Particulars	P / E
Multiple of Listed Peer Company	32.05
PAT of the Company (in INR Lakhs) (*)	1,469.08
Equity Value (in INR Lakhs)	47,078.15
Add: Cash from Outstanding Share Warrants Amount	533.93
Equity Value (in INR Lakhs)	47,612.08
No. of Shares	82,35,874
Value per share (in INR)	578.11

(*) Consolidated PAT as of 30th June 2023

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Note 1: -

P / E Multiple of Listed Peer Company

Particulars		P / E
Prestige Estates Projects Ltd		32.06
DLF Ltd		61.20
Mercantile Ventures Ltd		13.56
Average		35.61
Less: Size Discount	10%	-3.56
Adjusted Average		32.05

Whitehills Interior Limited (WIL)

Comparable Company Market Multiple Method

Due to non-availability comparable listed company in this segment, we have not used the CCM method.

