

**VALUATION REPORT**  
**ON**  
**FAIR VALUE OF EQUITY SHARES**  
**OF**  
**DYANAMIC CABLES LIMITED**  
**L31300RJ2007PLC024139**

F-260,Road No.13 VKI Area Jaipur 302013,Rajasthan,India

[info@dynamicscables.co.in](mailto:info@dynamicscables.co.in)

Report Date: 5<sup>th</sup> June 2024

## **Sandeep Kumar Jain**

**Company Secretary**

**FCS 5398 CP 4151**

**Insolvency Professional – Registration Number:**

**IBBI/IPA-002/IP-N00174/2017-18/10446**

**Registered Valuer SFA – Registration Number:**

**IBBI/RV/03/2019/12410**

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Date: 05<sup>th</sup> June , 2024

To,

The Board of Directors,  
Dynamics Cables Ltd.  
F-260,Road No.13 VKI Area  
Jaipur 302013,Rajasthan

### **Valuation Report on Fair Value of Equity Shares**

Dear Sir/ Ma'am,

**Sub: Valuation report on determination of fair value of equity shares of Dynamic Cables Limited for the purpose of Preferential Allotment of Shares**

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I refer to the engagement letter dated 14<sup>th</sup> May 2024 wherein **Dynamic Cables Limited**("the Company" ) for the purpose of determining of fair value of equity shares of the company for preferential allotment of equity shares by the company, have requested me i.e Sandeep Kumar Jain ("Valuer") to carried out valuation of equity shares in accordance with Section 42 & Section 62(1)(c), of the Companies Act 2013 read with Rule 13 of Companies (Share Capital and Debenture) Rules, 2014 and Regulation 164 & 166A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 as amended from time to time.

The equity shares of the Company are frequently traded as per provisions of Regulation 164(5) of the SEBI ICDR Regulations.

The Articles of Association("AOA") of the Company do not categorically mention about the pricing of preferential issue. However Articles 14 of the Articles of Association of the provides that the price of Equity shares to be issued is to be determined as per the provisions of Section 62 of Companies Act, 2013 read with relevant rules. As such, the Company needs fair valuation to compute the price for preferential issue of equity shares.

We hereby enclose the Report on Valuation of Equity Shares. The sole purpose of this report is to assist the Company in determining the fair value of the equity shares of the **Company** for preferential allotment of equity shares of the company .

Based on the Scope and limitations of work, Sources of information and Valuation methodology of the report and the explanations therein, the fair value of the equity shares of **Dynamic Cables Limited** amount to **Rs. 435.47/-** per Equity Share

**Sandeep Kumar Jain**  
**Registered Valuer Securities and Financial Assets**  
**Registration Number: IBBI/RV/03/2019/12410**

Jaipur

5<sup>th</sup> June 2024

# Contents

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- I. Context and Purpose**
- II. Company Profile**
- III. Capital Structure**
- IV. Shareholding Pattern**
- V. Historical Financial Overview**
- VI. Appointing Authority**
- VII. Identity of the Valuer**
- VIII. Disclosure of Valuer Interest**
- IX. Appointment date and Valuation date**
- X. Scope of work**
- XI. Valuation Standards**
- XII. Limitations**
- XIII. Restrictions on use of the report**
- XIV. Sources of Information**
- XV. Valuation Methodology**
- XVI. Valuation Method Adopted**
- XVII. Conclusion**
- XVIII. Disclaimer**

## **Sandeep Kumar Jain**

**Company Secretary**

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**Website: www.armsandassociates.com**

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To,

The Board of Directors,

Dynamic Cable Ltd.

F-260, Road No.13 VKI Area

Jaipur 302013, Rajasthan

### **Valuation Report on Fair Value of Equity Shares**

Dear Sir/ Ma'am,

I refer to the Engagement Letter dated 14<sup>th</sup> May 2024 confirming my appointment as independent Valuer of Dynamic Cables Ltd. ("DCL or Company") and the further request dated 1<sup>st</sup> June 2024 for considering the Income Approach in the valuation report dated 15<sup>th</sup> May 2024 and further request letter dated 5<sup>th</sup> June 2024 for considering few amendments under the income approach in the valuation report dated 3<sup>rd</sup> June 2024. In the following paragraphs, I have summarized my valuation analysis of the Company as informed by the management and detailed herein, together with the description of the methodologies used and limitations on our Scope of work.

### **Context and Purpose**

Based on discussion with the Management, I understand that the Company is considering to issue preferential shares in accordance with the Section 42 & Section 62(1), of the Companies Act 2013 read with Rule 13 of Companies (Share Capital and Debenture) Rules, 2014 and Regulation 164 & 166A of "Chapter V – Preferential Issue" of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 ("Regulation") as amended from time to time and DCL requested to assess fair value of equity shares to determine the price at which the shares are to be issued on preferential basis in accordance with and in compliance with the regulation.

### **Company Profile**

DCL was incorporated on 03<sup>rd</sup> April 2007 and its shares are listed on BSE & NSE.

DCL is engaged in the manufacture and supply of wires, cables and conductors for private and government clients globally. DCL has three state-of-the-art and modern manufacturing and testing facilities located in Rajasthan. DCL manufacturing facilities at Jaipur are certified with **ISO: 9001:2015, ISO 45001:2018,** and **14001: 2015 ICL (Intertek Certification Ltd. UKAS, UK)**, guaranteeing top-notch quality standards.

### **Composition of Board of Directors**

S.No.	Name	Designation	DIN/PAN
1	Mr. Rahul Mangal	Non-Executive - Non Independent Director-Chairperson related to Promoter	01591411
2	Mr. Ashish Mangal	Executive Director-MD	00432213
3	Mr. Sumer Singh Punia	Non-Executive - Non Independent Director	08393562
4	Mr. Ashok Kumar Bhargava	Non-Executive - Independent Director	02736069
5	Mr. Saurav Gupta	Non-Executive - Independent Director	07106619
6	Mrs. Shweta Jain	Non-Executive - Independent Director	01162983
7	Mr. Bharat Moossaddee	Non-Executive - Independent Director	02166403

### **Capital Structure**

The capital structure of the Company as on year ended 31<sup>st</sup> March 2024 is as mentioned below:

Particulars	Total Amount (In INR)
<b>Authorized Share Capital</b> 2,30,00,000 Equity shares of INR 10/- each	23,00,00,000/-
<b>Issued, Subscribed and Paid up Capital</b> 2,20,14,000 Equity shares of INR 10/- each	22,01,40,000/-

### **Shareholding Pattern**

The shareholding pattern of the Company as on year ended 31<sup>st</sup> March 2024 is as mentioned below:

Shareholders Category	No. of Shareholders	No. of Shares	Shareholding %
Promoter & Promoter Group	9	1,63,92,815	74.47%
Public	36,626	56,21,185	25.53%
<b>Total</b>	<b>36,635</b>	<b>2,20,14,000</b>	<b>100.00%</b>

## **Historical Financial Overview**

### **Statement of Net worth**

(Figures in Lakhs)

Particulars	As at 31.03.24 (Audited)	As at 31.03.23 (Audited)	As at 31.03.22 (Audited)
Equity Share capital	2201.40	2201.40	2201.40
Reserves and surplus	19193.78	15541.61	12560.65
<b>Net Worth</b>	<b>21395.18</b>	<b>17743.01</b>	<b>14762.05</b>

### **Statement of Profit and Loss Account(Figures in Cr.)**

Particulars	Year Ended On 31.03.2024 (Audited)	Year Ended On 31.03.2023 (Audited)	Year Ended On 31.03.2022 (Audited)
Revenue from Operations (Net)	768.00	668.63	563.56
Profit after tax	37.77	31.01	30.90

## **Appointing Authority**

In compliance to the provisions of Section 247 of The Companies Act, 2013 the audit committee of the Company has appointed the valuer.

## **Identity of the Valuer**

Mr. Sandeep Kumar Jain is a Registered Valuer for Securities and Financial Assets registered with Insolvency & Bankruptcy Board of India vide registration number IBBI/RV/03/2019/12410 and is holding certificate of practice (CP No. ICSIRVO/SFA/66) issued by ICSI Registered Valuers Organization

## **Disclosure of Valuer Interest**

I have no present or prospective contemplated financial interest in Company or with any of the Promoters & Board of Directors of Company. Further I would like to disclose that my wife Mrs. Shweta Jain is holding the position of Independent Director in the Company.

I have no bias / prejudice with respect to any matter that is the subject of the valuation report or the parties involved with this engagement.

My professional fee for this valuation is based upon my normal billing rates, and not contingent upon the results or the value of the business or in any other manner

## **Appointment date and Valuation date**

The audit committee passed resolution for confirming my appointment as registered valuer on 14<sup>th</sup> May 2024.

As the report is issued to comply the requirements laid down under Regulation 164 and 166A of Chapter V of SEBI (ICDR) Regulations, 2018 (as amended) read with the AOA of the Company, the relevant date is considered at 13<sup>rd</sup> May, 2024.

As the valuation Report is issued on 15<sup>th</sup> May 2024, this date has been considered as the valuation date for the purpose of Income Approach Valuation.

## **Scope of Work**

I have been mandated by the company for determining fair value of proposed preferential allotment of Equity Shares. My report is based on factual data, business details, and financial information as provided to me by the management of company and the information /data so extracted from the public domain.

My scope of work does not include verification of data submitted by the management of company and I have relied upon the data so submitted, I have prima facie analyzed the data and formed my views on the data inputs used in valuation, it is not an audit of Financial Statements or other financial information and, therefore, cannot give the same level of assurance as an audit.

## **Valuation Standards**

Business valuation can be undertaken in a variety of contexts and for a variety of purposes. To begin with any valuation process, it is most pertinent to identify the type of value relevant to the transaction/case as different standards of value would yield different valuation figure for same business interest. In the given context, Fair Value is considered as the appropriate standard of value.

Fair value is defined as: "The fair value of asset (or liability) is the amount at which that asset (or Liability) could be bought (or incurred) or sold (or settled) is a current transaction between willing parties, that is, other than in a forced or liquidation sale."

The fair value has been arrived in accordance with the internationally accepted valuation standards.

## **Limitation**

Valuation analysis and results are specific to the purpose of valuation mentioned in this report as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

We owe responsibility to only the Client that has retained us and nobody else. We do not accept any liability to any third party in relation to the issue of this valuation report. Our valuation report cannot be used for any other purpose except as stated in the Engagement Background. Our Valuation Report can be shared by the Client with its Advisors, Merchant Bankers, SEBI and other authorities purely in connection with the proposed transaction.

Our analysis is based on the market conditions and the regulatory environment that currently exists. However, changes to the same in the future could impact the company and the industry it operates in, which may impact our valuation analysis.

The Investors need to undertake their own analysis and also appoint experts to obtain an independent view before investing or divesting in the valuation subject. Our report cannot be relied upon by the current or potential investors to undertake any investment/divestment decision.

Provision of valuation opinions and consideration of the issues described herein are areas of our regular valuation practice. The services do not represent accounting/ assurance/ tax /legal/ financial/ commercial/ environmental due diligence, consulting or tax related services or forensic/ investigation services that may otherwise be provided by us or our affiliates and does not include verification or validation work.

The valuation report was prepared for the purpose of complying with provisions of SEBI Regulations read with AOA and is for the confidential use of the Client only. Its suitability and applicability of any other use has not been checked by us. Neither the valuation report nor its contents may be disclosed to any third party without our prior written consent. We retain the right to deny permission for the same. The Report is only for regulatory compliances and/or regulatory filings under the specific Statute under which this Report is issued and as such cannot be disclosed or discussed with any third party. It is inappropriate to use this Report for financing or any purpose other than the purpose mentioned above. We are not responsible for the unauthorized use of this Report. We shall not assume any responsibility to any third party to whom the Report is disclosed or otherwise made available. Unless required by law, it shall not be provided to any third party without our prior written consent. In no event, regardless of whether consent has been provided,

shall we assume any responsibility to any third party to whom this report is disclosed or otherwise made available.

The Report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that it will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to the following matters -

- 1) Matters of a legal nature, including issues of legal title and compliance with local laws, and
- 2) Litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Company.

It may be noted that valuation is a highly subjective exercise and the opinion on the valuation may differ from valuer to valuer depending on the individual perception of the attendant circumstances. At best, it is an expression of opinion or a recommendation based on certain assumptions. This valuation does not include the auditing of financial data provided by management, and therefore we do not take any responsibility for its accuracy and compliances.

### **Restrictions on use of the report**

This Valuation Report is confidential and has been prepared exclusively for the purpose of determining the fair value of proposed preferential allotment of Equity Share of Company. It should not be circulated or reproduced to any other person for any purpose other than as mentioned above, without our prior written consent.

### **Sources of Information**

For the purposes of this valuation report, We have relied upon the following sources of information provided by the management of Company and other publically available information/data:

1. Memorandum & Articles of Association of Company,
2. Shareholding Pattern as on Quarter ending 31<sup>st</sup> March 2024 available on Bombay Stock Exchange (BSE) website & National Stock Exchange (NSE).
3. Date related to share price and quantity as available on the Bombay Stock Exchange (BSE) website & National Stock Exchange (NSE).
4. Annual Return of Financial Year 2023 extracted from website of (BSE)/NSE
5. Audited Financial Statement as on 31<sup>st</sup> March, 2024, 2023 & 2022.
6. Information available in public domain and databases such as Money Control and Bombay Stock Exchange etc.
7. Discussion with Management for information, representation & explanation required for the purpose of ascertaining the fair value of Equity Share.

## **Valuation Methodology**

Valuation is not an exact science and ultimately depends upon what it is worth to an investor.

We have considered the ICAI Valuation Standards 2018 as issued by the Institute of Chartered Accountants of India as well as other International Valuation Standards.

For the valuation, we have considered the following commonly used and accepted methods, to the extent relevant and applicable:

1. Market Price method
2. Comparable Companies' Multiples method / Guideline Company method
3. Price Earning Capacity Value (PECV) Method
4. Net Asset Value method/ Book Value Method

It should be understood that the valuation of any business/ company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies and other factors which generally influence the valuation of business/ companies and their assets.

The application of any particular method depends on the purpose for which the valuation is done. Although different value may exist for different purposes, it cannot be too strongly emphasized that a Valuer can only arrive at one value for one purpose. My choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and my reasonable judgment, in an independent and bona fide manner, based on my previous experience of assignments of a similar nature

### **o Market Price method**

The value of an equity share, as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in.

DCL is a listed and traded on the BSE & NSE. As the quantity of shares traded on NSE is higher than BSE, I have considered the data available of NSE website for the purpose of valuation.

The shares of DCL are frequently traded in terms of regulation 164(5) of the ICDR Regulations. **(Refer Annexure 1)**

Relevant date in case of preferential issue of equity shares is defined in regulation 161(a) “the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue”. In this case the meeting of the shareholders is proposed to be held on 12<sup>th</sup> June 2024 and as such the relevant date for computation of trading volume is 13<sup>th</sup> May, 2024.

As such, we have considered the value under this method to be higher of the following two prices, in compliance with the pricing guidelines of regulation 164(1) of ICDR Regulations-

- Volume weighted Average Price (“VWAP”) of 90 trading days preceding the relevant date
- Volume weighted Average Price (“VWAP”) of 10 trading days preceding the relevant date.

- **Comparable Companies’ Multiples method / Guideline Company method**

This methodology uses the valuation ratio of a publicly traded company and applies that ratio to the company being valued. The valuation ratio typically expresses the valuation as a function of a measure of financial performance (e.g., Revenue, EBITDA, EBIT, Earnings per Share or Book Value) as compared to its peers.

A comparable company analysis (CCA) is a process used to evaluate the value of a company using the metrics of other businesses of similar size in the same industry. Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples.

Analysts compile a list of available statistics for the companies being reviewed and calculate the valuation multiples in order to compare them.

Comparable company analysis starts with establishing a peer group consisting of similar companies of similar size in the same industry or region. Investors are then able to compare a particular company to its competitors on a relative basis. This information can be used to determine a company's enterprise value (EV) and to calculate other ratios used to compare a company to those in its peer group.

The difficulty in this method is the selection of comparable company as it is rare to find companies with similar product portfolio, size, capital structure, profitability etc.

- **Income Approach**

- **Price Earning Capacity Method (PECV)**

Under PECV method, the average earning on the basis of the past 3-5 years is first determined, adjustments are then made for any exceptional transactions or items of non- recurring nature. The adjusted average earnings are then capitalized at an appropriate rate to arrive at the value of business. The capitalization rate so factored has to be decided depending upon various factors such as the earnings trends in the industries. P/E prevailing in the industries etc. After this, the normalized earnings are then capitalized at an appropriate discount rate.

The company has a stable business model with consistent Growth and Return on Capital Employed (ROCE) thereby steady profits and cash flows. In this context, Price Earning Capacity Value (PECV) method, whereby valuation is undertaken using historical data, provides a reliable valuation study and is a globally accepted method under the Income Approach to determine equity share value.

- **Asset Approach**

Under this approach, the value is determined based on the financial statements of the Company. This approach is based on the principle of substitution i.e. no rational investor will pay more for the business assets than the cost of procuring assets of similar economic utility.

This approach is generally used for asset intensive companies, new established business, underperforming business, unlisted companies and standard growth business model companies.

The asset-based valuation technique is based on the value of underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. The Asset based method views the business as a set of assets and liabilities that are used as building blocks of a business value. The difference in the value of these assets and liabilities on a Book Value basis or Realizable Value basis or Replacement Cost basis is the business value. However, this methodology recognizes historical cost of net assets only without recognizing its present earnings, comparative financial performance of its peers and their enterprise values etc. Therefore, in general Net Asset Value only reflects the minimum proxy value of the company.

In the instant case, we have used asset approach and as the valuation premise is Going Concern basis, and an actual realization of the operating assets is not contemplated, we have considered it appropriate not to determine the replacement values of the assets.

## **Valuation Method Adopted**

Based on the discussions mentioned above, we have arrived at the value of equity share of DCL under various methods as follows:

### ➤ **Comparable Companies Multiple Method**

As discussed above, we have considered average of EV/EBITDA Multiple of comparable company to workout fair value of DCL.

By applying this method, we have arrived at the value per share as per following table:

(Figures in Lakhs)

	<b><u>Particulars</u></b>	<b><u>Value</u></b>
A	Average of EV/EBITDA multiple based on EV/EBITDA Multiple of Comparable Companies*	7.15
B	Average of 3 Year EBITDA of DCL **	6974.15
<b>C=A*B</b>	<b>Enterprise Value</b>	<b>49837.30</b>
D	Debts	(11916.04)
E	Cash & Cash Equivalents	2,993.39
<b>F=C-D+E</b>	<b>Business Equity Value</b>	<b>40914.65</b>
G	No. of Shares	22014000
<b>H=F/G*10^5</b>	<b>Value per Equity Share (INR)</b>	<b>185.86</b>

\* Working of Average of EV/EBITDA multiple based on EV/EBITDA Multiple of Comparable Companies:

<b><u>Name of the Comparable Companies***</u></b>	<b><u>EV/EBITDA</u></b>
Cords Cable Industries Ltd	3.33
Paramount Communications Ltd	11.42
Delton Cables Ltd.	6.75
Birla Cable Ltd.	7.36
Salzer Electronics Ltd.	6.87
<b>Average of EV/EBITDA multiple</b>	<b>7.15</b>

\*\* Working of Average of 3 Year EBITDA of DCL:

(Figures in Lakhs)

<b><u>S. No.</u></b>	<b><u>Financial Year</u></b>	<b><u>EBITDA</u></b>
1.	2021-2022	6256.46
2.	2022-2023	6589.14
3.	2023-2024	8076.86
	<b>Average EBITDA</b>	<b>6974.15</b>

\*\*\* The reason for considering the above companies for EV/EBITDA multiple is as follows :

1. All are listed on BSE
2. Turnover for the F.Y. 2022-23 for the DCL is Rs. 668.63 Crore. All the above companies are in the same line of business and has turnover in the range of Rs.272-1037 Crore in F.Y. 2022-23.

➤ **Market Price Method**

Valuation of equity shares as per SEBI ICDR Regulations, which is as following:

A. Table showing 90 trading days' volume weighted average price (VWAP) of the equity shares of DCL, quoted on the NSE preceding 13th May, 2024, (Relevant Date).

<b><u>No. of Days</u></b>	<b><u>Date</u></b>	<b><u>WAP</u></b>	<b><u>No. of Shares Traded during the trading day</u></b>	<b><u>Daily trading turnover</u></b>
1	10-May-24	440.32	1,89,300	8,33,52,292.50
2	09-May-24	426.05	31,317	1,33,42,764.10
3	08-May-24	430.48	74,209	3,19,45,436.00
4	07-May-24	417.84	41,721	1,74,32,746.50
5	06-May-24	423.11	47,076	1,99,18,559.45
6	03-May-24	428.92	41,463	1,77,84,385.55
7	02-May-24	441.58	66,140	2,92,05,909.60
8	30-Apr-24	440.14	42,497	1,87,04,517.75
9	29-Apr-24	444.28	62,219	2,76,42,711.40
10	26-Apr-24	441.16	32,691	1,44,21,958.15
11	25-Apr-24	438.06	41,622	1,82,32,745.80
12	24-Apr-24	444.3	61,925	2,75,13,211.65
13	23-Apr-24	449.01	93,876	4,21,51,667.45
14	22-Apr-24	443.76	1,16,534	5,17,13,290.15
15	19-Apr-24	462.03	9,43,984	43,61,46,209.00
16	18-Apr-24	436.5	3,87,405	16,91,02,829.75
17	16-Apr-24	394.29	35,613	1,40,41,697.45
18	15-Apr-24	396.72	65,600	2,60,25,119.70
19	12-Apr-24	408.47	69,875	2,85,41,878.70
20	10-Apr-24	399.92	32,686	1,30,71,915.65
21	09-Apr-24	403.12	29,361	1,18,35,898.85
22	08-Apr-24	412.11	35,285	1,45,41,136.65
23	05-Apr-24	419.23	57,660	2,41,72,711.05
24	04-Apr-24	415.61	1,09,506	4,55,11,771.90
25	03-Apr-24	399.32	48,312	1,92,91,715.25
26	02-Apr-24	391.09	33,787	1,32,13,905.90
27	01-Apr-24	381.6	65,054	2,48,24,826.85
28	28-Mar-24	374.54	63,768	2,38,83,383.60
29	27-Mar-24	376.03	95,859	3,60,45,839.55
30	26-Mar-24	376.22	51,806	1,94,90,575.60
31	22-Mar-24	382.09	31,776	1,21,41,289.45
32	21-Mar-24	377.23	47,034	1,77,42,824.45
33	20-Mar-24	374.46	1,13,034	4,23,27,100.40

34	19-Mar-24	382.74	70,478	2,69,74,621.25
35	18-Mar-24	376.85	62,339	2,34,92,543.10
36	15-Mar-24	360.99	43,785	1,58,05,908.85
37	14-Mar-24	357.34	1,24,645	4,45,40,859.05
38	13-Mar-24	364.04	97,722	3,55,74,457.75
39	12-Mar-24	383.5	75,881	2,91,00,407.85
40	11-Mar-24	399.49	52,280	2,08,85,474.60
41	07-Mar-24	413.33	36,598	1,51,26,934.35
42	06-Mar-24	410.13	70,118	2,87,57,764.85
43	05-Mar-24	422.34	46,153	1,94,92,349.95
44	04-Mar-24	424.97	21,460	91,19,881.50
45	02-Mar-24	428.78	6,638	28,46,234.75
46	01-Mar-24	425.38	35,916	1,52,78,091.65
47	29-Feb-24	421.49	25,529	1,07,60,294.20
48	28-Feb-24	427.12	39,225	1,67,53,792.15
49	27-Feb-24	432.42	18,480	79,91,107.25
50	26-Feb-24	432.64	28,181	1,21,92,254.95
51	23-Feb-24	439.34	33,451	1,46,96,277.25
52	22-Feb-24	430.5	31,554	1,35,84,005.25
53	21-Feb-24	442.02	38,125	1,68,52,100.05
54	20-Feb-24	445.38	40,527	1,80,49,837.15
55	19-Feb-24	456.48	1,24,797	5,69,66,956.20
56	16-Feb-24	430.31	67,216	2,89,23,499.70
57	15-Feb-24	431.08	39,917	1,72,07,441.25
58	14-Feb-24	426.73	22,468	95,87,721.85
59	13-Feb-24	424.6	27,494	1,16,74,014.55
60	12-Feb-24	429.19	64,410	2,76,44,403.05
61	09-Feb-24	433.12	47,360	2,05,12,644.40
62	08-Feb-24	442.89	46,114	2,04,23,564.20
63	07-Feb-24	452.12	56,749	2,56,57,236.40
64	06-Feb-24	456.21	1,10,001	5,01,83,223.85
65	05-Feb-24	463.95	1,20,911	5,60,96,868.35
66	02-Feb-24	470.52	68,912	3,24,24,417.80
67	01-Feb-24	463.78	1,34,969	6,25,96,115.10
68	31-Jan-24	449.81	72,657	3,26,81,626.05
69	30-Jan-24	418.43	27,946	1,16,93,453.70
70	29-Jan-24	420.68	69,857	2,93,87,101.85
71	25-Jan-24	420.26	22,853	96,04,108.80
72	24-Jan-24	421.84	47,388	1,99,90,373.90
73	23-Jan-24	423.9	63,959	2,71,11,982.75
74	20-Jan-24	436.56	26,560	1,15,95,082.05

75	19-Jan-24	446.44	36,477	1,62,84,916.45
76	18-Jan-24	442.28	30,199	1,33,56,532.85
77	17-Jan-24	444.06	26,633	1,18,26,565.40
78	16-Jan-24	453.6	23,932	1,08,55,460.25
79	15-Jan-24	457.73	35,915	1,64,39,406.25
80	12-Jan-24	461.06	56,837	2,62,05,445.10
81	11-Jan-24	469.44	71,733	3,36,74,331.85
82	10-Jan-24	469.59	59,278	2,78,36,113.25
83	09-Jan-24	480.59	43,765	2,10,33,046.75
84	08-Jan-24	484.57	31,420	1,52,25,303.30
85	05-Jan-24	480.91	48,482	2,33,15,656.35
86	04-Jan-24	475.64	32,251	1,53,39,811.20
87	03-Jan-24	479.29	76,559	3,66,93,746.50
88	02-Jan-24	485.08	97,775	4,74,28,603.50
89	01-Jan-24	466.83	1,24,248	5,80,03,032.50
90	29-Dec-23	437.32	35,933	1,57,14,264.60
<b>Total</b>			<b>6353055</b>	<b>2,75,43,84,095.45</b>
<b>90 trading days volume weighted average price ("VWAP") preceding the relevant date i.e. [VWAP = Trading turnover / No. of Shares Traded ]</b>				<b>433.55</b>

B. Table showing 10 trading days' volume weighted average price (VWAP) of the equity shares of DCL, quoted on the NSE preceding 13th May ,2024, (Relevant Date).

<u>No. of Days</u>	<u>Date</u>	<u>WAP</u>	<u>No. of Shares Traded during the trading day</u>	<u>Daily trading turnover</u>
1	10-May-24	440.32	1,89,300	8,33,52,292.50
2	09-May-24	426.05	31,317	1,33,42,764.10
3	08-May-24	430.48	74,209	3,19,45,436.00
4	07-May-24	417.84	41,721	1,74,32,746.50
5	06-May-24	423.11	47,076	1,99,18,559.45
6	03-May-24	428.92	41,463	1,77,84,385.55
7	02-May-24	441.58	66,140	2,92,05,909.60
8	30-Apr-24	440.14	42,497	1,87,04,517.75
9	29-Apr-24	444.28	62,219	2,76,42,711.40
10	26-Apr-24	441.16	32,691	1,44,21,958.15
<b>Total</b>			<b>628633</b>	<b>27,37,51,281.00</b>
<b>10 trading days volume weighted average price ("VWAP") preceding the relevant date [VWAP = Trading turnover / No. of Shares Traded ]</b>				<b>435.47</b>

➤ **Book Value Method**

Valuation carried out as per Book Value Method is as follows:

(Figures in Lakhs)

	<b>Particulars</b>	<b>Value</b>
A	Equity Share Capital	2201.40
B	Other Equity	19193.78
C=A+B	Net Assets Value	21395.18
D	Number of equity shares outstanding	22014000
E=C/D*10 <sup>5</sup>	Fair Value per Equity Shares (INR)	97.19

(Figures of Audited Balance sheet as on 31<sup>st</sup> March, 2024 is considered for the calculation of value through Book Value Method)

➤ **Income Approach**

I have considered Price Earning Capacity Value (PECV) Method for valuation analysis and have assigned weight to determine the fair value. The calculation is as under:

<b>Year ended</b>	<b>Profit After Tax Amount (In Lakhs)</b>	<b>Weight</b>	<b>Product</b>
31st March 2024	3777.14	3.0	11331.42
31st March 2023	3101.35	2.0	6202.70
31st March 2022	3089.98	1.0	3089.98
<b>Weighted Average PAT</b>			<b>3437.40</b>
Capitalization Rate			4.5%
Fair Value			75,920
No. of Shares			2,20,14,000
<b>Fair Value Per Share</b>			<b>344.87</b>

**Capitalization Rate**

<b>Particulars</b>	<b>Rate</b>	<b>Source</b>
Rm (Market Rate of Return)	11.81%	BSE Sensex 10-year return
Rf (Risk Free Rate of Return)	7.08%	10- years G sec Bond Rate
Risk Premium	4.7%	(Rm-Rf)
Beta	0.94	DCL 1 year Beta as on May 15th May, 2024
Company specific risk Premium	1.0%	Assumed
Ke	12.5%	Calculated
Growth	8%	Last 5 Year CAGR
<b>Capitalization Rate</b>	<b>4.5%</b>	Calculated

## **Conclusion**

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgment taking into account all the relevant factors. There will always be several factors, e.g. quality and integrity of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. We understand that the AOA of the Company does not categorically provide for a method of determination which results in a floor price higher than that determined under the ICDR regulations. The minimum value of equity shares of a frequently traded listed company should be in accordance with pricing provisions of Chapter V of SEBI ICDR Regulations as amended from time to time.

Since the value of equity shares of DCL under the market approach, Asset approach and Income approach is lower than the value of equity shares of DCL as per the ICDR Regulations (captured in market approach), we have given due cognizance to the base price derived using the formula given in the ICDR regulations to assign appropriate weights to the values computed under each method. Based on the above, we have given 100% weight to value of DCL computed as per ICDR Regulations under Market approach.

Our valuation Results using the various methods are summarized as under-

<b>Valuation Summary</b>				
<b>Valuation Approach</b>	<b>Valuation method</b>	<b>Value per share (INR)</b>	<b>Weight</b>	<b>Weighted Value</b>
		<b>(i)</b>	<b>(ii)</b>	<b>(iii)= (i)* (ii)</b>
Market Approach	Market price	435.47	100%	435.47
Market Approach	Comparable Companies Multiple	185.86	0%	0
Asset Approach	Net Asset Value	97.19	0%	0
Income Approach	PECV	344.87	0%	0
<b>Fair Value per share</b>			<b>100%</b>	<b>435.47</b>
<b><i>Note : Since the value under the Market Price Method (as per the Regulation 164(1) - ICDR Regulations) is the maximum, we have given 100% weight to the value computed using the Market Price Method</i></b>				

Accordingly, the Floor Price of the equity share of the Company having face value of Rs 10 each in terms of SEBI ICDR Regulations as at relevant date/ valuation date is INR 435.47/- (INR Four Hundred Thirty Five and Forty Seven Paisa) per share.

### **Disclaimer**

This report has been prepared for the purpose of determining/estimating the Fair Value per Equity share of the Company based on the international/generally accepted valuation methodologies for preferential allotment of equity shares by the company and should not be used for any purpose other than mentioned above.

By this report we are not purporting to advise the investor or investee companies on the prudence of the investment.

Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair and reasonable, neither ourselves, nor any of our partners or employees shall in any way be responsible for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report. We are not liable to any third party in relation to the issue of this report.

We have not undertaken responsibility to update this report for the events and circumstances occurring after the valuation date. This report is purely recommendatory in nature. Our, liability if any, shall be limited to the professional fees paid to us for rendering these services.

**Date: 5<sup>th</sup> June, 2024**  
**Place: Jaipur**

**Sandeep Kumar Jain**  
**Registered Valuer Securities and Financial Assets**  
**IBBI Reg. No.: No.: IBBI/RV/03/2019/12410**  
**CP No. CP No. ICSIRVO/SFA/66**

## ANNEXURE-1

In terms of regulation 164(5) of the ICDR Regulations frequently traded shares means *the shares of the issuer, in which the traded turnover on any recognised stock exchange during the [240 trading days] preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer.*

**Table Showing Shares of DCL is frequently traded on NSE in terms of regulation 164(5) of the ICDR Regulations:**

<b>No. of Days</b>	<b>Date</b>	<b>No. of shares traded during the trading days</b>
1	10-May-24	1,89,300
2	09-May-24	31,317
3	08-May-24	74,209
4	07-May-24	41,721
5	06-May-24	47,076
6	03-May-24	41,463
7	02-May-24	66,140
8	30-Apr-24	42,497
9	29-Apr-24	62,219
10	26-Apr-24	32,691
11	25-Apr-24	41,622
12	24-Apr-24	61,925
13	23-Apr-24	93,876
14	22-Apr-24	1,16,534
15	19-Apr-24	9,43,984
16	18-Apr-24	3,87,405
17	16-Apr-24	35,613
18	15-Apr-24	65,600
19	12-Apr-24	69,875
20	10-Apr-24	32,686
21	09-Apr-24	29,361
22	08-Apr-24	35,285
23	05-Apr-24	57,660
24	04-Apr-24	1,09,506
25	03-Apr-24	48,312
26	02-Apr-24	33,787
27	01-Apr-24	65,054
28	28-Mar-24	63,768
29	27-Mar-24	95,859
30	26-Mar-24	51,806
31	22-Mar-24	31,776
32	21-Mar-24	47,034

33	20-Mar-24	1,13,034
34	19-Mar-24	70,478
35	18-Mar-24	62,339
36	15-Mar-24	43,785
37	14-Mar-24	1,24,645
38	13-Mar-24	97,722
39	12-Mar-24	75,881
40	11-Mar-24	52,280
41	07-Mar-24	36,598
42	06-Mar-24	70,118
43	05-Mar-24	46,153
44	04-Mar-24	21,460
45	02-Mar-24	6,638
46	01-Mar-24	35,916
47	29-Feb-24	25,529
48	28-Feb-24	39,225
49	27-Feb-24	18,480
50	26-Feb-24	28,181
51	23-Feb-24	33,451
52	22-Feb-24	31,554
53	21-Feb-24	38,125
54	20-Feb-24	40,527
55	19-Feb-24	1,24,797
56	16-Feb-24	67,216
57	15-Feb-24	39,917
58	14-Feb-24	22,468
59	13-Feb-24	27,494
60	12-Feb-24	64,410
61	09-Feb-24	47,360
62	08-Feb-24	46,114
63	07-Feb-24	56,749
64	06-Feb-24	1,10,001
65	05-Feb-24	1,20,911
66	02-Feb-24	68,912
67	01-Feb-24	1,34,969
68	31-Jan-24	72,657
69	30-Jan-24	27,946
70	29-Jan-24	69,857
71	25-Jan-24	22,853
72	24-Jan-24	47,388
73	23-Jan-24	63,959

74	20-Jan-24	26,560
75	19-Jan-24	36,477
76	18-Jan-24	30,199
77	17-Jan-24	26,633
78	16-Jan-24	23,932
79	15-Jan-24	35,915
80	12-Jan-24	56,837
81	11-Jan-24	71,733
82	10-Jan-24	59,278
83	09-Jan-24	43,765
84	08-Jan-24	31,420
85	05-Jan-24	48,482
86	04-Jan-24	32,251
87	03-Jan-24	76,559
88	02-Jan-24	97,775
89	01-Jan-24	1,24,248
90	29-Dec-23	35,933
91	28-Dec-23	47,147
92	27-Dec-23	54,965
93	26-Dec-23	97,636
94	22-Dec-23	1,36,103
95	21-Dec-23	29,361
96	20-Dec-23	30,549
97	19-Dec-23	19,512
98	18-Dec-23	22,404
99	15-Dec-23	50,658
100	14-Dec-23	27,946
101	13-Dec-23	21,150
102	12-Dec-23	19,180
103	11-Dec-23	28,865
104	08-Dec-23	20,900
105	07-Dec-23	28,946
106	06-Dec-23	28,421
107	05-Dec-23	48,353
108	04-Dec-23	95,049
109	01-Dec-23	45,470
110	30-Nov-23	27,475
111	29-Nov-23	22,089
112	28-Nov-23	24,927
113	24-Nov-23	26,018
114	23-Nov-23	21,607

115	22-Nov-23	45,427
116	21-Nov-23	41,991
117	20-Nov-23	34,393
118	17-Nov-23	52,569
119	16-Nov-23	47,801
120	15-Nov-23	42,520
121	13-Nov-23	2,00,035
122	12-Nov-23	30,984
123	10-Nov-23	17,488
124	09-Nov-23	27,550
125	08-Nov-23	15,849
126	07-Nov-23	19,284
127	06-Nov-23	17,572
128	03-Nov-23	14,562
129	02-Nov-23	13,547
130	01-Nov-23	10,286
131	31-Oct-23	11,195
132	30-Oct-23	13,658
133	27-Oct-23	19,943
134	26-Oct-23	36,765
135	25-Oct-23	27,251
136	23-Oct-23	29,008
137	20-Oct-23	16,911
138	19-Oct-23	17,424
139	18-Oct-23	19,972
140	17-Oct-23	15,086
141	16-Oct-23	25,218
142	13-Oct-23	56,663
143	12-Oct-23	13,501
144	11-Oct-23	16,054
145	10-Oct-23	26,738
146	09-Oct-23	66,557
147	06-Oct-23	14,884
148	05-Oct-23	21,318
149	04-Oct-23	29,062
150	03-Oct-23	19,501
151	29-Sep-23	22,912
152	28-Sep-23	14,893
153	27-Sep-23	14,085
154	26-Sep-23	26,293
155	25-Sep-23	14,012

156	22-Sep-23	10,035
157	21-Sep-23	18,057
158	20-Sep-23	16,427
159	18-Sep-23	16,181
160	15-Sep-23	24,895
161	14-Sep-23	21,894
162	13-Sep-23	21,158
163	12-Sep-23	79,792
164	11-Sep-23	58,685
165	08-Sep-23	33,683
166	07-Sep-23	25,350
167	06-Sep-23	20,899
168	05-Sep-23	25,706
169	04-Sep-23	43,190
170	01-Sep-23	21,939
171	31-Aug-23	23,724
172	30-Aug-23	23,609
173	29-Aug-23	34,229
174	28-Aug-23	26,652
175	25-Aug-23	19,093
176	24-Aug-23	43,342
177	23-Aug-23	32,461
178	22-Aug-23	73,589
179	21-Aug-23	64,155
180	18-Aug-23	41,950
181	17-Aug-23	46,861
182	16-Aug-23	60,589
183	14-Aug-23	90,960
184	11-Aug-23	26,898
185	10-Aug-23	50,252
186	09-Aug-23	2,70,967
187	08-Aug-23	1,26,866
188	07-Aug-23	4,06,282
189	04-Aug-23	4,04,921
190	03-Aug-23	6,55,878
191	02-Aug-23	10,49,054
192	01-Aug-23	8,63,486
193	31-Jul-23	5,36,098
194	28-Jul-23	3,61,205
195	27-Jul-23	1,35,111
196	26-Jul-23	52,983

197	25-Jul-23	1,59,384
198	24-Jul-23	2,42,597
199	21-Jul-23	4,39,677
200	20-Jul-23	1,44,579
201	19-Jul-23	1,98,368
202	18-Jul-23	53,989
203	17-Jul-23	51,493
204	14-Jul-23	71,337
205	13-Jul-23	1,52,037
206	12-Jul-23	77,233
207	11-Jul-23	1,64,880
208	10-Jul-23	98,334
209	07-Jul-23	83,939
210	06-Jul-23	94,184
211	05-Jul-23	66,796
212	04-Jul-23	97,181
213	03-Jul-23	2,12,912
214	30-Jun-23	5,73,161
215	28-Jun-23	3,51,939
216	27-Jun-23	83,645
217	26-Jun-23	91,305
218	23-Jun-23	1,51,090
219	22-Jun-23	1,78,626
220	21-Jun-23	2,06,988
221	20-Jun-23	3,23,974
222	19-Jun-23	10,77,866
223	16-Jun-23	2,53,961
224	15-Jun-23	2,58,329
225	14-Jun-23	4,11,244
226	13-Jun-23	4,11,473
227	12-Jun-23	2,98,675
228	09-Jun-23	11,49,566
229	08-Jun-23	77,262
230	07-Jun-23	55,730
231	06-Jun-23	35,477
232	05-Jun-23	1,49,619
233	02-Jun-23	1,13,690
234	01-Jun-23	1,66,894
235	31-May-23	2,18,417
236	30-May-23	2,34,123
237	29-May-23	2,99,006

238	26-May-23	2,76,830	
239	25-May-23	9,40,593	
240	24-May-23	11,04,949	
Total Traded Quantity during the 240 trading days preceding the relevant date		A	26411006
Weighted average total number of shares		B	22014000
% of shares traded during the 240 trading days preceding the relevant date		C=A/B*100	119.97%