
BRAND CONCEPTS LIMITED
("Transferee Company")

AND

IFF OVERSEAS PRIVATE LIMITED
("Transferor Company")

Addendum Report Recommending Fair Share Exchange
Ratio

Date of Report: December 18, 2023



IBBI Registered Valuers & Corporate Law Professionals

ABHINAV AGARWAL

FCS, LL.B., M.COM(BPCG), RV(IBBI)

Registered Valuer

Securities or Financial Assets

Regn No. IBBI/RV/06/2019/12564

ICAIRVO membership no. ICAIRVO/06/RV-P00292/2019-2020



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December 18, 2023

To,
The Board of Directors
BRAND CONCEPTS LIMITED
140/2/2 Musakhedi Square Indore G.P.O. Indore
Indore MP 452001 IN

The Board of Directors
IFF OVERSEAS PRIVATE LIMITED
Ring Road Square, Musakhedi,
Indore, MP 452001 IN

Sub.: Addendum Report on Share Exchange Ratio

Ref: Share Exchange Ratio Report dated November 08, 2023 and National Stock Exchange of India Limited letter dated December 11, 2023

Dear Sir / Madam,

In response to the request, received from Transferee Company, I am issuing this addendum report on Share Exchange Ratio for the proposed Scheme of Amalgamation between BRAND CONCEPTS LIMITED (“Transferee Company”) and IFF OVERSEAS PRIVATE LIMITED (“Transferor Company”) and their respective shareholders and creditors.

I. Background:

On November 08, 2023, I released the Share Exchange Ratio report, providing a comprehensive analysis of the share exchange ratio between BRAND CONCEPTS LIMITED (“Transferee Company”) and IFF OVERSEAS PRIVATE LIMITED (“Transferor Company”) and their respective shareholders and creditors.

II. Recent Development:

Subsequently, I received a request from the transferee Company based on letter dated December 11, 2023 received by them from National Stock Exchange of India Limited (NSE), notifying me of an imperative correction to be made in our calculations. The NSE has directed to utilize the financials as on September 30, 2023 of the Transferee Company instead of the previously considered financials as on June 30, 2023 for a more accurate assessment in accordance with Exchange SOP dated December 20, 2022.

III. Point wise reply to NSE Queries

Please find below our point wise replies to NSE letter:

Queries	Response
It has been observed that the financial considered for valuation of the listed company is Limited review financials for Q1 ending June 30, 2023. The Company is not complying with the Exchange SOP dated December 20, 2022. Kindly consider the latest financial statements as per the SOP.	I have considered the Limited Review financials for Q2 ending September 30, 2023 for Transferee Company in this addendum report. Please refer to valuation analysis for the detailed workings.
Please provide confirmation from the valuer that there will be no changes in the valuation of the Company if	There are no changes in the share exchange ratio even after taking limited review financials of the

the latest audited/limited review financial statements are considered.	transferee Company for Q2 ending September 30, 2023. Please refer to valuation analysis for the detailed workings.
Kindly clarify why comparative market approach is not considered for valuation of transferor company. However, while providing comparatives for financials the Company has considered companies.	To the best of my understanding, I have analysed the fairness of usage of comparative market approach for the Transfeor Company based on the fact that there are certain listed comparable companies, namely VIP Industries Ltd and Safari Industries (India) Ltd, which are in similar industry. However, the said listed companies are significantly larger in terms of operations and size when compared to the Transferor Company. Additionally, the said listed companies operate in the retail segment too, whereas the Transferor Company operates in the manufacturing segment. Hence, I have found that these companies are not comparable to the listed peers for above reasons.

IV. Key Highlights of the Addendum Report:

- a) **Correction in Financial Data used for valuation of Transferee Company:** The primary amendment in this addendum report involves the incorporation of financials as on September 30, 2023 of the Transferee Company as mandated by the NSE. This adjustment has been made to ensure the accuracy and reliability of the share exchange ratio.
- b) **No re-consideration / adjustment is required to be undertaken for the valuation of Transferor Company as the audited financials used for undertaking the valuation of the Transferor Company as on the Relevant Date was not older than three months in accordance with Exchange SOP dated December 20, 2022.**
- c) **No Change in Share Exchange Ratio:** The change in financial data has not resulted in a modification of the share exchange ratio. Please refer to valuation analysis for the detailed workings in the addendum report and should be considered as the most up-to-date and accurate representation.
- d) **Importance of Reading in Conjunction with the Original Report:** It is crucial to read this addendum report in conjunction with the original Share Exchange Ratio report issued on November 08, 2023. The original report provides the contextual foundation, and this addendum serves as a critical update reflecting the latest financial data and calculations. As such the report is said to be read in totality, not in parts, in conjunction with the relevant documents referred to therein.

V. Valuation Date, Date of Appointment and Date of report:

Following shall be the key dates:

- a) **Valuation Date** – November 08, 2023.
- b) **Date of Appointment** - We have been appointed vide engagement letter dated December 24, 2022.



c) **Date of Addendum Report** - It refers to a date on which the report is signed by the valuer. i.e. December 18, 2023.

d) **Relevant Date** – November 09, 2023 (being the date of the proposed Board meeting in which the scheme of amalgamation was taken for approval).

VI. Valuation Analysis:

The Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of Transferee Company and Transferor Company. The share exchange ratio is based on the methodologies explained in our original report dated November 08, 2023, shared earlier and various qualitative factors relevant to each Company and the business dynamics and growth potential of the businesses of the Companies, having regard to information, key underlying assumptions and limitations. For the purpose of the current valuation exercise, we have provided following weights to the valuation methodologies based on our understanding of the financial position and other various factors relevant to the valuation exercise:

Name	BRAND CONCEPTS LIMITED ("Transferee Company")			IFF OVERSEAS PRIVATE LIMITED ("Transferor Company")		
	Value per share in INR	Weights (Wgt)	Value x Wgt	Value per share in INR	Weightage (Wgt)	Value x Wgt
Market Approach ¹	480.24	100%	480.24	NA	NA	NA
Income Approach ²	287.57	0%	0	167.51	75%	125.63
Asset Approach ³	46.34	0%	0	41.82	25%	10.46
Relative Value Per share			480.24			136.09
Share Exchange Ratio (rounded off)			100			353

Notes:

- Please refer to **Annexure I** and **Annexure II** for more detail on valuations of above companies.
- For valuation of Transferee Company, zero weightage has been given to Income approach and Asset Approach as the pricing of shares of a listed entity (frequently traded) cannot be less than the pricing as derived in accordance with Regulation 164(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time).
- For valuation of Transferor Company, using Adjusted NAV method, we have relied on the Fair Value Opinion Report of RV Dilip Kumar Jain (P&M Valuer) dated November 08, 2023 for Land & Building and Fair Value Opinion Report of RV Lalit Kale (L&B Valuer) dated November 08, 2023 for Plant & Machinery;
- There is no specific method of valuation provided in the Articles of Association of the Transferor and Transferee Companies.

VII. Recommendations of Share Exchange Ratio:

In light of the above and on considerations of all the relevant factors and circumstances, it is recommended that the share exchange ratio for the proposed scheme is as under:

"100 (One Hundred) fully paid-up equity shares of the face value of ₹10/- (Rupees Ten only) each in Transferee Company for every 353 (Three Hundred and Fifty-Three) fully paid-up shares of ₹10/- (Rupees Ten only) held in the Transferor Company."

VIII. Caveats, Limitations and Disclaimers:

- Restriction on use of Valuation Report**

¹ Market Price Method (Regulation 164 of SEBI (ICDR) Regulations, 2018)

² Discounted Cash Flow Method

³ Adjusted Net Asset Value Method



This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. I do not take any responsibility for the unauthorized use of this report. My report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

ii. Responsibility of Registered Valuer

I owe responsibility to only to the authority/client that has appointed me under the terms of the engagement letters. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.

iii. Accuracy of Information

While the work has involved an analysis of financial information and accounting records, my engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, I express no audit opinion or any other form of assurance on this information and I assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the client company(s). Provision of valuation opinions and consideration of the issues described herein are areas of my regular practice. The services do not represent accounting, assurance. Accounting / tax due diligence, consulting or tax related services that may otherwise be provided by me. My report is subject to the scope and limitations detailed in the Valuation Report. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

iv. Achievability of the forecast results

I do not provide assurance on the achievability of the results forecast by the management/owners as events and circumstances do not occur as expected; differences between actual and expected results may be material. I express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

v. Post Valuation Date Events

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.

vi. Value Estimate

The valuation of companies and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. The valuation of Company and business is not a precise science and the conclusions arrived



at in many cases will be subjective and dependent on the exercise of individual judgement. Whilst, I consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.

vii. No Responsibility to the Actual Price of the subject asset if sold or transferred/ exchanged

The actual market price achieved may be higher or lower than our estimate of value depending upon the circumstances of the transaction, the nature of the business, the knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, my valuation conclusion will not necessarily be the price at which actual transaction will take place.

viii. Reliance on the representations of the owners/clients, their management and other third parties

The owner company and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. I have relied upon the representations of the owner's company, their management and other third parties concerning the financial data and operational data. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Company. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Company, their directors, employees or agents.

ix. No procedure performed to corroborate information taken from reliable external sources

I have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, I assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where I have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and are reproduced in its proper form and context of Valuation Report.

x. Compliance with relevant laws

The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the company will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the financial statements provided to me.

xi. Multiple factors affecting the Valuation Report:

The valuation report is tempered by the exercise of judicious discretion, taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Financials Statements but could strongly influence the value.

xii. Future services including but not limited to Testimony or attendance in courts/ tribunals/ authorities for the opinion of value in the Valuation Report



I am fully aware that based on the opinion of value expressed in this report, I may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my tendering evidence before such authority shall be under the applicable laws.

xiii. Provisional information as on Valuation Date

I have considered financials as on the last available financial statements as the proxy for the financial position as of the valuation date, valuation report may change post availability of such information.

xiv. Events occurring after the date

Events occurring after the date hereof may affect this Report and the assumptions in preparing it, and I do not assume any obligation to update revise or reaffirm this report.

xv. Analysis and review carried out but have not carried out a due diligence or audit

In the course of the Valuation, I was provided with both written and verbal information. I have however, evaluated the information provided to me by the Company through broad enquiry, analysis and review but have not carried out due diligence or audit of the information provided for the purpose of this engagement. The conclusions are based on the assumptions and other information given by/on behalf of the Company.

Thanking You,



RV FCS Abhinav Agarwal
Registered Valuer & Corporate Law Advisor
IBBI Reg. No. IBBI/RV/06/2019/12564
ICAI RVO membership no. ICAIRVO/06/RV-P00292/2019-2020
Date: December 18, 2023,
Place: New Delhi

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Valuation Workings of Transferee Company

Income Approach (DCF Method)

(All amounts in Crore except value per share)					
Particulars	FY2023-24*	FY2024-25	FY2025-26	FY2026-27	FY2027-28
Revenue	148.15	282.28	358.50	430.20	516.24
Cost of Goods Sold	83.04	143.10	181.73	218.08	261.70
Employee benefit expense	15.15	26.27	31.52	36.25	39.87
Financial costs	3.37	6.29	7.71	7.40	7.01
Depreciation	3.59	9.30	9.92	10.93	12.15
Others	31.80	65.97	83.78	100.54	120.65
PBT	11.19	31.36	43.83	57.00	74.86
Tax	2.72	9.13	12.76	19.92	26.16
PAT	8.47	22.23	31.07	37.08	48.70
Add: Depreciation and Amortization	3.59	9.30	9.92	10.93	12.15
Operating Cash Flows	12.06	31.53	40.99	48.01	60.85
Net Change in Working Capital	-6.14	-28.41	-14.54	-17.27	-20.78
Net changes in Capital Expenditure	-24.85	-10.35	-13.85	-15.77	-17.83
Add: After Tax Interest	2.50	4.65	5.70	5.48	5.19
Free Cash Flow to Firm (FCFF)	-16.43	-2.58	18.31	20.44	27.42
Adjusting Factor	-	-	-	-	-
Adjusted FCFF	-16.43	-2.58	18.31	20.44	27.42
Discount Period (Mid-Year period)	0.25	1.00	2.00	3.00	4.00
Discount factor (WACC of 10.53%)	0.98	0.90	0.82	0.74	0.67
Discounted FCFE	-16.02	-2.33	14.98	15.14	18.37
<i>* Projections for FY 2023-24 are post valuation date, i.e., 30/09/2023.</i>					
Terminal Value (Gordon Growth)					
Terminal Year FCFF					27.42
Terminal Value					436.58
Discount Factor					0.67
Present Value of Terminal value (In Cr)					292.45
Valuation					
Present Value of FCFF (A)					30.13
Present Value of Terminal value (B)					292.45
Add: Cash & Cash Equivalents as on valuation date					22.20
Add: Investments					0.47
Less: Borrowings					-25.83
Other Addition / (Deletion)					-
Equity value (In Cr)					319.43
Less: Discount for Lack of Marketability (0%)					-
Fair Equity Value (In Cr)					319.43
No. of Shares on Fully Diluted Basis					1,11,07,800
Fair Value Per Share (Rounded Off)					287.57

Notes:

- The above workings are based on the projections as provided to us by the management of the Company.
- Perpetuity growth rate is taken as @ 4% to determine the terminal value of the Company using Gordon Growth Model.
- Risk free interest rate is taken from <https://www.cciindia.com/RiskManagement/SecuritiesSegment/Pages/CCILRupeeYieldCurveDaily.aspx>
- Extended Internal Rate of Return calculated for S&P BSE 500 from opening 2000 to valuation date.
- Beta is based on Ashwath Damodran beta sheet of Jan 2023 for Beta Industry "Retail (General)" which is then relevered based on debt-equity ratio of the Company.
- An additional risk premium of 4% has been taken to commensurate the market skeptics.
- The above valuation conclusion is critically dependent on the company's ability to successfully implement / execute the financial projections, provided to us by their management, used as our basis for this valuation analysis.



Asset Approach (NAV Method)

M/s BRAND CONCEPTS LIMITED	
Computation of Adjusted Net Asset Value	
Basis Limited Review financials as on 30-Sept-2023	
All Figures - INR in Crore (Except value per share)	
Particulars	As at 30-09-2023
ASSETS	
(1) Non Current Assets	
(a) Property, Plant and Equipment and Intangible assets, Capital work-in-progress	24.00
(b) Other Intangible Assets	0.03
(c) Non-current investments	0.47
(d) Other Financial Assets	2.12
(e) Deferred Tax Assets	2.07
(f) Long-term loans and advances	-
(g) Other non-current assets	1.51
	30.19
(2) Current Assets	
(a) Current investments	
(b) Inventories	39.87
(c) Trade receivables	56.99
(d) Cash and Cash Equivalents	22.20
(e) Other Financial Assets	0.48
(f) Short-term loans and advances	-
(g) Other Current Assets	9.66
	129.20
Total Assets -(A)	
	159.39
LIABILITIES	
(1) Non-current liabilities	
(a) Long-term borrowings	2.90
(b) Deferred tax liabilities (Net)	-
(c) Lease liabilities and Other Financial Liabilities	12.37
(d) Long-term provisions	1.13
	16.40
(2) Current Liabilities	
(a) Short Term Borrowings	22.93
(b) Trade Payables	57.23
(c) Lease liabilities and Other Financial Liabilities	9.11
(d) Short Term Provision	2.25
	91.52
Total Liabilities- (L)	
	107.92
Net Assets Value (A-L)	
	51.47
Less: Book value of Plant & Machinery as on valuation date	-
Less: Book value of Land & Building as on valuation date	-
Add: Market Value of Plant & Machinery as on valuation date	-
Add: Market Value of Land & Building as on valuation date	-
Adjusted Net Assets Value	
	51.47
Total No. of Shares on fully diluted basis	
	1,11,07,800
Adjusted NAV Per share	
	46.34

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Market Approach (Market Price Method)

Relevant Date (being the date of the Board Meeting): November 09, 2023

A. Stock Exchange on which the equity shares of Transferee Company are frequently traded in terms of Regulation 164 of the SEBI ICDR Regulations 2018:

Category	Start Date	End Date	Total Shares Traded	No. of Outstanding shares	Traded Turnover
BSE Volume for 240TD*	22-11-2022	08-11-2023	7,89,209	1,11,07,800	7.10%
NSE Volume for 240TD*	22-11-2022	08-11-2023	42,43,167	1,11,07,800	38.20%

* 240 TD refers to 240 Trading Days

Therefore, shares of Transferee Company are frequently traded on NSE.

B. The minimum issue price for the proposed Scheme of Amalgamation of Equity Shares by **Transferee Company** based on the pricing formula prescribed under Regulation 164(1), Chapter V of the **SEBI ICDR Regulations 2018** shall be higher of the following:

(i) **The 90 trading days' volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date (considering Relevant Date as November 09, 2023):**

Day	Date	No. of Shares Traded	Total Turnover (₹)
1.	30-06-2023	9,911	33,72,731.30
2.	03-07-2023	13,616	47,07,702.35
3.	04-07-2023	7,997	27,11,015.05
4.	05-07-2023	19,888	68,55,251.85
5.	06-07-2023	23,184	81,23,206.45
6.	07-07-2023	4,360	15,18,864.55
7.	10-07-2023	8,128	28,17,457.30
8.	11-07-2023	5,625	19,61,524.20
9.	12-07-2023	9,413	32,26,855.70
10.	13-07-2023	9,615	33,30,182.75
11.	14-07-2023	7,288	24,89,366.45
12.	17-07-2023	13,782	46,57,752.25
13.	18-07-2023	9,059	30,19,694.55
14.	19-07-2023	13,601	45,40,129.95
15.	20-07-2023	8,658	28,98,408.65
16.	21-07-2023	17,063	58,35,300.80
17.	24-07-2023	28,191	1,01,07,615.10
18.	25-07-2023	9,093	31,78,750.65
19.	26-07-2023	6,099	21,33,093.30
20.	27-07-2023	7,128	24,75,123.95
21.	28-07-2023	14,728	52,06,625.15
22.	31-07-2023	12,566	44,10,592.80
23.	01-08-2023	6,490	22,79,252.25
24.	02-08-2023	8,689	30,08,611.25
25.	03-08-2023	4,284	14,76,608.45
26.	04-08-2023	8,416	29,27,567.20
27.	07-08-2023	9,169	32,49,009.20
28.	08-08-2023	17,376	61,79,950.75
29.	09-08-2023	13,018	48,75,994.55
30.	10-08-2023	19,100	75,33,905.25
31.	11-08-2023	51,140	2,08,05,638.75
32.	14-08-2023	17,541	76,08,677.80
33.	16-08-2023	20,431	90,94,239.30

Share Exchange Ratio Report – BrandConcept, IFFOPL – November 08, 2023
Abhinav Agarwal, Registered Valuer, Regn. No. IBBI/RV/06/2019/12564



Day	Date	No. of Shares Traded	Total Turnover (₹)
34.	17-08-2023	29,359	1,33,18,240.10
35.	18-08-2023	13,228	60,23,678.20
36.	21-08-2023	9,998	43,90,282
37.	22-08-2023	9,179	40,08,793.50
38.	23-08-2023	6,931	29,54,685.30
39.	24-08-2023	8,162	34,19,051.10
40.	25-08-2023	6,281	25,93,482.65
41.	28-08-2023	3,443	14,24,760.55
42.	29-08-2023	1,938	8,04,119.50
43.	30-08-2023	2,540	10,58,236.75
44.	31-08-2023	8,878	38,20,068.10
45.	01-09-2023	12,092	53,08,993.10
46.	04-09-2023	16,354	73,12,246.50
47.	05-09-2023	18,366	83,73,059.40
48.	06-09-2023	9,178	42,62,991.50
49.	07-09-2023	8,543	40,24,758
50.	08-09-2023	3,085	14,29,143
51.	11-09-2023	6,346	29,09,971.70
52.	12-09-2023	3,996	17,88,408.70
53.	13-09-2023	3,637	15,92,642.30
54.	14-09-2023	2,330	9,99,919.50
55.	15-09-2023	12,459	52,80,584.60
56.	18-09-2023	1,654	7,12,269.95
57.	20-09-2023	1,929	8,17,362.60
58.	21-09-2023	8,162	33,65,234
59.	22-09-2023	11,347	46,53,503
60.	25-09-2023	6,592	28,09,072
61.	26-09-2023	9,473	42,22,135.60
62.	27-09-2023	16,442	75,60,789.10
63.	28-09-2023	14,189	66,75,595.30
64.	29-09-2023	11,735	56,38,389.75
65.	03-10-2023	17,765	87,81,244.50
66.	04-10-2023	5,781	27,55,247.40
67.	05-10-2023	3,153	15,02,917.20
68.	06-10-2023	3,360	15,92,890.50
69.	09-10-2023	1,614	7,53,641.75
70.	10-10-2023	3,310	15,27,581.90
71.	11-10-2023	5,788	27,12,669.20
72.	12-10-2023	55,167	2,64,05,680
73.	13-10-2023	3,744	18,27,820.80
74.	16-10-2023	5,236	26,07,266.20
75.	17-10-2023	3,521	17,75,115.45
76.	18-10-2023	3,162	15,94,326.60
77.	19-10-2023	1,758	8,65,605.30
78.	20-10-2023	1,779	8,73,078
79.	23-10-2023	4,543	21,84,669.20
80.	25-10-2023	2,350	11,30,553
81.	26-10-2023	2,757	12,88,818
82.	27-10-2023	2,456	11,65,487
83.	30-10-2023	3,615	16,85,702.95
84.	31-10-2023	426	1,99,702.75
85.	01-11-2023	1,652	7,92,321
86.	02-11-2023	1,406	6,88,994.05
87.	03-11-2023	2,887	14,18,944
88.	06-11-2023	5,898	28,79,631
89.	07-11-2023	3,548	17,14,832
90.	08-11-2023	2,385	11,46,560
	Total	8,61,554	35,40,40,466.95
	Volume Weighted Average Price		410.93

Share Exchange Ratio Report – BrandConcept, IFFOPL – November 08, 2023
Abhinav Agarwal, Registered Valuer, Regn. No. IBBI/RV/06/2019/12564



- (ii) The 10 trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date (considering Relevant Date as November 09, 2023)

Day	Date	No. of Shares Traded	Total Turnover (₹)
1.	26-10-2023	2,757	12,88,818.00
2.	27-10-2023	2,456	11,65,487.00
3.	30-10-2023	3,615	16,85,702.95
4.	31-10-2023	426	1,99,702.75
5.	01-11-2023	1,652	7,92,321.00
6.	02-11-2023	1,406	6,88,994.05
7.	03-11-2023	2,887	14,18,944.00
8.	06-11-2023	5,898	28,79,631.00
9.	07-11-2023	3,548	17,14,832.00
10.	08-11-2023	2,385	11,46,560.00
Total		27,030	1,29,80,992.75
		Volume Weighted Average Price	480.24

Accordingly, the applicable minimum price as per Market Price Approach (Higher of B(i) or B(ii) above) is ₹480.24 per share.

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Valuation Workings of Transferor Company

Income Approach (DCF Method)

(All amounts in Crore except value per share)						
Particulars	FY2023-24*	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
Revenue	31.04	65.38	74.40	81.43	84.46	87.64
Cost of Goods Sold	20.31	37.55	41.97	44.69	46.34	48.07
Employee benefit expense	3.10	6.63	7.07	7.54	8.04	8.58
Financial costs	1.09	1.55	1.14	1.10	1.07	1.05
Depreciation	1.01	1.54	1.36	1.22	1.11	1.04
Others	4.29	14.19	14.87	16.11	16.59	17.10
PBT	1.24	3.92	8.00	10.79	11.31	11.80
Tax	0.74	1.14	1.96	2.91	3.05	3.19
PAT	0.51	2.78	6.04	7.88	8.26	8.62
Add: Depreciation and Amortization	1.01	1.54	1.36	1.22	1.11	1.04
Operating Cash Flows	1.52	4.32	7.40	9.09	9.37	9.65
Net Change in Working Capital	3.34	-5.26	0.34	0.49	-2.49	-0.63
Net changes in Capital Expenditure	-1.60	-0.80	-0.80	-0.80	-0.80	-0.80
Add: After Tax Interest	0.80	1.13	0.83	0.80	0.78	0.77
Free Cash Flow to Firm (FCFF)	4.06	-0.61	7.76	9.58	6.86	8.99
Adjusting Factor	-	-	-	-	-	-
Adjusted FCFE	4.06	-0.61	7.76	9.58	6.86	8.99
Discount Period (Mid-Year period)	0.25	1.00	2.00	3.00	4.00	5.00
Discount factor (WACC of 11.44%)	0.97	0.90	0.81	0.72	0.65	0.58
Discounted FCFE	3.95	-0.55	6.25	6.92	4.45	5.23
<i>* Projections for FY 2023-24 are post valuation date, i.e., 30/09/2023.</i>						
Terminal Value (Gordon Growth)						
Terminal Year FCFF						8.99
Terminal Value						125.77
Discount Factor						0.58
Present Value of Terminal value (In Cr)						73.17
Valuation						
Present Value of FCFE (A)						26.26
Present Value of Terminal value (B)						73.17
Add: Cash & Cash Equivalents as on valuation date						1.03
Add: Investments						-
Less: Borrowings						-11.46
Other Addition / (Deletion)						-
Equity value (In Cr)						89.00
Less: Discount for Lack of Marketability (20%)						17.80
Fair Equity Value (In Cr)						71.20
No. of Shares on Fully Diluted Basis						42,50,400
Fair Value Per Share (Rounded Off)						167.51

Notes:

- The above workings are based on the projections as provided to us by the management of the Company.
- Perpetuity growth rate is taken as @ 4% to determine the terminal value of the Company using Gordon Growth Model.
- Risk free interest rate is taken from <https://www.cciindia.com/RiskManagement/SecuritiesSegment/Pages/CCILRuppeeYieldCurveDaily.aspx>
- Extended Internal Rate of Return calculated for S&P BSE 500 from opening 2000 to valuation date.
- Beta is based on Ashwath Damodran beta sheet of Jan 2023 for Beta Industry "Retail (General)" which is then relevered based on debt-equity ratio of the Company.
- An additional risk premium of 6% has been taken to commensurate the market skeptics.
- The above valuation conclusion is critically dependent on the company's ability to successfully implement / execute the financial projections, provided to us by their management, used as our basis for this valuation analysis.



Asset Approach (Adjusted NAV Method)

M/s IFF Overseas Private Limited	
Computation of Adjusted Net Asset Value	
Basis Audited financials as on 30-Sept-2023 and Valuation Certificate for P&M and L&B	
All Figures - INR in Crore (Except value per share)	
Particulars	As at 30-09-2023
ASSETS	
(1) Non Current Assets	
(a) Property, Plant and Equipment and Intangible assets, Capital work-in-progress	5.22
(b) Non-current investments	-
(c) Deferred Tax Assets	1.47
(d) Long-term loans and advances	-
(e) Other non-current assets	6.69
(2) Current Assets	
(a) Current investments	-
(b) Inventories	15.44
(c) Trade receivables	6.53
(d) Cash and Cash Equivalents	1.03
(e) Short-term loans and advances	5.90
(f) Other Current Assets	29.04
Total Assets -(A)	
35.73	
LIABILITIES	
(1) Non-current liabilities	
(a) Long-term borrowings	3.30
(b) Deferred tax liabilities (Net)	-
(c) Other Long term liabilities	-
(d) Long-term provisions	3.95
(2) Current Liabilities	
(a) Short Term Borrowings	7.92
(b) Trade Payables	11.30
(c) Other Current Liabilities	2.84
(d) Short Term Provision	22.36
Total Liabilities- (L)	
26.31	
Net Assets Value (A-L)	
9.42	
Less: Book value of Plant & Machinery as on valuation date	-2.96
Less: Book value of Land & Building as on valuation date	-1.12
Add: Market Value of Plant & Machinery as on valuation date*	6.15
Add: Market Value of Land & Building as on valuation date**	6.29
Adjusted Net Assets Value	
17.78	
Total No. of Shares on fully diluted basis	
42,50,400	
Adjusted NAV Per share	
41.82	
<small>*Based On Fair Value Opinion Report Of RV Dilip Kumar Jain (P&M Valuer) Dated 08/11/2023</small>	
<small>**Based On Fair Value Opinion Report Of RV Lalit Kale (L&B Valuer) Dated 08/11/2023</small>	

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