



SPA VALUATION ADVISORS PRIVATE LIMITED

(Formerly known as ZENSPAA Capital Services Private Limited)

CIN: U67100DL2016PTC309686

IBBI Registration No. IBBI/RV-E/05/2021/148

Submitted to

VIVRITI CAPITAL LIMITED

Valuation Report on Share Swap Ratio

For

VIVRITI CAPITAL LIMITED,

VIVRITI NEXT PRIVATE LIMITED &

VIVRITI ASSET MANAGEMENT PRIVATE LIMITED

BY

SPA VALUATION ADVISORS PRIVATE LIMITED

Registration No.

IBBI/RV-E/05/2021/148

info@spavaluation.com;

25 C- Block Community Centre, Janak Puri, New Delhi – 110058

Date: June 24, 2024

BACKGROUND INFORMATION OF THE ASSET BEING VALUED

Vivriti Capital Limited

Vivriti Capital Limited (*formerly known as Vivriti Capital Private Limited*) is a public company, limited by shares, incorporated under the Companies Act, 2013, under corporate identification number U65929TN2017PLC117196 and having its registered office at Prestige Zackria Metropolitan No. 200/1-8, 2nd Floor, Block - 1, Annasalai, Chennai, Tamil Nadu - 600002 (hereinafter referred to as “VCL” or “Demerged Company” or “Amalgamated Company”). VCL is registered as a non-deposit taking systematically important non-banking finance company (“NBFC-ND-SI”) with the RBI in terms of the certificate of registration bearing registration No.N-07.00836 dated January 5, 2018 (“NBFC Registration”) and an NBFC-Factor in terms of license bearing registration N-07-00901 (“NBFC Factoring License”). VCL is engaged primarily in the business of a finance company, hire purchase company and/ or leasing company and is involved in lending, structured finance, financial asset sales and trading, investments, co-origination of retail/ SME / enterprise debt products and related advisory services. Additionally, VCL also has investments in Vivriti Asset Management Private Limited and Cred Avenue Private Limited (CAPL) which are into asset management businesses and technology business respectively. The non-convertible debentures and commercial papers of VCL are listed on BSE.



SHAREHOLDING STRUCTURE OF VCL

The share capital structure of VCL as on March 31, 2024 is as follows:

VCL shareholding - Non Diluted											
Name of Shareholder	Number of Equity Shares	Number of Series A CCPS	Number of Series A2 CCPS	Number of Series B CCPS	Number of Series B2 CCPS	Number of Series C CCPS	Number of Series D CCPS	Equity (No of shares)	Equity (%)	CCPS (No of shares)	CCPS(%)
Gaurav Kumar	66,32,577.00	-	-	-	-	-	-	66,32,577.00	30.74%	-	0.00%
Vineet Sukumar	67,37,840.00	-	-	-	-	-	-	67,37,840.00	31.23%	-	0.00%
Aniket Satish Deshpande	5,51,000.00	-	-	-	-	-	-	5,51,000.00	2.55%	-	0.00%
Soumendra Nath Ghosh	5,82,200.00	-	-	-	-	-	-	5,82,200.00	2.70%	-	0.00%
Shaik Mohammed Irfan Basha	5,09,550.00	-	-	-	-	-	-	5,09,550.00	2.36%	-	0.00%
Others	7,86,725.00	-	-	-	-	-	-	7,86,725.00	3.65%	-	0.00%
Vivriti ESOP Trust	39,13,590.00	-	-	-	-	-	-	39,13,590.00	18.14%	-	0.00%
Creation Investments India III, LLC	1,31,596.00	4,21,21,438.00	1,53,48,035.00	-	57,96,936.00	8,57,768.00	-	1,31,596.00	0.61%	6,41,24,177.00	70.51%
Lightrock Growth Fund I S.A., SICAV-RAIF	2,32,512.00	-	-	1,00,77,112.00	-	15,16,054.00	-	2,32,512.00	1.08%	1,15,93,166.00	12.75%
Financial Investments SPC	-	-	-	1,00,77,113.00	-	-	-	-	0.00%	1,00,77,113.00	11.08%
LR India Fund I S.a r.L, SICAV-RAIF.	2,32,512.00	-	-	-	-	15,15,954.00	-	2,32,512.00	1.08%	15,15,954.00	1.67%
TVS Shriram Growth Fund 3	2,87,313.00	-	-	-	-	27,11,556.00	9,18,274.00	2,87,313.00	1.33%	36,29,830.00	3.99%
Namrata Kaul	1,15,161.00	-	-	-	-	-	-	1,15,161.00	0.53%	-	0.00%
Sridhar Srinivasan	93,075.00	-	-	-	-	-	-	93,075.00	0.43%	-	0.00%
Sanjiv Malhotra	93,075.00	-	-	-	-	-	-	93,075.00	0.43%	-	0.00%
Narayan Ramachandran	1,15,161.00	-	-	-	-	-	-	1,15,161.00	0.53%	-	0.00%
Shailesh J Mehta and Kalpa S Mehta	2,25,000.00	-	-	-	-	-	-	2,25,000.00	1.04%	-	0.00%
Trenton Investments Company Private Limited	1,05,265.00	-	-	-	-	-	-	1,05,265.00	0.49%	-	0.00%
Anata Capital Ventures Fund 1	1,05,265.00	-	-	-	-	-	-	1,05,265.00	0.49%	-	0.00%
Nisa Family Trust	1,05,265.00	-	-	-	-	-	-	1,05,265.00	0.49%	-	0.00%
Anita Belani	21,053.00	-	-	-	-	-	-	21,053.00	0.10%	-	0.00%
VAM ESOP Trust	-	-	-	-	-	-	-	-	0.00%	-	0.00%
Others - VAM	-	-	-	-	-	-	-	-	0.00%	-	0.00%
Total no. of shares on Non-Diluted basis	2,15,75,735.00	4,21,21,438.00	1,53,48,035.00	2,01,54,225.00	57,96,936.00	66,01,332.00	9,18,274.00	2,15,75,735.00	100.00%	9,09,40,240.00	100.00%





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Name of Shareholder	Number of Equity Shares	Number of Series A CCPS	Number of Series A2 CCPS	Number of Series B CCPS	Number of Series B2 CCPS	Number of Series C CCPS	Number of Series D CCPS
Conversion Factor	1.00	0.76	0.82	1.00	1.00	1.00	1.01

VCL shareholding - Fully Diluted													
Name of Shareholder	Number of Equity Shares	Number of Series A CCPS	Number of Series A2 CCPS	Number of Series B CCPS	Number of Series B2 CCPS	Number of Series C CCPS	Number of Series D CCPS	Equity (No of shares)	Equity (%)	CCPS (No of shares)	CCPS (%)	Total	Total (%)
Gaurav Kumar	66,32,577.00	-	-	-	-	-	-	66,32,577.00	30.74%	-	0.00%	66,32,577.00	6.66%
Vineet Sukumar	67,37,840.00	-	-	-	-	-	-	67,37,840.00	31.23%	-	0.00%	67,37,840.00	6.76%
Aniket Satish Deshpande	5,51,000.00	-	-	-	-	-	-	5,51,000.00	2.55%	-	0.00%	5,51,000.00	0.55%
Soumendra Nath Ghosh	5,82,200.00	-	-	-	-	-	-	5,82,200.00	2.70%	-	0.00%	5,82,200.00	0.58%
Shaik Mohammed Irfan Basha	5,09,550.00	-	-	-	-	-	-	5,09,550.00	2.36%	-	0.00%	5,09,550.00	0.51%
Others	7,86,725.00	-	-	-	-	-	-	7,86,725.00	3.65%	-	0.00%	7,86,725.00	0.79%
Vivriti ESOP Trust	39,13,590.00	-	-	-	-	-	-	39,13,590.00	18.14%	-	0.00%	39,13,590.00	3.93%
Creation Investments India III, LLC	1,31,596.00	3,19,44,558.00	1,25,88,942.00	-	57,96,936.00	8,57,768.00	-	1,31,596.00	0.61%	5,11,88,204.00	56.29%	5,13,19,800.00	51.52%
Lightrock Growth Fund I S.A., SICAV-RAIF	2,32,512.00	-	-	1,00,77,112.00	-	15,16,054.00	-	2,32,512.00	1.08%	1,15,93,166.00	12.75%	1,18,25,678.00	11.87%
Financial Investments SPC	-	-	-	1,00,77,113.00	-	-	-	-	0.00%	1,00,77,113.00	11.08%	1,00,77,113.00	10.12%
LR India Fund I S.à r.L., SICAV-RAIF.	2,32,512.00	-	-	-	-	15,15,954.00	-	2,32,512.00	1.08%	15,15,954.00	1.67%	17,48,466.00	1.76%
TVS Shriram Growth Fund 3	2,87,313.00	-	-	-	-	27,11,556.00	9,27,830.65	2,87,313.00	1.33%	36,39,386.65	4.00%	39,26,699.65	3.94%
Namrata Kaul	1,15,161.00	-	-	-	-	-	-	1,15,161.00	0.53%	-	0.00%	1,15,161.00	0.12%
Sridhar Srinivasan	93,075.00	-	-	-	-	-	-	93,075.00	0.43%	-	0.00%	93,075.00	0.09%
Sanjiv Malhotra	93,075.00	-	-	-	-	-	-	93,075.00	0.43%	-	0.00%	93,075.00	0.09%
Narayan Ramachandran	1,15,161.00	-	-	-	-	-	-	1,15,161.00	0.53%	-	0.00%	1,15,161.00	0.12%
Shailesh J Mehta and Kalpa S Mehta	2,25,000.00	-	-	-	-	-	-	2,25,000.00	1.04%	-	0.00%	2,25,000.00	0.23%
Trenton Investments Company Private Limited	1,05,265.00	-	-	-	-	-	-	1,05,265.00	0.49%	-	0.00%	1,05,265.00	0.11%
Anata Capital Ventures Fund 1	1,05,265.00	-	-	-	-	-	-	1,05,265.00	0.49%	-	0.00%	1,05,265.00	0.11%
Nisa Family Trust	1,05,265.00	-	-	-	-	-	-	1,05,265.00	0.49%	-	0.00%	1,05,265.00	0.11%
Anita Belani	21,053.00	-	-	-	-	-	-	21,053.00	0.10%	-	0.00%	21,053.00	0.02%
VAM ESOP Trust	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	0.00%
Others - VAM	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	0.00%
Total no. of shares on Fully Diluted basis	2,15,75,735.00	3,19,44,558.00	1,25,88,942.00	2,01,54,225.00	57,96,936.00	66,01,332.00	9,27,830.65	2,15,75,735.00	100.00%	7,80,13,823.65	85.79%	9,95,89,558.65	100.00%

Source: Management



Valuation of Shares for Vivriti Capital Limited for Share Swap Ratio, By: SPA Valuation Advisors Private Limited

Registered Office: 25, C - Block, Community Centre, Janak Puri, New Delhi- 110058

**The Equity shares and Compulsorily Convertible Preference Shares of VCL are not listed on any stock exchange in India.*

***VCL has outstanding employee stock options under the VCL ESOP 2023 Scheme, the exercise of which may result in an increase in the issued and paid-up share capital of VCL.*

Vivriti Next Private Limited

Vivriti Next Private Limited (formerly known as QED Business Solutions Private Limited) is private company, limited by shares, incorporated under the Act, under corporate identification number U74999TN2017PTC117539 and having its registered office at Prestige Zackria Metropolitan No. 200/1-8, 8th Floor, Block -1, Annasalai, Anna Road, Chennai, Chennai, Tamil Nadu, India, 600002 (hereinafter referred to as “VNPL”). VNPL is engaged primarily in the business of human resource services, consultancy in all fields in India and abroad and providing ancillary advisory services and is proposing to undertake the activities of a technology company which will then provide technology services and consultancy services to other companies including companies engaged in the business of lending and investment, and related advisory services.

SHAREHOLDING STRUCTURE OF VNPL

The share capital structure of VNPL as on March 31, 2024 is as follows:

Diluted and Non-Diluted no. of shares are same				
Name of Shareholder	Number of Equity Shares	Number of Series A CCPS	Total	%
Vineet Sukumar	7,44,056.00	-	7,44,056.00	7.38%
Gaurav Kumar	7,32,435.00	-	7,32,435.00	7.26%
Creation Investments India III, LLC	100.00	56,67,114.00	56,67,214.00	56.19%
Lightrock Growth Fund I S.A., SICAV-RAIF	100.00	13,05,804.00	13,05,904.00	12.95%
Financial Investments SPC	100.00	11,12,713.00	11,12,813.00	11.03%
LR India Fund I S.à r.L., SICAV-RAIF.	100.00	1,92,983.00	1,93,083.00	1.91%
TVS Shriram Growth Fund 3	100.00	3,31,062.00	3,31,162.00	3.28%
Total no. of Shares	14,76,991.00	86,09,676.00	1,00,86,667.00	100.00%

**Conversion of CCPS into equity is in 1:1 conversion ratio*

Source: Management



Hari and Company Investments Madras Private Limited

Hari and Company Investments Madras Private Limited is private company, incorporated under the Companies Act, 1956, under corporate identification number U65991TN1989PTC017066 and having its registered office at "Sri Malolan", 19/5, Krishnaswami Avenue, Mylapore Chennai, Tamil Nadu, India - 600004 (hereinafter referred to as "HCIMPL" or the "Resulting Company 1"). HCIMPL is engaged primarily in the business of carrying on as an investment company, providing business and personal loans and also has a portfolio of investments in shares and other securities. HCIMPL is a wholly owned subsidiary of VNPL. HCIMPL is registered as a NBFC-ND-SI with the RBI in terms of the certificate of registration bearing registration No. 07.00076 dated March 5, 1998.

SHAREHOLDING STRUCTURE OF HCIMPL

The share capital structure of HCIMPL as on March 31, 2024 is as follows:

HCIMPL- Diluted and Non-Diluted no. of shares are same			
S No.	Name of shareholder	No. of Equity Shares held	% of shareholding held
1	Vivriti Next Private Limited (formerly known as QED Business Solutions Pvt Ltd)	749,999	99.99%
2	Vineet Sukumar*	1	0.00%
Total no. of Shares		750,000	100

Source: Management

Vivriti Asset Management Private Limited

Vivriti Asset Management Private Limited is a deemed public company, incorporated under the Act, under corporate identification number U65929TN2019PTC127644 and having its registered office at Prestige Zackria Metropolitan No. 200/1-8, 1st Floor, Block - 1, Annasalai, Chennai, Tamil Nadu - 600002 (hereinafter referred to as "VAMPL" or the "Amalgamating Company").



VAMPL is engaged primarily in the business of asset management, financial services, portfolio management and related advisory services and sponsor/ manager participation into investment vehicles managed by VAMPL. The non-convertible debentures of VAMPL are listed on BSE.

SHAREHOLDING STRUCTURE OF VAMPL

The share capital structure of VAMPL as on March 31, 2024 is as follows:

VAMPL- Diluted and Non-Diluted no. of shares are same				
Name of Shareholder	Number of Equity Shares	Number of Series A CCPS	Total	%
VCL	2,03,42,539.00	46,72,897.00	2,50,15,436.00	69.99%
Gaurav Kumar	22,35,267.00	-	22,35,267.00	6.25%
Vineet Sukumar	22,35,266.00	-	22,35,266.00	6.25%
Others - VAM	20,500.00	-	20,500.00	0.06%
VAM ESOP Trust	9,79,500.00	-	9,79,500.00	2.74%
Creation Investments India III, LLC	100.00	8,76,068.00	8,76,168.00	2.45%
Lightrock Growth Fund I S.A., SICAV-RAIF	100.00	17,52,236.00	17,52,336.00	4.90%
LR India Fund I S.à r.L, SICAV-RAIF.	100.00	17,52,236.00	17,52,336.00	4.90%
TVS Shriram Growth Fund 3	100.00	8,76,068.00	8,76,168.00	2.45%
Total no. of shares	2,58,13,472.00	99,29,505.00	3,57,42,977.00	100.00%

**Conversion of CCPS into equity is in 1:1 conversion ratio*

Source: Management

Vivriti Funds Private Limited

Vivriti Funds Private Limited (formerly known as *Keerthi Logistics Private Limited*) is a private company, limited by shares, incorporated under the 1956 Act, under corporate identification number U60231TN2003PTC052025 and having its registered office at Prestige Zackria Metropolitan No. 200/1-8, 8th Floor, Block -1, Annasalai, Chennai, Chennai, Tamil Nadu, India, 600002 (hereinafter referred to as “VFPL” or the “*Resulting Company 2*”). VFPL main objects include to undertake activities of asset management and investment advisory services and sponsor/manager participation into investment vehicles managed by VFPL. VFPL is a wholly owned subsidiary of VNPL.



SHAREHOLDING STRUCTURE OF VFPL

The share capital structure of VFPL as on March 31, 2024 was as follows:

VFPL- Diluted and Non-Diluted no. of shares are same			
S No.	Name of shareholder	No. of Equity Shares held	% of shareholding held
1	Vivriti Next Private Limited	85,789	100.000%
2	Mr. Vineet Sukumar*	1	0.001%
Total no. of shares		85,790	100

**Conversion of CCPS into equity is in 1:1 conversion ratio*

Source: Management

DEFINITIONS

- **“Amalgamating Undertaking”** means all the undertakings and entire business of the Amalgamating Company, as a going concern;
- **“AMC Business”** means the activities carried on by the Demerged Company, both directly and through VAMPL, which comprises of the business of investment manager of or for any mutual funds, unit trusts, venture capital funds, alternative investment funds, investment trust, limited liability partnerships, co-investment portfolio management, or any other portfolio of securities that encompass all activities including but not restricted to commencing from ideation of a scheme, setting up of relevant entity to manage the scheme, related advisory, sourcing and utilisation of the funds through the schemes and realisation/ repatriation/ return of capital;
- **“Demerged Undertaking 1”** shall mean the undertaking, business, activities and operations of the Demerged Company, pertaining to the NBFC Business, as a going concern;
- **“Demerged Undertaking 2”** shall mean the undertaking, business, activities and operations of the Demerged Company, pertaining to the AMC Business, as a going concern;



- “NBFC Business” means the business of lending, structured finance, financial asset sales and trading, co-origination of retail/ SME/ enterprise debt products, in accordance with the NBFC Registration and NBFC Factoring License issued to the Demerged Company by the RBI.

SCOPE AND PURPOSE OF THE REPORT

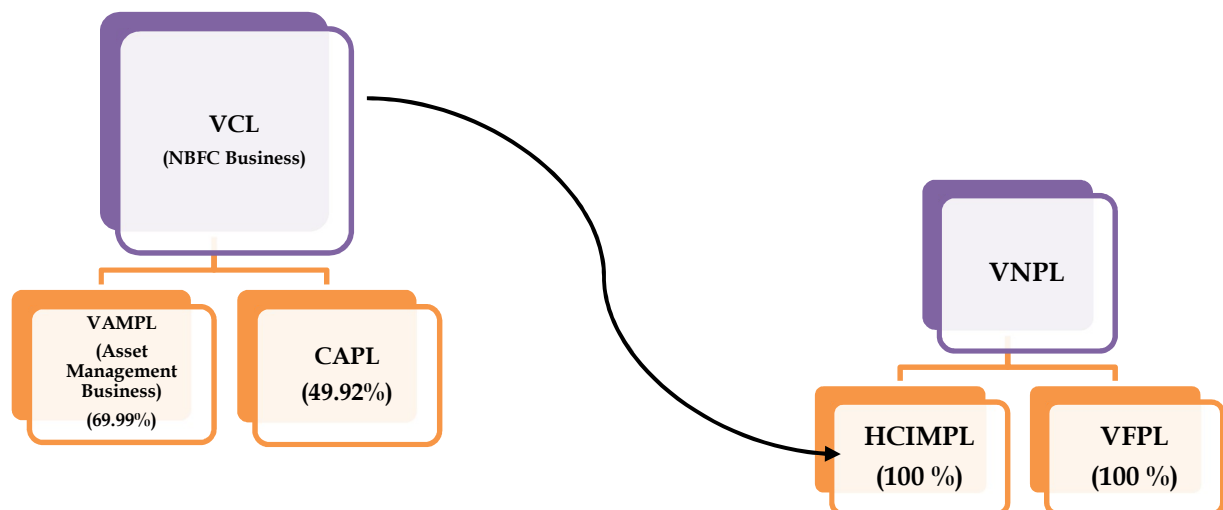
❖ Brief of Transaction Happening

As per the draft composite scheme of arrangement under section 230-232 of the companies Act 2013 provided to us, below transactions are happening:

- (a) the transfer, by way of a demerger, of the Demerged Undertaking 1 of the Demerged Company to the Resulting Company 1, and consequent issue of Demerger 1 Consideration Shares by VNPL to the shareholders of the Demerged Company (“Demerger 1”);

Demerger 1

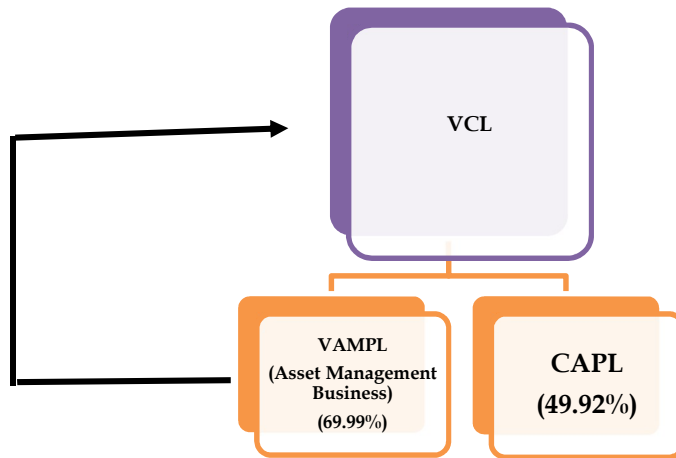
(VNPL will issue shares to the shareholders of VCL in lieu of transfer of NBFC business into HCIMPL)



(b) the amalgamation of the Amalgamating Company with the Amalgamated Company and dissolution of the Amalgamating Company without winding up and the consequent issuance of Amalgamation Consideration Shares by the Amalgamated Company to the shareholders of the Amalgamating Company, other than the Amalgamated Company (“Amalgamation”);

Amalgamation

(VCL will issue shares to the shareholders of VAMPL excluding its shareholding in VAMPL)

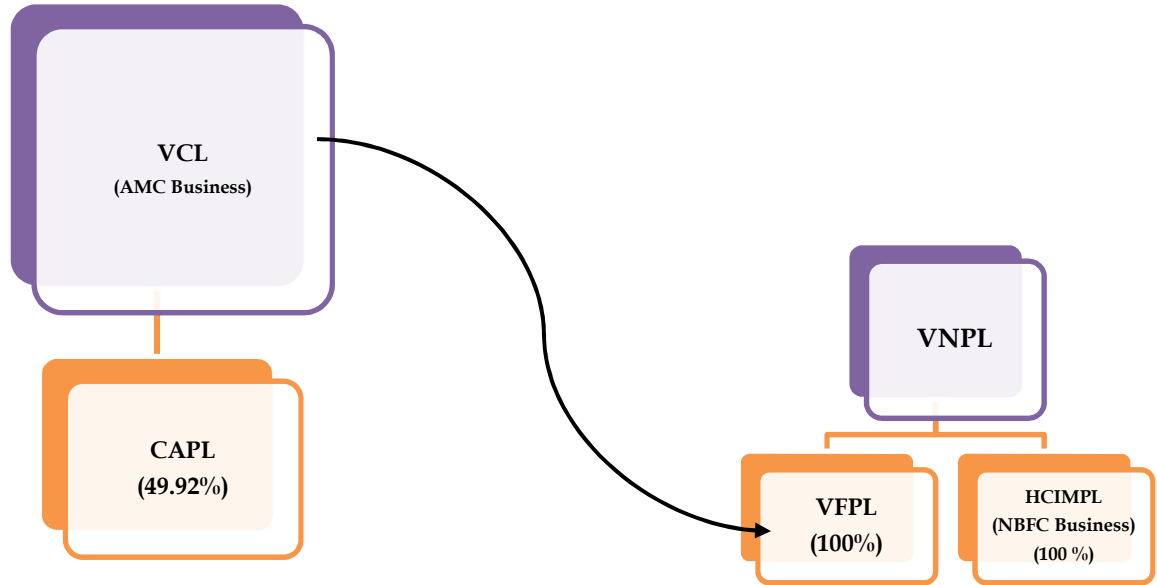


(c) the transfer, by way of a demerger, of the Demerged Undertaking 2 of the Demerged Company to the Resulting Company 2, and consequent issue of Demerger 2 Consideration Shares by VNPL to the shareholders of the Demerged Company (“Demerger 2”);



Demerger 2

(VNPL will issue shares to the shareholders of VCL in lieu of transfer of AMC business into VFPL)



(d) various other matters incidental, consequential or otherwise integrally connected therewith, including the reduction of the share capital of VCL;

❖ Rationale for the Scheme

As per the draft composite scheme of arrangement under section 230-232 of the companies Act 2013 provided to us, The Scheme would, *inter alia*, have the following benefits:

(a) the separation of on-line platform business and lending/ asset management business of the Vivriti group;



- (b) the separation would ensure that the NBFC and asset management businesses are housed in separate legal entities within the Vivriti group, each of which would be completely regulated by the respective regulations without any conflicts/ restrictions resulting from the two sets of regulations;
- (c) the balance sheet of the NBFC Business will not be subject to/ affected by the AMC Business (including its debt) which would reduce the risk on the balance sheet of the NBFC Business;
- (d) this Scheme will unlock value and provide investors flexibility and direct access over the various businesses within the Vivriti group;
- (e) this Scheme will provide strategic and financial flexibility for overseas expansion; and this Scheme will enable the Vivriti group to attract business specific investors and strategic partners and to provide better flexibility in accessing capital, focused strategy and specialization for sustained growth, thereby enabling de-leveraging of the respective businesses in the longer-term.

❖ Purpose of Valuation and Scope of Services of Independent Valuer

We have been appointed by the management of VCL as an independent valuer to compute the share swap ratio pursuant to scheme of arrangement under section 230-232 of Companies Act, 2013 for the proposed Demerger 1, Amalgamation and Demerger 2.

❖ Disclosure of Valuer Interest/Conflict, if any

Valuer does not have any interest or conflict of interest of any kind with VCL/VNPL/VAMPL/ VFPL/HCIMPL.



❖ Date of Appointment, Valuation Date and Date of Report

Date of appointment: December 28, 2023

Valuation date: March 31, 2024

Date of report: June 24, 2024

SOURCES OF INFORMATION

- Draft Composite Scheme of Arrangement
- Audited Financial Statement of VCL for the year ended March 31, 2021 to 2024
- Future Projections of VCL till the year ended March 31, 2028
- Audited Financial Statement of VAMPL for the year ended March 31, 2020 to 2024
- Future Projections of VAMPL till the year ended March 31, 2028
- Audited Financial Statement of VNPL for the year ended March 31, 2022 to 2023
- Actual Financial Statement of VNPL for the year ended March 31, 2024
- Future Projections of VNPL till the year ended March 31, 2028
- Actual Financial Statement of VFPL for the year ended March 31, 2024
- Future Projections of VFPL till the year ended March 31, 2028
- Audited Financial Statement of HCIMPL for the year ended March 31, 2024
- Listed Peer Set of VCL /VAMPL



- Shareholding structure of VCL/VAMPL/VNPL/VFPL/HCIMPL
- Terms of VCL ESOP SCHEME 2023
- Term sheet of “TVS Shriram Growth Fund 3” investor in VCL
- Information and explanations given by management of VCL and its representatives
- Information as available on public domain

GENERALLY ACCEPTED METHODS OF VALUATION FOR EQUITY SHARES AND METHODS ADOPTED:

The scope of this report is to conduct a valuation exercise as at the Valuation Date to determine the equity value of companies and then arrive at relative share swap ratio using internationally accepted valuation methodologies and report on the same in accordance with generally accepted professional standards including ICAI valuation standards, 2018 notified by the Institute of Chartered Accountants of India (ICAI).

- 1) Market Approach (Comparable Companies Quoted Multiples Method)
- 2) Income Approach (Discounted Cash Flows Method)
- 3) Asset Approach (Net Asset Value Method)



❖ Market Approach

Comparable Companies Quoted Multiples Method (CCM): CCM measures the value of an asset through an analysis of recent sales of comparable asset compared to the asset being valued. When applied to the valuation of an equity interest, consideration is given to the financial condition and operating performance of the subject company compared to either publicly traded companies with similar lines of business or recent corporate acquisitions (“Guideline Companies”). Typically, the companies selected for comparison are subject to economic, political, competitive, and technological factors that correspond with those confronting the Company. The Market Approach is conceptually preferable to the other two approaches because it uses direct comparisons to similar enterprises and the analysis is based upon actual market transactions. However, comparable that fit perfectly rarely exist. Privately held companies are compared to publicly traded ones that are typically further along in their stage of development, have superior access to capital, and have common stock that is readily marketable.

Often historical results of public companies are being compared to projected results for the private company being valued. In order to reflect these differences, data from the Guideline Companies must be appropriately adjusted. Selecting the market multiple to apply to the Company requires judgment.



❖ Income Approach

Discounted Cash Flows Method (DCF): DCF seeks to capture the discounted present value of the free cash flows generated by the business as a going concern. The DCF approach requires two basic estimates; the free cash generated by the business and the cost of capital. In developing the cash flow forecast, two additional factors need to be considered: Length of the forecast; and Determination of the perpetuity value of the business at the end of the forecast period.

The DCF focuses on the Free Cash Flows (FCFs) that the company can generate over a period of time. The underlying assumption of this method of valuation is that the value of a business can be measured by the present worth of the net cash benefit (being cash inflows less cash outflows) to be received over the period of forecast and beyond. The DCF has its foundation in the Present Value rule, where the value of any asset is the Present Value of its expected future cash flows.

The steps followed in applying this approach include projecting the expected cash flows of the business over a selected period of estimation and converting these cash flows to present value through discounting. The discounting process uses the Weighted Average Cost of Capital (WACC). Finally, the present value of the cash flows over the period of estimation and the present value of the terminal value, i.e., the value of the business at the end of the estimation period, are summed up to arrive at the total present Business/ Enterprise Value.



Free Cash Flows

Free Cash Flows (FCF) are arrived at as follows:

Earnings before Interest on Term Loan, Taxes, Depreciation and Amortization	A
Less: Taxation	B
<hr/>	
Adjusted Cash Flows	$C = A - B$
Less: Increase in Working Capital	D
Less: Capital Expenditure	E
<hr/>	
Free Cash Flows for the year	$F = C - D - E$

The FCFs are then discounted using the discounting factor to arrive at their Net Present Value (NPV).

The Discounting Factor

The discount rate applied to estimate the present value of explicit forecast period cash flows. One of the advantages of the DCF approach is that it permits the various elements that make up the discount factor to be considered separately, and thus, the effect of the variations in the assumptions can be modeled more easily.

The components of the weighted average cost of capital are:

Cost of Equity

The cost of equity is the desired rate of return for an equity investor given the risk profile of the company and associated cash flows and is calculated using the Capital Asset Pricing Model (CAPM).



Cost of Debt

The cost of debt is the average interest rate on Long term debt (after tax) on the borrowings of the business being valued.

Terminal Value

At the end of the explicit forecast period, a terminal value is calculated to arrive at the value of the business at the end of the estimation period. The important assumption in calculating the terminal value is that there would be no material change in trends or economic outlook beyond the explicit forecast period.

This terminal value is then discounted to its present value (value at the time of valuation) using the discounting factor for the last year of the forecast horizon.

The net present value takes into account the cost of debt, cost of equity and target capital structure. It also takes into account the risks to which the enterprise is exposed. The discount rate is based on the overall risk perception of the company.

❖ Asset Approach

Net Assets Value Method (NAV): NAV method represents the value of the shares with reference to the value of the assets owned by the Company and liabilities on the valuation date. Generally historical cost (latest audited financial statements) of the assets/ liabilities is considered in arriving at the value per share. However in certain cases, the current / intrinsic values of assets/ liabilities may be considered in place of the historical values and due adjustments in the values thereof may be carried out in respect of fair value of investments, replacement cost of Plant & Machinery and fair value of Land & building.



CONCLUSION

❖ Demerger 1

VCL (NBFC undertaking)	Equity shares	Series A	Series A2	Series B	Series B2	Series C	Series D	Total
Valuation (INR Crores)	1,105.42	1,636.66	644.99	1,032.59	297.00	338.22	94.48	5,149.36
Number of shares on fully diluted basis	2,15,75,735.00	3,19,44,558.00	1,25,88,942.00	2,01,54,225.00	57,96,936.00	66,01,332.00	9,27,830.00	9,95,89,558.65
Value per share (INR) - A	512.34	512.34	512.34	512.34	512.34	512.34	1,018.30	
VNPL								
Valuation (INR Crores)	40.39	40.39	40.39	40.39	40.39	40.39	40.39	
Number of shares on fully diluted basis	1,00,86,667.00	1,00,86,667.00	1,00,86,667.00	1,00,86,667.00	1,00,86,667.00	1,00,86,667.00	1,00,86,667.00	
Value per share (INR) - B	40.05	40.05	40.05	40.05	40.05	40.05	40.05	
Effective entitlement ratio - C=A/B	12.79	12.79	12.79	12.79	12.79	12.79	25.43	
Total shares to be issued on NBFC demerger	27,59,53,650	40,85,70,896	16,10,12,568	25,77,72,537	7,41,42,811	8,44,31,036	2,35,94,733	1,28,54,78,231

“On a fully diluted basis, 12.79 shares of face value of INR 1 each fully paid up of VNPL shall be issued to the shareholders of VCL for 1 share of face Value of INR 10 fully paid up held in VCL on a fully diluted basis for all classes of shares except Series D preference shares. For Series D CCPS in VCL, 25.43 shares on a fully diluted basis of face value of INR 1 each fully paid up of VNPL shall be issued for 1 share of face Value of INR 10 fully paid up held in VCL on a fully diluted basis.”

Further, as per the terms of VCL Series D CCPS, the total number of Equity Shares to be issued upon conversion of corresponding shares issued in VNPL shall be arrived at assuming the entire issuance of Series D Round was undertaken by the Company taking into account the valuation of the core lending business undertaking of the Company and the entire business undertaking of VAM, which shall not exceed INR 53,510,000,000.



❖ Amalgamation

VAMPL	
Valuation (INR Crores)	552.72
Number of shares on fully diluted basis	3,57,42,977.00
Value per share (INR)	154.64
VCL	
Valuation (INR Crores)	11,234.96
Less: NBFC Demerger	5,149.36
Valuation post demerger (INR Crores)	6,085.60
Number of shares on fully diluted basis	9,86,61,728.00
Value per share (INR)	616.81
Effective entitlement ratio	0.25
Total shares to be issued on VAM merger	26,81,885

“On a fully diluted basis, 0.25 shares of face value of INR 10 each fully paid up of VCL shall be issued to the shareholders of VAMPL (other than VCL), for 1 share of face Value of INR 10 fully paid up held in VAMPL on a fully diluted basis”

In amalgamation stage, to arrive at price per share of VCL, entitlement of Series D CCPS has been deducted from Value of VCL and their corresponding shares have been deducted from total number of shares on a fully diluted basis in VCL as rights of shares to be issued under the swap are different from the rights of Series D CCPS.

Further, , entitlement of Series D CCPS in VAM has been deducted from Value of VAM as this value is not attributable to other shareholders of VAM.



❖ Demerger 2

<u>VAM undertaking</u>	<u>Equity shares</u>	<u>Series A</u>	<u>Series A2</u>	<u>Series B</u>	<u>Series B2</u>	<u>Series C</u>	<u>Series D</u>	<u>Series E</u>	
Valuation (INR Crores)	125.13	174.22	68.66	109.92	31.62	36.00	10.33	7.17	563.05
Number of shares on fully diluted basis	2,29,43,467.00	3,19,44,558.00	1,25,88,942.00	2,01,54,225.00	57,96,936.00	66,01,332.00	9,27,830.65	13,14,152.00	10,22,71,442.65
Value per share (INR)	54.54	54.54	54.54	54.54	54.54	54.54	111.35	54.54	
<u>VNPL</u>									
Valuation (INR Crores)	5,189.76	5,189.76	5,189.76	5,189.76	5,189.76	5,189.76	5,189.76	5,189.76	
Number of shares on fully diluted basis	1,29,55,64,889	1,29,55,64,889	1,29,55,64,889	1,29,55,64,889	1,29,55,64,889	1,29,55,64,889	1,29,55,64,889	1,29,55,64,889	
Value per share (INR)	40.06	40.06	40.06	40.06	40.06	40.06	40.06	40.06	
Effective entitlement ratio	1.36	1.36	1.36	1.36	1.36	1.36	2.78	1.36	
Total shares to be issued on VAM demerger	3,12,03,115	4,34,44,598	1,71,20,961	2,74,09,746	78,83,832	89,77,811	25,79,369	17,87,246	14,04,06,678

“On a fully diluted basis, 1.36 shares of face value of INR 1 each fully paid up of VNPL shall be issued to the shareholders of VCL for 1 share of face Value of INR 10 fully paid up held in VCL on a fully diluted basis for all classes of shares except Series D preference shares. For Series D CCPS in VCL, 2.78 shares on a fully diluted basis of face value of INR 1 each fully paid up of VNPL shall be issued for 1 share of Face Value of INR 10 fully paid up held in VCL on a fully diluted basis.”

Any equity instruments including convertible instruments (CCPS/ CCDs) issued by VCL during the period commencing from the date of this report till the time requisite regulatory/ NCLT approvals are obtained will not have any impact on the swap ratio provided that such instruments are issued at price per share of VCL provided in this report.

On the basis of the foregoing, where CCPS are being issued by VNPL on each stage of demerger, then any swap ratio can be agreed as long as the entitlement on fully diluted basis would not vary as stated above.



Approach for Recommendation of NCD/MLD Exchange Ratio

As per the clause 25.3, 66.11 and 101.10 of the draft scheme shared with us,

Clause 25.3: “the holders of VCL NCDs whose names are recorded in the relevant registers of the Demerged Company on the Appointed Date, if any, or their legal heirs, executors or administrators or (in case of a corporate entity) its successors, shall continue holding the same number of NCDs in the Resulting Company 1 as held by such NCD holder in the Demerged Company and on the same terms and conditions”

Clause 66.11: “the holders of VAMPL NCDs whose names are recorded in the relevant registers of the Amalgamating Company on the Appointed Date, if any, or their legal heirs, executors or administrators or (in case of a corporate entity) its successors, shall continue holding the same number of NCDs in the Amalgamated Company as held by such NCD holder respectively in the Amalgamating Company and on the same terms and conditions”

Clause 101.10: “Pursuant to Clause 101.8, the holders of VAMPL NCDs whose names are recorded in the relevant registers of the Demerged Company on the Appointed Date, if any, or their legal heirs, executors or administrators or (in case of a corporate entity) its successors, shall continue holding the same number of NCDs in the Resulting Company 2 as held by such NCD holder respectively in the Demerged Company and on the same terms and conditions.

Basis of above provisions of the scheme, as the holders of NCDs/MLDs of VCL, VAMPL and VCL (Post Amalgamation) will get the same no of NCDs/MLDs in HCIMPL, VCL and VFPL post demerger 1, amalgamation and demerger 2 respectively basis of same terms & conditions, we compute the below swap for the same:



“For every 1 (one) NCD/MLD as held in VCL by the holder(s), 1 (one) NCD/MLD of HCIMPL (Demerger 1) of equivalent face value and paid up value, coupon rate, tenure, redemption price and quantum and nature of security will be offered”

“For every 1 (one) NCD/MLD as held in VAM by the holder(s), 1 (one) NCD/MLD of VCL (Amalgamation) of equivalent face value and paid up value, coupon rate, tenure, redemption price and quantum and nature of security will be offered”

“For every 1 (one) NCD/MLD as held in VCL by the holder(s), 1 (one) NCD/MLD of VFPL (Demerger 2) of equivalent face value and paid up value, coupon rate, tenure, redemption price and quantum and nature of security will be offered”

For SPA Valuation Advisors Private Limited

IBBI Registration No – IBBI/RV-E/05/2021/148



Neena Agarwal

Registered Valuer

CAVEATS, LIMITATION AND DISCLAIMERS

The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation and may not be used out of the context presented herein.

1. Public information, estimates, industry and statistical information contained in this report have been obtained from sources considered to be reliable. However, we independently did not verify such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.
2. The company and its representatives warranted to us that the information supplied to us was complete and accurate to the best of their knowledge and that the financial information properly reflects the business conditions and operating results for the respective periods in accordance with generally accepted accounting principles. Information supplied to us has been accepted as correct without any further verification. We have not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.
3. Financial information of the subject company is included solely to assist in the development of a value conclusion presented in this report and should not be used to obtain credit or for other purpose. Because of the limited purpose of the information presented, it may be incomplete and contain departures from generally accepted accounting principles. We have not audited, reviewed or compiled this information and express no assurance on it.



4. We do not provide assurance on the achievability of the results forecasted by the client because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.
5. The conclusion of value arrived at herein is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained, and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.
6. Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it nor may it be used for any purpose by anyone other than those enumerated in this report without the written consent of the Valuer. This report and the conclusion of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein.
7. The report and conclusion of value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The conclusion of value represents the considered opinion of Valuer, based on information furnished to them by the client.
8. Neither all nor any part of the contents of this report (especially the conclusion of value, the identity of any valuation specialist(s), or the firm with which such valuation specialists are connected or any reference to any of their professional designations) should be disseminated to the public through advertising media, public relations, news media, sales media, mail, direct trans, or any other means of communication without our prior written consent and approval.



9. This valuation reflects facts and conditions existing or reasonable foreseeable at the valuation date. Subsequent events have not been considered, and we have no obligation to update our report for such events and conditions.
10. The analyst, by reason of this valuation, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
11. Our engagement for this valuation consulting work does not include any procedures designed to discover any defalcations or other irregularities, should any exist.
12. We are not an environmental consultant or auditor, and it takes no responsibility for any actual or potential environmental liabilities. Any person entitled to rely on this report, wishing to know whether such liabilities exist, or the scope and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. We does not conduct or provide environmental assessments and has not performed one for the subject property.
13. We haven't determined independently whether the client is subject to any present or future liability relating to environmental matters nor the scope of any such liabilities. Our valuation takes no such liabilities into account, except as they have been reported to us by the client or by an environmental consultant working for the client.
14. We don't accept any liability to any party in relation to the issuance of this Valuation Report. No change of any item in this valuation/conclusion report shall be made by anyone other than us, and we shall have no responsibility for any such unauthorized change.



15. This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should take for this purpose.
16. It is assumed that there is full compliance with all applicable central, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the report.
17. The prospective financial information approved by management has been used in our work; we have not examined or compiled the prospective financial information and therefore, do not express an audit opinion or any other form of assurance on the prospective financial information or the related assumptions. Events and circumstances frequently do not occur as expected and there will usually be differences between prospective financial information and actual results, and those differences may be material.
18. We have conducted interviews with the current management of the client concerning the past, present, and prospective operating results of the company. Except as noted, we have relied on the representations of the owners and management concerning the value and useful condition of all equipment, real estate, investments used in the business, and any other assets or liabilities, except as specifically stated to the contrary in this report.
19. We have made no investigation of title to property, and assume that the owner's claim to the property is valid. We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the entity has good title to all assets. However we make no representation as to accuracy or completeness of such information and have performed no procedures to corroborate the information interest in the Transaction.



20. Notwithstanding anything contained herein, this valuation report may be used in connection with the proposed issuance of Compulsorily Convertible Cumulative Preference Shares by the Company to certain investors and in connection with associated filings under all applicable laws. This valuation report may be furnished by the Company to the Identified Investors and may be shared by the Identified Investors with their advisors, representatives, statutory and other regulatory authorities and prospective purchasers in future. We also acknowledge that this valuation report may be relied upon by the Company and Identified Investors for statutory and other regulatory requirements.

Annexure 1

DEMERGER 1

VCL (NBFC undertaking)	Equity shares	Series A	Series A2	Series B	Series B2	Series C	Series D	Total
Valuation (INR Crores)	1,105.42	1,636.66	644.99	1,032.59	297.00	338.22	94.48	5,149.36
Number of shares on fully diluted basis	2,15,75,735.00	3,19,44,558.00	1,25,88,942.00	2,01,54,225.00	57,96,936.00	66,01,332.00	9,27,830.65	9,95,89,558.65
Value per share (INR) - A	512.34	512.34	512.34	512.34	512.34	512.34	1,018.30	
VNPL								
Valuation (INR Crores)	40.39	40.39	40.39	40.39	40.39	40.39	40.39	
Number of shares on fully diluted basis	1,00,86,667.00	1,00,86,667.00	1,00,86,667.00	1,00,86,667.00	1,00,86,667.00	1,00,86,667.00	1,00,86,667.00	
Value per share (INR) - B	40.05	40.05	40.05	40.05	40.05	40.05	40.05	
Effective entitlement ratio - C=A/B	12.79	12.79	12.79	12.79	12.79	12.79	25.43	
Total shares to be issued on NBFC demerger	27,59,53,650	40,85,70,896	16,10,12,568	25,77,72,537	7,41,42,811	8,44,31,036	2,35,94,733	1,28,54,78,231



Series in VCL	Number of shares in VCL (fully dilutive basis)	Number of shares in VCL (non-dilutive basis)	Corresponding Series in VNPL	Swap ratio	Number of shares in VNPL (non-dilutive basis)	Conversion ratio	Number of shares in VNPL (fully dilutive basis)*
Equity shares (Class A)	2,15,75,735	2,15,75,735	Equity shares	12.79	27,59,53,643	1.00	27,59,53,643
Equity shares (Class B)	0	0	Equity shares	12.79	0	1.00	0
Series A	3,19,44,558	4,21,21,438	Series B CCPS	12.79	53,87,33,192	0.76	40,85,70,896
Series A2	1,25,88,942	1,53,48,035	Series B2 CCPS	12.79	19,63,01,367	0.82	16,10,12,568
Series B	2,01,54,225	2,01,54,225	Series C CCPS	12.79	25,77,72,537	1.00	25,77,72,537
Series B2	57,96,936	57,96,936	Series C2 CCPS	12.79	7,41,42,811	1.00	7,41,42,811
Series C	66,01,332	66,01,332	Series D CCPS	12.79	8,44,31,034	1.00	8,44,31,034
Series D	9,27,831	9,18,274	Series E CCPS	12.79	1,17,44,724	2.01	2,35,94,733
Total	9,95,89,559	11,25,15,975			1,43,90,79,308		1,28,54,78,222

*The difference in total shares to be issued on NBFC demerger on a fully dilutive basis is due to rounding down the shares

Note: VCL has granted stock options to its employees under the Employee Stock Option Plan - 2023, exercisable into fully paid up Class B Equity Shares. Value of such Class B equity shares issued by VCL shall relate to the NBFC business of VCL and AMC business of VAM. Accordingly, swap ratio for Class B equity shares on NBFC demerger is computed as follows -

Shares issued on NBFC demerger	
VCL (NBFC undertaking)	Amount (in crs)
Net Valuation*	5,142.23
Number of shares on fully diluted basis**	10,03,76,218
Price per share	512.30
VNPL	Amount (in crs)
Valuation	40.39
Number of shares on fully diluted basis	1,00,86,667.00
Price per share	40.05
Exchange ratio	12.79

* Net Valuation of NBFC undertaking of VCL includes the proportionate exercisable value of ESOP 2023 scheme and it excludes the proportionate entitlement of Series D CCPS



** Number of shares on fully diluted basis in VCL includes ESOPs issued under ESOP 2023 scheme and it excludes Series D CCPS

Particulars	Approaches	Methods	Total Value (In INR Crores)	Weights	Total Value adjusted weights (In INR Crores)
*NBFC Undertaking of VCL	Income Approach	Discounted Cash Flow Method - Table 1	5,786.79	70.00%	4,050.75
	Market Approach	Comparable Companies Market Multiple Method - Table 2	3,662.03	30.00%	1,098.61
	Assets Approach	Adjusted NAV Method - Table 3	1,712.33	0.00%	-
Total Fair value of NBFC Business of VCL (In INR Crores) as on 31-03-2024					5,149.36

Particulars	Approaches	Methods	Total Value (In INR Crores)	Weights	Total Value adjusted weights (In INR Crores)
**VNPL	Income Approach	Discounted Cash Flow Method - Table 4	46.39	50.00%	23.20
	Market Approach	Comparable Companies Market Multiple Method	-	0.00%	-
	Assets Approach	Adjusted NAV Method - Table 5	34.39	50.00%	17.20
Total Fair value of VNPL (In INR Crores) as on 31-03-2024					40.39

Valuation of NBFC Undertaking of VCL

Table 1: Discounted Cash Flow Method

Particulars	2024-2025	2025-2026	2026-2027	2027-2028	Sustainable Cash flows for perpetuity
PBT	3,847.88	6,366.37	9,202.30	11,965.46	12,082.29
Less : Tax @ 25.17%	968.51	1,602.42	2,316.22	3,011.71	3,041.11
PAT	2,879.37	4,763.95	6,886.08	8,953.75	9,041.18
Less : Other Non-Operational Income (Net of Taxes)	0.00	0.00	0.00	0.00	0.00
PAT Excluding other Income	2,879.37	4,763.95	6,886.08	8,953.75	9,041.18
Add: Depreciation	144.00	198.46	270.50	366.83	250.00
CapEx	-319.16	-405.45	-554.60	-751.84	-250.00
Changes in NCWCC	-773.09	-4.84	-17.58	-6.97	-5.00
Changes in Borrowings	29,784.17	33,066.18	32,872.19	40,156.70	10,000.00
Changes in On-Book AUM (Net)	-41,339.94	-36,883.80	-38,829.65	-46,416.98	-14,000.00
Cash Flows	-9,624.65	734.50	626.94	2,301.50	5,036.18
Terminal Cash Flows					96,506.55
Discounting Period	1.00	2.00	3.00	4.00	
Discounting Rate-Ke*	16.93%	16.93%	16.93%	16.93%	
Discounting Factor	0.86	0.73	0.63	0.54	0.54
Discounted Cash Flow	-8,234.44	537.41	392.28	1,231.54	51,640.86



STAGE 2						Perpetuity
Growth Rate	30%	25%	20%	15%	10%	5%
Cash Flow	6,547.03	8,183.79	9,820.55	11,293.63	12,422.99	1,31,320.33
Discounting period	1	2	3	4	5	
Discount Rate	14.93%	14.93%	14.93%	14.93%	14.93%	14.93%
Discounting Factor	0.87	0.76	0.66	0.57	0.50	0.50
Discounted Cash flow	5,696.39	6,195.33	6,468.46	6,472.22	6,194.43	65,479.73

SUM OF Discounted Cash Flow	45,567.65
ADJUSTMENTS :	
Add-Cash & cash equivalent as on 31-03-2024	9,414.14
Add-Investment in MLD & Mutual funds as 31-03-2024 at FVTPL	2,794.00
Add- Investment property	92.10
Equity Value (In INR MN) as on 31-03-2024	57,867.89
Equity Value (In INR Crores) as on 31-03-2024	5,786.79

***Cost of Equity**

Expected return from market (BSE 500)	15.57%
Zero Coupon Yield As on March 31, 2024	7.19%
Levered Beta of Financial Svcs. (Non-bank & Insurance) from Damodaran	0.69
Equity Risk Premium	5.74%
Company Specific Risk Premium for projected period	4.00%
Ke (Cost of Equity) for projected period	16.93%
Company Specific Risk Premium for perpetuity	2.00%
Ke (Cost of Equity) for perpetuity	14.93%

Notes of VCL (NBFC Undertaking):

- 1) To stabilize the growth shown in projections, we have computed the annualized sustainable cash flows basis of projections provided by the company at the end of last projected year and post that considered the growth on that annualized sustainable cash flows as 30%, 25%, 20%, 15% and 10% respectively for five years and further, a standard growth rate of 5% for indefinite period.
- 2) Normalization of Cash Flow is as per discussion with management.



Table 2: Comparable Companies Market Multiple Method

Approach	Methods	Equity Value (In INR Mn)	Weights	Value adjusted weights (INR MN)
Market Approach	EV-EBITA Multiple Method	33,522.77	50%	16,761.39
	PE Multiple Method	39,717.91	50%	19,858.95
Total Equity Value (In INR MN) as on 31.03.2024				36,620.34
Total Equity Value (In INR Crores) as on 31.03.2024				3,662.03

Enterprise Value (EV) / EBITDA (EV to EBITDA Multiple Method)	
Forecasted EBITDA for the year ended March 31, 2024	8,119.14
Average EV/EBITDA Company Comparable multiple- <i>Refer Table Below</i>	13.26
Less: Discount for lack of Marketability & Liquidity	15%
Adjusted EV/EBITDA multiple	11.27
Enterprise Value	91,542.91
Add: Cash & Cash equivalent as on 31-03-2024	9,414.14
Add: Investment Property	92.10
Add-Investment in MLD & Mutual funds as 31-03-2024 at FVTPL	2,794.00
Less: Debt as on 31-03-2024	(70,320.38)
Equity Value (In INR MN) as on 31.03.2024	33,522.77

Price to Earnings Multiple Method (P/E Multiple)	
Forecasted PE for the year ended March 31, 2024	1,912.60
Average P/E multiple- <i>Refer Table Below</i>	24.43
Less: Discount for lack of Marketability & Liquidity	15%
Adjusted PE multiple	20.77
Equity Value (In INR MN) as on 31.03.2024	39,717.91





SPA VALUATION ADVISORS PRIVATE LIMITED

(Formerly known as ZENSPAA Capital Services Private Limited)

CIN: U67100DL2016PTC309686

IBBI Registration No. IBBI/RV-E/05/2021/148

NBFC BUSINESS OF VIVRITI CAPITAL LIMITED

Comparable Company Analysis

31-03-2024

S.No	Company Name	Price (\$/share)	Outstanding Shares	Market Cap	Debt Portion		Cash & Cash Equivalent		Enterprise Value	Financial Data			Valuation	
					Debt	Minority Interest	Cash	Investment		Sales	EBITDA	PAT	EV/EBITDA	PE
1	Ugro Capital Limited	219.65	9,28,29,821.00	20,39,00,70,182.65	46,18,05,40,000.00	0.00	4,54,88,06,000.00	59,18,60,000.00	61,42,99,44,182.65	10,81,68,12,000.00	6,57,01,75,000.00	1,19,34,48,000.00	9.35	17.09
2	SBFC Finance Limited	81.95	1,07,37,54,986.00	87,99,42,21,102.70	39,96,02,10,000.00	0.00	4,86,91,60,000.00	4,06,11,00,000.00	1,19,02,41,71,102.70	10,19,92,00,000.00	6,80,19,00,000.00	2,37,10,40,000.00	17.50	37.11
3	Five Star Business Finance Limited	719.45	29,24,49,220.00	2,10,40,25,91,329.00	63,15,84,51,000.00	0.00	16,71,67,47,000.00	1,07,68,73,000.00	2,55,76,74,22,329.00	21,95,10,08,000.00	16,09,00,27,000.00	8,35,91,63,000.00	15.90	25.17
4	MAS Financial Services Limited	284.35	16,39,86,129.00	46,62,94,55,781.15	71,23,74,00,000.00	35,86,00,000.00	8,78,50,00,000.00	7,26,16,00,000.00	1,02,17,88,55,781.15	12,85,68,00,000.00	9,90,67,00,000.00	2,54,01,00,000.00	10.31	18.36
Average												13.26	24.43	

Table 3: Adjusted NAV Method

NBFC BUSINESS OF VIVRITI CAPITAL LIMITED		In INR Lakhs
Particulars		As On March 31, 2024 (NAV)
A	Assets	
I	Financial Assets	
	Cash and cash equivalents	42,522.44
	Bank Balances other than above	51,618.98
	Derivative financial instrument	488.08
	Receivables	782.53
	Loans	7,30,198.84
	Investments at FVTPL	53,499.70
	Fair Investment Value in Credavenue Private Limited	-
	Fair Investment Value in Vivriti Asset Management Private Limited	-
	Fair Market Value of Investment Property	921.00
	Other financial assets	7,251.91
II	Non-Financial Assets	
	Current Tax Assets	31.48
	Deferred tax assets (Net)	2,259.46
	Property, plant and equipment	3,054.67
	Capital W-I-P	161.97
	Right of use asset	3,535.42
	Intangible Assets under Development	424.94
	Other intangible assets	325.85
	Other non-financial assets excluding prepaid expenses	2,591.09
	Non-Current Assets held for sale	1,033.71
	ASSETS - A	9,00,702.07



L	Liabilities	
I	Financial liabilities	
	Trade Payables	
	- total outstanding dues of micro enterprises and small enterprises	4.25
	- total outstanding dues of creditors other than micro enterprises and small enterprises	1,550.30
	Debt Securities	1,78,245.42
	Borrowings (Other than Debt Securities)	5,24,958.34
	Other financial liabilities	22,666.90
II	Non-Financial liabilities	
	Provisions	647.87
	Other non-financial liabilities	360.60
	Current Tax Liabilities	1,035.43
	LIABILITIES - L	7,29,469.11
	Net Asset Value as per A-L as on March 31, 2024 (In INR Lakhs)	1,71,232.96
	Net Asset Value as per A-L as on March 31, 2024 (In INR Crores)	1,712.33

Valuation of VNPL

Particulars	Approaches	Methods	Total Value (In INR Crores)	Weights	Total Value adjusted weights (In INR Crores)
VNPL	Income Approach	Discounted Cash Flow Method - Table 4	46.39	50.00%	23.20
	Market Approach	Comparable Companies Market Multiple Method*	-	0.00%	-
	Assets Approach	Adjusted NAV Method - Table 5	34.39	50.00%	17.20
Total Fair value of VNPL (In INR Crores) as on 31-03-2024					40.39



Table 4: Discounted Cash Flow Method

Particulars	2024-2025	2025-2026	2026-2027	2027-2028	Sustainable Cash flows for perpetuity
PBT	101.31	134.57	172.92	206.76	237.86
Less : Tax @ 25.17%	25.50	33.87	43.52	52.04	59.86
PAT	75.81	100.70	129.40	154.72	178.00
Less : Other Non-Operational Income (Net of Taxes)	5.99	5.99	5.99	5.99	5.99
PAT Excluding other Income	69.83	94.71	123.41	148.74	172.01
Add: Depreciation	18.75	49.69	49.73	49.77	30.00
CapEx	-250.00	-100.00	-50.00	-50.00	-30.00
Changes in NCWCC	-10.79	-6.95	-4.30	-4.95	-4.95
Changes in CWIP	-100.00	50.00	0.00	0.00	0.00
Cash Flow	-272.22	87.45	118.84	143.56	167.06
Terminal Value					1,329.09
Discounting Period	1.00	2.00	3.00	4.00	
Discounting Rate-Ke*	17.57%	17.57%	17.57%	17.57%	
Discounting Factor	0.85	0.72	0.62	0.52	0.52
Discounted Cash Flow	-231.64	63.30	73.16	75.17	695.93

Sum of Discounted Cash Flow	675.92
ADJUSTMENTS :	
Add-Cash & cash equivalent as on 31.03.2024	27.67
Add-Fixed Deposits as on 31.03.2024	428.36
Add-Non-Current Investments in VFPL <i>Refer Workings below</i>	114.90
Add-Non-Current Investments in Hari and Company <i>Refer Workings below</i>	2,878.25
Add-Tax benefit on Net Block of Fixed Assets	22.37
Add- Amount to be received against partly paid up equity shares**	491.84
Equity Value (In INR Lakhs) as on 31.03.2024	4,639.31
Equity Value (In INR Crores) as on 31.03.2024	46.39

***Cost of Equity (Ke):**

Expected return from market (BSE 500)	15.57%
Zero Coupon Yield As on March 28, 2024	7.19%
Beta on conservative basis	1.00
Perpetuity Growth rate	5%
Company Specific Risk Premium	2.00%
Eq risk premium	8.38%
Ke (Cost of Equity)	17.57%

**Partly paid up equity shares	Face Value to be received	Premium to be received	Total Amount
12,80,829.00	12,29,595.84	4,79,54,237.76	4,91,83,833.60



Table 5: Adjusted NAV Method

VIVRITI NEXT PRIVATE LIMITED		
	Particulars	In INR Lakhs As On March 31, 2024 (NAV)
A	Assets	
I	Non-Current Assets	
	Fair Value of Investment in Hari and Company <i>Refer Workings below</i>	2,878.25
	Fair Value of Investment in VFPL - <i>Refer Workings below</i>	114.90
	Other Financial Assets	428.36
II	Current Assets	
	Cash & Cash Equivalent	27.67
	Current Tax Assets	0.51
	Other current Assets	0.42
	ASSETS - A	3,450.11
L	Liabilities	
I	Current liabilities	
	Trade Payables	10.76
	LIABILITIES - L	10.76
	Net Asset Value as per A-L as on March 31, 2024 (In INR)	3,439.35
	Net Asset Value as per A-L as on March 31, 2024 (In INR Crores)	34.39

VALUATION OF HARI & CO.

HARI & COMPANY INVESTMENTS MADRAS PRIVATE LIMITED		
	Particulars	In INR As On March 31, 2024 (NAV)
A	Assets	
I	Non-Current Assets	
	Long Term Loans and Advances	1,34,545.00
II	Current Assets	
	Cash & Bank Balances	5,00,00,463.00
	Current Investments at FVTPL	20,77,45,000.00
	Other Current Assets	50,685.00
	ASSETS - A	25,79,30,693.00
L	Liabilities	
I	Current liabilities	
	Provisions	95,000.00
	LIABILITIES - L	95,000.00
	Net Asset Value of Hari & Co. as per A-L as on March 31, 2024 (In INR)	25,78,35,693.00
	% stake holding by VNPL	100%
	Fair Value of Investment held by VNPL (INR)	25,78,35,693.00
	Fair Value of Investment held by VNPL (INR Lakhs)	2,578.36



VALUATION OF VFPL

Particulars	DISCOUNTED CASH FLOW STATEMENT				(In INR Lakhs)
	2024-2025	2025-2026	2026-2027	2027-2028	Sustainable Cash flows for perpetuity
PBT	4.98	11.68	18.84	21.47	33.83
Less : Tax @ 25.17%	1.45	3.40	5.49	6.25	9.85
PAT	3.53	8.28	13.35	15.22	23.98
Less : Other Non-Operational Income (Net of Taxes)	11.34	11.34	11.34	11.34	11.34
PAT Excluding other Income	-7.81	-3.06	2.01	3.88	12.64
Add: Depreciation	24.34	25.19	23.66	22.36	10.00
CapEx	-40.00	-35.00	-15.00	-15.00	-10.00
Changes in NCWCC	8.16	-2.41	-2.33	-2.14	0.00
Changes in CWIP	-20.00	20.00	0.00	0.00	0.00
Cash Flow	-35.31	4.72	8.34	9.10	12.64
Terminal Value					132.24
Discounting Period	1.00	2.00	3.00	4.00	
Discounting Rate-Ke	30.00%	30.00%	30.00%	30.00%	
Discounting Factor	0.77	0.59	0.46	0.35	0.35
Discounted Cash Flow	-27.18	2.79	3.80	3.19	46.33

STAGE 2						Perpetuity
Growth Rate	30%	25%	20%	15%	10%	5%
Cash Flow	16.43	20.54	24.64	28.34	31.18	218.23
Discounting period	1	2	3	4	5	
Discount Rate	25%	25%	25%	25%	25%	20%
Discounting Factor	0.80	0.64	0.51	0.41	0.33	0.33
Discounted Cash flow	13.14	13.14	12.62	11.61	10.22	71.51

Sum of Discounted Cash Flow	28.93
ADJUSTMENTS :	
Add-Cash & cash equivalent as on 31-03-2024	85.20
Add-Tax benefit on Net Block of Fixed Assets	0.77
Equity Value (In INR Lakhs) as on 31.12.2023	114.90
% stake holding by VNPL	100%
Fair Value of investment of Keerthi Logistics held by VNPL (INR Lakhs)	114.90



Notes of VFPL:

- 1) As the company is in early stage of life, three stages DCF approach is undertaken. To reflect growth, stable and perpetuity business stages.
- 2) Considering the growth shown by the company in the projections, we have considered a higher discount rate of 30% for the projected period, 25% for next five years post projected period and 20% after that for indefinite period.

Venture Capital Target Rates of Return – Stage in Life Cycle

<i>Stage of development</i>	<i>Typical target rates of return</i>
Start up	50-70%
First stage	40-60%
Second stage	35-50%
Bridge / IPO	25-35%

- <https://pages.stern.nyu.edu/~adamodar/pdfiles/papers/younggrowth.pdf>

- By Aswath Damodaran

- 3) To stabilize the growth shown in projections, we have computed the annualized sustainable cash flows basis of projections provided by the company at the end of last projected year and post that considered the growth on that annualized sustainable cash flows as 30%, 25%, 20%, 15% and 10% respectively for five years and further, a standard growth rate of 5% for indefinite period.
- 4) Normalization of Cash Flow is as per discussion with management.



Annexure 2
AMALGAMATION

VAMPL	
Valuation (INR Crores)	552.72
Number of shares on fully diluted basis	3,57,42,977.00
Value per share (INR)	154.64
VCL	
Valuation (INR Crores)	11,234.96
Less: NBFC Demerger	5,149.36
Valuation post demerger (INR Crores)	6,085.60
Number of shares on fully diluted basis	9,86,61,728.00
Value per share (INR)	616.81
Effective entitlement ratio	0.25
Total shares to be issued on VAM merger	26,81,885

Class of Shares in VAM	Number of shares in VAM (fully dilutive basis)	Number of shares in VAM (non-dilutive basis)	Instrument to be issued at VCL	Swap ratio	Number of shares in VCL (non-dilutive basis)	Conversion ratio	Number of shares in VCL (fully dilutive basis)*
Equity Shares	2,58,13,472	2,58,13,472	Equity shares (Class A)	0.25	13,67,732	1.00	13,67,732
Series A CCPS	99,29,505	99,29,505	Series E CCPS	0.25	13,14,152	1.00	13,14,152
TOTAL	3,57,42,977	3,57,42,977			26,81,884		26,81,884

* The difference in total shares to be issued on VAMPL merger on a fully dilutive basis is due to rounding down the shares

Table 1:

Particulars	Amount (in crores)
Valuation of VAMPL	563.05
Less: Series D entitlement in VAMPL	10.33
Net Valuation of VAMPL	552.72



Table 2:

Particulars	Amount in INR crores
Value of NBFC business	5,149.36
Value of VAMPL	563.05
Value of CAPL - <i>Refer Workings below</i>	11,421.81
Cash balance (for capital reduction)	0.10
Total value of VCL	11,245.29
Less: Series D entitlement in VAMPL	10.33
Net total value of VCL	11,234.96

VALUATION OF VAMPL

Particulars	Approaches	Methods	Equity Value (In INR Crores)	Weights	Equity Value adjusted weights (In INR Crores)
VAMPL	Income Approach	Discounted Cash Flow Method - <i>Table 3</i>	563.05	100.00%	563.05
	Market Approach	Comparable Companies Market Multiple Method - <i>Table 4</i>	898.34	0.00%	-
	Assets Approach	Adjusted NAV Method - <i>Table 5</i>	162.10	0.00%	-
Fair value of VAMPL (In INRCrore) as on 31-03-2024					563.05



Table 3: Discounted Cash Flow Method

Particulars	DISCOUNTED CASH FLOW STATEMENT				(In INR MN)
	2024-2025	2025-2026	2026-2027	2027-2028	Sustainable Cash flows for perpetuity
PBT	66.29	478.01	682.14	1,047.71	1,060.71
Less : Tax @ 25.17%	0.00	51.95	171.68	263.69	266.96
PAT	66.29	426.07	510.46	784.02	793.75
Less : Other Non-Operational Income (Net of Taxes)	0.00	0.00	0.00	0.00	0.00
PAT Excluding other Income	66.29	426.07	510.46	784.02	793.75
Add: Depreciation	21.70	31.50	36.90	43.00	30.00
CapEx	-52.48	-43.73	-53.88	-61.39	-30.00
Changes in NCWCC	-96.81	0.00	0.00	0.00	0.00
Changes in Borrowings	1.50	16.86	439.65	534.84	500.00
Changes in Investments in Funds	-579.23	-	-	-	-900.00
		385.97	1,624.92	1,640.91	
Cash Flows	-639.03	44.72	-691.79	-340.45	393.75
Terminal Cash Flows					11,696.72
Discounting Period	1.00	2.00	3.00	4.00	
Discounting Rate-Ke*	16.19%	16.19%	16.19%	16.19%	
Discounting Factor	0.86	0.74	0.64	0.55	0.55
Discounted Cash Flow	-550.19	33.14	-441.17	-186.85	6,419.70

STAGE 2						Perpetuity
Growth Rate	40%	35%	30%	25%	20%	5%
Cash Flow	551.25	744.18	967.44	1,209.30	1,451.16	16,573.70
Discounting period	1	2	3	4	5	
Discount Rate	14.19%	14.19%	14.19%	14.19%	14.19%	14.19%
Discounting Factor	0.88	0.77	0.67	0.59	0.51	0.51
Discounted Cash flow	482.73	570.68	649.68	711.16	747.32	8,535.15

Sum of Discounted Cash Flow	5,274.61
ADJUSTMENTS :	
Add-Cash & cash equivalent including Current Investments as at FVTPL as on 31-03-2024	218.17
Add-Tax benefit on Net Block of Tangible Assets	17.48
Add- Amount to be received against partly paid up shares	120.26
Equity Value (In INR MN) as on 31-03-2024	5,630.52



***Cost of Equity**

Expected return from market (BSE 500)	15.57%
Zero Coupon Yield As on March 28, 2024	7.19%
Levered Beta of Investments & Asset Management from Damodaran	0.60
Equity Risk Premium	5.00%
Company Specific Risk Premium for projected period	4.00%
Ke (Cost of Equity) for projected period	16.19%
Company Specific Risk Premium for perpetuity	2.00%
Ke (Cost of Equity) for perpetuity	14.19%

Notes of VAMPL:

- 1) To stabilize the growth shown in projections, we have computed the annualized sustainable cash flows basis of projections provided by the company at the end of last projected year and post that considered the growth on that annualized sustainable cash flows as 40%, 35%, 30%, 25% and 20% respectively for five years and further, a standard growth rate of 5% for indefinite period.
- 2) Normalization of Cash Flow is as per discussion with management.

Table 4: Comparable Companies Market Multiple Method

Approach	Methods	Equity Value (In INR MN)	Weights	Value adjusted weights (INR MN)
Market Approach	EV-EBITDA Multiple Method	1,174.95	0%	-
	PE Multiple Method	8,983.43	100%	8,983.43
Total Equity Value (In INR MN) as on 31-03-2024				8,983.43

Enterprise Value (EV) / EBITDA (EV to EBITDA Multiple Method)	
Forecasted EBITDA for the year ended March 31, 2024	42.47
Average EV/EBITDA Company Comparable multiple- <i>Refer Table Below</i>	37.04
Less: Discount for lack of Marketability & Liquidity	15%
Adjusted EV/EBITDA multiple	31.48
Enterprise Value	1,336.87
Add: Cash & Cash equivalent as on 31-03-2024	218.17
Less: Debt as on 31-03-2024	(380.09)
Equity Value (In INR MN) as on 31-03-2024	1,174.95





SPA VALUATION ADVISORS PRIVATE LIMITED

(Formerly known as ZENSPAA Capital Services Private Limited)

CIN: U67100DL2016PTC309686

IBBI Registration No. IBBI/RV-E/05/2021/148

Enterprise Value (EV) / Sales (EV to Sales Multiple Method)	
Forecasted Sales for the year ended March 31, 2024	578.45
Average EV/EBITDA Company Comparable multiple- <i>Refer Table Below</i>	18.60
Less: Discount for lack of Marketability & Liquidity	15%
Adjusted EV/EBITDA multiple	15.81
Enterprise Value	9,145.35
Add: Cash & Cash equivalent as on 31-03-2024	218.17
Less: Debt as on 31-03-2024	(380.09)
Equity Value (In INR MN) as on 31-03-2024	8,983.43

Comparable Company Analysis														
31-03-2024														
S.No	Company Name	Financial Data							Valuation					
		Price (\$/share)	Outstanding Shares	Market Cap	Debt Portion		Cash & Cash Equivalent		Enterprise Value	Sales	EBITDA	PAT	EV/EBITDA	EV/Sales
					Debt	Minority Interest	Cash	Investment						
1	Aditya Birla Sun Life AMC Ltd.	455.00	28,80,95,594.00	1,31,08,34,95,270.00	0.00	0.00	84,82,00,000.00	31,22,17,00,000.00	99,01,35,95,270.00	4,40,02,00,000.00	2,79,31,00,000.00	2,08,38,00,000.00	35.45	22.50
2	Dharni Capital Services Ltd.	44.51	2,03,70,000.00	90,66,68,700.00	0.00	0.00	5,42,000.00	11,22,67,000.00	79,38,59,700.00	4,99,74,000.00	1,64,73,000.00	1,19,06,000.00	48.19	15.89
4	Nippon Life India Asset Management Ltd.	471.15	63,04,58,285.00	2,97,04,04,20,977.75	0.00	0.00	2,72,74,00,000.00	30,23,14,00,000.00	2,64,08,16,20,977.75	15,16,61,00,000.00	9,61,50,00,000.00	7,23,33,00,000.00	27.47	17.41
Average												37.04	18.60	



Table 5: Adjusted NAV Method

VIVRITI ASSET MANAGEMENT PRIVATE LIMITED		In INR Lakhs
Particulars		As On March 31, 2024 (Adjusted NAV)
A	Assets	
I	Non-Current Assets	
	Property, plant and equipment	64.42
	Intangible Assets	218.11
	Intangible assets under development	447.99
	Right of Use Assets	239.65
	Financial assets	
	- Investments at FVTPL	17,488.15
	Other Financial Assets	640.68
	Deferred Tax Assets (Net)	417.63
	Other non-current assets	802.26
II	Current Assets	
	Financial Assets	
	- Investments at FVTPL	542.23
	- Trade receivables	1,005.06
	- Cash and cash equivalents	758.05
	- Bank balances other than cash and cash equivalents	881.41
	Other financial assets	419.47
	Current Tax Assets	-
	Other Current assets excluding prepaid expenses	213.36
	ASSETS - A	24,138.47
L	Liabilities	
I	Non-Current Liabilities	
	Financial liabilities	
	- Borrowings	3,180.35
	- Lease Liabilities	740.63
	Provisions	215.27
II	Current Liabilities	
	Financial liabilities	
	Borrowings	620.52
	Lease Liabilities	187.40
	Trade Payables	
	- Total outstanding dues of micro and small enterprises	
	- Total outstanding dues of creditors other than micro and small enterprises	207.57
	Other Financial liabilities	2,152.55
	Other Current liabilities	588.67
	Provisions	35.66
	LIABILITIES - L	7,928.62
	Net Asset Value as per A-L as on March 31, 2024 (In INR Lakhs)	16,209.85



VALUATION OF CAPL

Particulars	2024-2025	2025-2026	2026-2027	2027-2028	Sustainable Cash flows for perpetuity
PBT	-51.06	373.56	1,100.32	2,181.29	2,325.14
Less : Tax @ 25.17%	0.00	0.00	118.88	549.03	585.24
PAT	-51.06	373.56	981.43	1,632.26	1,739.90
Less : Other Income (Net of Taxes)	0.00	0.00	0.00	0.00	0.00
PAT Excluding other Income	-51.06	373.56	981.43	1,632.26	1,739.90
Add: ESOP Charges (Non-Cash Expenses)	121.37	129.34	128.10	139.76	-
Add: Depreciation	94.19	86.87	71.46	54.08	50.00
CapEx	-128.65	-120.00	-155.00	-163.00	-50.00
Changes in NCWCC	-126.99	-91.22	-140.88	-215.23	-160.00
Changes in Borrowings	-34.91	-	-	-	-
Cash Flow	-126.06	378.55	885.12	1,447.87	1,579.90
					31,810.78
Discounting Period	1.00	2.00	3.00	4.00	
Discounting Rate-Ke	35.00%	35.00%	35.00%	35.00%	
Discounting Factor	0.74	0.55	0.41	0.30	0.30
Discounted Cash Flow	-93.46	207.88	360.04	436.27	9,585.09

STAGE 2							Perpetuity
Growth Rate	60%	50%	40%	30%	20%	10%	5%
Cash Flow	2,527.84	3,791.76	5,308.46	6,901.00	8,281.20	9,109.32	63,765.22
Discounting period	1	2	3	4	5	6	
Discount Rate	25%	25%	25%	25%	25%	25%	20%
Discounting Factor	0.80	0.64	0.51	0.41	0.33	0.26	0.26
Discounted Cash flow	2,022.27	2,426.72	2,717.93	2,826.65	2,713.58	2,387.95	16,715.67

SUM OF Discounted Cash Flow	10,495.83
ADJUSTMENTS :	
Add- Cash & Cash Equivalents as on 31-03-2024	375.64
Add-Tax benefit on Net Block of Tangible Assets	14.79
Add- Market Value of Investments as on 31-03-2024 at FVTPL	210.72
Add- Lease Asset as on 31-03-2024	108.06
Less: Lease Liability as on 31-03-2024	-120.23
Add- Amount to be arrived at the time of remaining payment from partly paid up against OCRPS holders*	78.44
Add- Amount to be arrived at the time of remaining payment from partly paid up against CCPS holders**	9.47
Add- Amount to be arrived at the time of exercising ESOPs	249.10
Equity Value (In INR Crores) as on 31-03-2024	11,421.81
Equity Value (In INR) as on 31-03-2024	1,14,21,80,62,927.59
Fully Diluted no. of Shares including Partly Paid-up CCPS and OCRPS	10,23,96,816.16
Value per share (In INR) as on 31-03-2024	1,115.45

Note: As per the information provided to us by the company's management, the Company has issued certain Optionally Convertible Redeemable Preference Shares ("OCRPS ") to the founder, Mr. Gaurav Kumar as on 14th February 2022.



For the above said OCRPS, we have been provided with a conversion ratio of 1:1.42 (one OCRPS to be converted into 1.42 equity shares) as per the report as issued by PwC Business Consulting Services LLP basis of event of conversion and hence the fully diluted no of shares have been considered in our valuation.

*No. of OCRPS	Face Value	Partly Paid up amount	Remaining Amount	Premium	Amount to be Received (NR)
10,09,598.00	30.00	0.10	29.90	747.00	78,43,56,686.20

**No. of Series A Partly Paid-up CCPS	Face Value	Partly Paid up amount	Remaining Amount	Premium	Amount to be Received (INR)
2,69,906.00	50.00	0.10	49.90	301.00	9,47,10,015.40

Notes of CAPL:

- 1) *As the company is in early stage of life, three stages DCF approach is undertaken. To reflect growth, stable and perpetuity business stages.*
- 2) *Considering the growth shown by the company in the projections, we have considered a higher discount rate of 35% for the projected period, 25% for next five years post projected period and 20% after that for indefinite period.*

Venture Capital Target Rates of Return – Stage in Life Cycle

<i>Stage of development</i>	<i>Typical target rates of return</i>
Start up	50-70%
First stage	40-60%
Second stage	35-50%
Bridge / IPO	25-35%

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- 3) *To stabilize the growth shown in projections, we have computed the annualized sustainable cash flows basis of projections provided by the company at the end of last projected year and post that considered the growth on that annualized sustainable cash flows as 60%, 50%, 40%, 30%, 20% and 10% respectively for five years and further, a standard growth rate of 5% for indefinite period.*
- 4) *Normalization of Cash Flow is as per discussion with management.*



Annexure 3
DEMERGER 2

VAM undertaking	Equity shares	Series A	Series A2	Series B	Series B2	Series C	Series D	Series E	
Valuation (INR Crores)	125.13	174.22	68.66	109.92	31.62	36.00	10.33	7.17	563.05
Number of shares on fully diluted basis	2,29,43,467.00	3,19,44,558.00	1,25,88,942.00	2,01,54,225.00	57,96,936.00	66,01,332.00	9,27,830.65	13,14,152.00	10,22,71,442.65
Value per share (INR)	54.54	54.54	54.54	54.54	54.54	54.54	111.35	54.54	
VNPL									
Valuation (INR Crores)	5,189.76	5,189.76	5,189.76	5,189.76	5,189.76	5,189.76	5,189.76	5,189.76	
Number of shares on fully diluted basis	1,29,55,64,889	1,29,55,64,889	1,29,55,64,889	1,29,55,64,889	1,29,55,64,889	1,29,55,64,889	1,29,55,64,889	1,29,55,64,889	
Value per share (INR)	40.06	40.06	40.06	40.06	40.06	40.06	40.06	40.06	
Effective entitlement ratio	1.36	1.36	1.36	1.36	1.36	1.36	2.78	1.36	
Total shares to be issued on VAM demerger	3,12,03,115	4,34,44,598	1,71,20,961	2,74,09,746	78,83,832	89,77,811	25,79,369	17,87,246	14,04,06,678

Series in VCL	Number of shares in VCL (fully dilutive basis)	Number of shares in VCL (non-dilutive basis)	Corresponding Series in VNPL	Swap ratio	Number of shares in VNPL (non-dilutive basis)	Conversion ratio	Number of shares in VNPL (fully dilutive basis)*
Equity shares (Class A)	2,29,43,467	2,29,43,467	Equity shares	1.36	3,12,03,109	1.00	3,12,03,109
Equity shares (Class B)	0	0	Equity shares	1.38	0	1.00	0
Series A	3,19,44,558	4,21,21,438	Series B CCPS	1.36	5,72,85,155	0.76	4,34,44,598
Series A2	1,25,88,942	1,53,48,035	Series B2 CCPS	1.36	2,08,73,327	0.82	1,71,20,961
Series B	2,01,54,225	2,01,54,225	Series C CCPS	1.36	2,74,09,745	1.00	2,74,09,745
Series B2	57,96,936	57,96,936	Series C2 CCPS	1.36	78,83,832	1.00	78,83,832
Series C	66,01,332	66,01,332	Series D CCPS	1.36	89,77,810	1.00	89,77,810
Series D	9,27,830	9,18,274	Series E2 CCPS	1.36	12,48,852	2.07	25,79,369
Series E	13,14,152	13,14,152	Series F CCPS	1.36	17,87,246	1.00	17,87,246
Total	10,22,71,442	11,51,97,859			15,66,69,076		14,04,06,670

* The difference in total shares to be issued on AMC demerger on a fully dilutive basis is due to rounding down the shares



Note- VCL has granted stock options to its employees under the Employee Stock Option Plan - 2023, exercisable into fully paid up Class B Equity Shares. Value of such Class B equity shares issued by VCL shall relate to the NBFC business of VCL and AMC business of VAM. Accordingly, swap ratio for Class B equity shares on AMC demerger is computed as follows -

Shares issued on AMC demerger	
VAMPL	Amount (in crs)
Net Valuation*	555.38
Number of shares on fully diluted basis**	10,03,76,218.00
Price per share	55.33
VNPL	Amount (in crs)
Valuation	40.39
Number of shares on fully diluted basis	1,00,86,667.00
Price per share	40.05
Exchange ratio	1.38

* Net Valuation of AMC undertaking of VCL includes the proportionate exercisable value of ESOP 2023 scheme and it excludes the proportionate entitlement of Series D CCPS

** Number of shares on fully diluted basis in VCL includes ESOPs issued under ESOP 2023 scheme and it excludes Series D CCPS

Table 1:

Particulars	Amount (in crores)
Valuation of VAMPL	563.05
Less: Series D entitlement in VAMPL	10.33
Net Valuation of VAMPL	552.72

Table 2:

Particulars	Amount in INR crores
Value of NBFC business	5,149.36
Value of VNPL	40.39
Total Value of VNPL with NBFC Business (INR Crores)	5,189.8
Particulars	Amount in INR crores
VNPL Existing no. of shares	1,00,86,667.00
Additional shares issued against merger of NBFC business	1,28,54,78,234.58
Total Shares of VNPL with NBFC Business	1,29,55,64,901.58

