MANISH MANWANI

Registered Valuer (Securities or Financial Assets)
IBBI Registration No.: IBBI/RV/03/2021/14113

Address: Unit No. 125, Tower B-3,
Spaze Itech Park, Sohna Road,
Sector-49,Gurugram,Haryana-122018
Mobile: +91 9911077439
Email: manwanimanish@yahoo.in

Date: November 25, 2022

The Chief General Manager
Listing Operation,
BSE Limited
20th Floor, P.J. Towers, Dalal Street,
Mumbai-400001

Dear Sir/ Madam,

Sub: Application for "In-principle approval" prior to issue and allotment of 57,91,068 equity shares on preferential basis under Regulation 28(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

1. I, Manish Manwani, Independent Registered Valuer under Securities and Financial Assets Class registered with Insolvency and Bankruptcy Board of India ("IBBI") having IBBI registration number IBBI/RV/03/2021/14113, hereby certify that the minimum issue price for the proposed preferential issue of 'F Mec International Financial Services Limited' (hereinafter referred as "**FMIFSL**" or "**the Company**"), based on the pricing formula prescribed under Regulation ~~164~~ / 165 read with Regulations 166A of Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred as "**ICDR Regulations, 2018**") been worked out at INR 11.55/- (Indian Rupees Eleven and Fifty Five Paisa Only) per share.

   The relevant date for the purpose of said minimum issue price was November 24, 2022.

2. We hereby certify that the Articles of Association of the issuer does not provide for a method of determination which results in a floor price higher than that determined under ICDR Regulations, 2018.

   OR

   ~~We hereby certify that the Articles of Association of the issuer provides for a method of determination which results in a floor price higher than that determined under ICDR Regulations, 2018 then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue. Accordingly, We have calculated the floor price which worked out as Rs. _____.~~

3. The workings for arriving at such minimum issue price have been attached herewith.

4. As the shares of the Company are not frequently traded on the Stock Exchange within the meaning of Regulation 164(5) of Chapter V of ICDR Regulations, 2018, therefore price has been calculated as per the provisions of Regulation 165 read with Regulation 166A of ICDR Regulations, 2018.

Manish
Manwani

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Class: Securities or Financial Assets
IBBI Reg. No.: IBBI/RV/03/2021/14113

Place: Gurugram (Haryana)

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VALUATION APPROACHES AND METHODOLOGIES

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- whether the entity is listed on a stock exchange
- industry to which the Company belongs
- past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated
- extent to which industry and comparable company information is available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These approaches can be broadly categorized as follows:

1. Asset Approach
2. Income Approach
3. Market Approach

Asset Approach

This method determines the worth of a business by the assets it possesses. It involves examining every asset held by the company, both tangible and intangible. The value of intangibles is referred to as the company's goodwill, the difference in value between the Company's hard assets and its true value.

The value arrived at under this approach is based on the financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The Net Asset Value is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern. Pursuant to accounting convention, most assets are reported on the books of the subject company at their acquisition value, net of depreciation where applicable. These values must be adjusted to fair value wherever possible. Further, the balance sheet values are to be adjusted for any contingent liabilities that are likely to materialize.

Intrinsic value is at the core of fundamental analysis since it is used in an attempt to calculate the value of the total assets of the business and then compare it with the fair value.

Income Approach

The income approaches determine fair value by dividing the benefit stream generated by the subject or target company by a discount or capitalization rate. The discount or capitalization rate converts the stream of benefits into present value. There are several different income approaches, including Capitalization of Earnings or cash flows, Discounted Future Cash Flows ("DCF"), and the Excess Earnings Method (which is a hybrid of asset and income approach of benefit stream to which it is applied). This approach of valuation quantifies the net present value of future benefits associated with ownership of the equity interest or asset. The estimated future benefits that accrue to the owner are

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discounted or capitalized at a rate appropriate for the risks associated with those future benefits. Common methods within the income approach include the capitalization of earnings (or cash flow) methodology and the discounted cash flow methodology.

Market Approach

The value of a business is determined by comparing the company's accounting ratios with another Company's of the same nature and size. This approach is used, where the value of a stock is estimated based upon its current price relative to variables considered to be significant to valuation, such as earnings, cash flow, book value, or sales of various business of the same nature. Business appraisal includes comparative transaction method and publicly traded company method. Through this, it derives a relationship between performance, revenues and selling price.

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VALUATION METHODOLOGIES USED

Income Approach	Market Approach	Asset Approach
Earning Capitalization Method	Comparable Company Multiple	Net Asset Value Method
Not Applied	Applied	Applied

I. Profit Earning Capacity Value (PECV) Method:

Profit Earning Capacity Value is one of the traditional methods of business valuation whereby maintainable future profits are ascertained on the basis of past earnings (suitably adjusted for any changes in the key parameters) which are then capitalized at a discounting rate. We have applied PECV Method for computation of fair value as under:

Figures in INR Lakh except stated otherwise

Profit Earning Capacity Value(PECV) Calculation			
Profit After Tax		**Amount in INR in Lakh**	
For the period ended:	**Weight**	**PAT**	**Weighted PAT**
September 30, 2022 (TTM Basis)	1.0	1.08	1.08
September 30, 2021 (TTM Basis)	1.0	11.80	11.80
September 30, 2020 (TTM Basis)	1.0	37.15	37.15
Weighted Average Profit After Tax			**16.68**
Capitalisation Rate	**15.91%**		
Business Value			**104.83**
Add: Surplus Assets			41.73
Fair Equity Value (in INR)			**146.56**

II. Comparable Company Analysis:

Comparable Company Analysis is a relative valuation method under this a company’s value is assessed from comparisons of similar companies available in the market. We have applied Price to sales (P/S) and Price to Book Value (P/B) multiples for computation of fair value which are as under:

a) Price to Sales Multiple

Figures in INR Lakh except multiple

Revenue for September 30, 2022 (TTM Basis)	52.07
Price to Sales Multiple	7.7x
Equity Value	**402.81**

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b) Price to Book Value Multiple

Figures in INR Lakh except multiple

Book Value as on September 30, 2022	345.87
Price to Book Value Multiple	1.00x
Equity Value	**337.71**

Fair Value through Comparable Companies Multiple

Figures in INR Lakh

Market Multiples	**Fair Value**
Price to Sales Multiple	402.81
Price to Book Value Multiple	337.71
Average Equity Value	**370.26**

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III. Net Asset Value Method:

Net Asset value is computed by subtracting total outstanding liabilities from the total assets of the Company. We have applied Net Asset Value Method to compute fair value as under:

Net Assets Value (NAV) Computation as on September 30, 2022	
Particulars	**Amount in INR Lakh**
Financial Assets:	
Cash & Cash Equivalents	20.73
Trade Receivables	-
Loans & Advances	435.57
Investments	21.00
Other Financial Assets	7.84
Non-Financial Assets:	
Inventories	-
Deferred Tax Assets	0.12
Property, Plant & Equipment	2.11
Other Intangible Assets	2.40
Other Non-Financial Assets	0.45
Total Assets	**490.20**
Financial Liabilities:	
Borrowings	132.75
Trade Payables	6.01
Other Financial Liabilities	4.71
Non-Financial Liabilities:	
Provisions	-
Other Non-Financial Liabilities	0.86
Total Liabilities	**144.33**
Net Asset Value	**345.87**
Less: Contingent Liabilities	-
Net Asset Value Post Adjustment of Contingent Liabilities	**345.87**
Total Nos. of Equity Shares	3,100,700
NAV Per Share	**11.15**

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IV. Summary:

Based on our valuation analysis of the financial statements of the Company, in our assessment, the fair value per equity share of the Company is **INR 11.55/-.**

Figure in INR

Computation of Fair Value			
Particulars	**Value**	**Weight**	**Weighted Value**
Net Value Method	345.87	0.50	172.94
PECV Method	146.56	0.0	-
Comparable Trading Multiple	370.26	0.50	185.13
Weighted Average Value			**358.07**
Total Nos. of Equity Shares			3,100,700
Fair Value Per Equity Share			**11.55**

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