

MANISH MANWANI

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

Address: Unit No. 125, Tower B-3, (73)
 Spaze Itech Park, Sohna Road,
 Sector-49, Gurugram, Haryana-122018
Mobile: +91 9911077439
Email: manwanimanish@yahoo.in

(Strictly privileged and confidential)

Date: March 09, 2023

The Audit Committee and Board of Directors,
Algoquant Fintech Limited
CIN: L4110GJ1962PLC136701
R.O.: Unit No. 705, 7th floor of ISCON
 Elegance, Developed at Plot No. 24
 Prahaladnagar, Ahmedabad
 Gujarat- 382355

The Board of Directors,
Growth Securities Private Limited
CIN: U74899GJ1996PTC119714
R.O.: Unit No. 503 A-B, 5th floor
 Tower A WTC Block No. 51
 Road 5E, Zone-5, GIFT City
 Gandhinagar, Gujarat-382355

The Board of Directors,
Algoquant Investments Private Limited
CIN: U67120GJ1983PTC136550
R.O.: 705, Iscon Elegance, S.G Highway
 Satellite Prahalad Nagar, Ahmedabad
 Gujarat-380015

Subject: Recommendation of (i) Fair equity share entitlement ratio for the proposed demerger of 'the Stock Broking, Self-Clearing Membership/ Clearing Membership and Depository Participant' business of Growth Securities Private Limited into Algoquant Fintech Limited; (ii) Fair equity share entitlement ratio for proposed amalgamation of Algoquant Investments Private Limited with Algoquant Fintech Limited.

Dear Sir/Madam,

In response to the engagement letter dated, whereby the management of Algoquant Fintech Limited, has appointed Mr. Manish Manwani, a valuer registered with Insolvency and Bankruptcy board of India 'IBBI' under Securities and Financial Assets Class, to issue a report recommending fair equity share entitlement ratio for the proposed demerger of stock broking, self-clearing membership/ clearing membership and depository participant business (hereinafter referred to as "Demerged Undertaking") of Growth Securities Private Limited (hereinafter referred to as "Demerged Company" or "GSPL") into Algoquant Fintech Limited (hereinafter referred to as "Resulting Company" or "Amalgamated Company" or "AFL") and proposed amalgamation of Algoquant Investments Private Limited (hereinafter referred to as "Amalgamating Company" or "AIPL") with AFL (post demerger of Demerged Undertaking) ("Proposed Amalgamation"). Proposed Demerger and Proposed Amalgamation are hereinafter collectively referred to as 'Proposed Restructuring'. Further AFL, GSPL and AIPL are hereinafter collectively referred to as "the Companies" and management of AFL, GSPL and AIPL are hereinafter collectively referred to as "the Management". I understand that this report will be used by the management of the Companies for necessary regulatory compliances purpose and not for otherwise.

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IBBI Membership No: IBBI/RV/03/2021/14113



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I. Scope and Purpose of the Report

The Board of Directors of the Companies are considering the proposal for the Scheme of Arrangement ("Scheme") under Section 230 to 232 read with Section 66 of the Companies Act, 2013 and the rules specified thereunder. Subject to the necessary regulatory and statutory approvals, the Demerged Undertaking of GSPL would be demerged into AFL and subsequently, AIPL would be amalgamated with AFL. Such scheme of arrangement will be effective from the Appointed Date i.e. 01st April, 2023.

The shareholders of GSPL and AIPL will be allotted equity shares of AFL as a consideration for proposed demerger and amalgamation. In this regard, I have been appointed by the management of AFL to carry out valuation of equity shares of the Companies involved in the proposed restructuring and to recommend fair share entitlement ratio for the proposed demerger of Demerged Undertaking of GSPL into AFL and for proposed amalgamation of AIPL with AFL. For this purpose, this report is being furnished by Mr. Manish Manwani in the capacity of the Registered Valuer under Section 247 of the Companies Act, 2013.

This report is being issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, Circular CFD/DIL3/CIR/2017/26 dated March 17, 2017, and any amendment thereof modification issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Master Circular being Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 issued by SEBI on November 23, 2021, as amended from time to time (hereinafter collectively referred as "SEBI Circulars") and in accordance with the requirement of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (as amended).

The scope of my services is to conduct a relative (and not an absolute) valuation exercise at the Valuation Date to determine the equity value of the Companies and then arrive at the share entitlement ratio using internationally accepted valuation methodologies as may be applicable to the Companies and report on the same in accordance with international valuation standards issued by International Valuation Standards Council.

This Report sets out our recommendations of the fair equity share entitlement ratio and discusses the methodologies and approaches considered for arriving at the relative values of equity shares of the Companies for the recommendation of fair equity share entitlement ratio.

II. Rationale of the Scheme of Merger

- The Companies propose to enter into Scheme, to consolidate their service capabilities thereby increasing efficiencies in operations and use of resources for improving overall customer satisfaction, optimization of working capital utilization, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, to have a larger market footprint domestically, and furthermore, to simplify and streamline the group holding structure.

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- Consolidation of the complementing strengths will enable the Resulting Company / Amalgamated Company to have increased capability for offering diversified products and services on a single platform. Its enhanced resource base and client relationships are likely to result in better business potential and prospects for the consolidated entity and its stakeholders.
- The combined financial strength is expected to further accelerate the scaling up of the operations of the Resulting Company / Amalgamated Company. Deployment of resources in a more efficient manner is likely to enable faster expansion of the business operations of the Resulting/ Amalgamated Company. Amongst others, the demerger of Demerged Undertaking of the Demerged Company into the Resulting Company will enable the consolidated entity to have an extensive pan India network for deeper market penetration and enhancement of the overall customer satisfaction, engagement, and retention.
- The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage, improved balance sheet, and consolidation of cross location talent pool.

III. Disclosure of Valuer Interest or Conflict

I hereby declare that I am independent of the Companies for valuation and have not been under any direct or indirect influence, which may affect the valuation exercise. I also state that I have no financial interest in the Companies for valuation. I also confirm that this engagement shall be in compliance with the model Code of Conduct issued by IBBI vide Valuation Rules.

IV. Date of Appointment, Valuation Date and Date of Report

For this assignment of valuation, following shall be key dates:

- Valuation Date-** It refers to a point of time at which the asset is being valued in this report. In the current case the valuation date is December 31, 2022.
- Date of Appointment-** It refers to a date on which the audit committee of the Company appointed the registered Valuer i.e. February 02, 2023.
- Date of Report-** It refers to a date on which the Report is signed by a valuer. i.e. March 09, 2023.

V. Brief Background of the Companies**Growth Securities Private Limited ('GSPL' or 'Demerged Company')**

Growth Securities Private Limited is a private limited company, incorporated under the Companies Act, 1956 (as amended) on 19th July 1996, having its registered office at Unit No. 503A-B, 504 A-B, 5th Floor, Tower A WTC Block No. 51, Road 5E, Zone-5, GIFT City Gandhinagar - 382 355, Gujarat. The Corporate Identity Number ("CIN") of the Demerged Company is U74899GJ1996PTC119714.



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The Demerged Company is engaged in two business divisions viz. (i) Commercial exploitation of real estate, wherein it leases properties and earns rentals thereon (Real Estate Business), and (ii) stock broking business wherein it operates as stock broker having trading membership of National Stock Exchange of India Limited ("NSE"), BSE Limited ("BSE"), and Multi Commodity Exchange of India Limited ("MCX") Self-Clearing Membership of NSE Clearing Limited ("NCL") and Clearing / Self Clearing Membership of Indian Clearing Corporation Limited ("ICCL"), Depository Participant with Central Depository Services Limited ("CDSL"), and also acts as a service provider and offers an IT enabled trading portal to its clients (collectively referred to as "Stock Broking Business"). Presently, entire 100% shareholding in the Demerged Company is held by Individual Promoters (hereinafter referred to as "Promoters").

Capital structure as on December 31, 2022:

Particulars	INR
Authorised Share Capital	
10,00,000 equity shares of INR 10/- each	1,00,00,000
Issued Subscribed and Paid Up	
3,00,000 equity shares of INR 10/- each, fully paid up	30,00,000

Shareholding Pattern of Equity Shareholders of GSPL as on December 31, 2022:

Sl. No.	Name	Nos. of Shares	% of Holdings
1	Dhruv Gupta	2,57,400	85.80%
2	Devansh Gupta	42,600	14.20%
	Total	3,00,000	100.00%

Algoquant Investments Private Limited ('AIPL' or 'Amalgamating Company')

AIPL is a private limited company incorporated under the provisions of the Companies Act, 1956 on 28th February 1983, having its registered office at 705, Iscon Elegance, S.G Highway, Satellite Prahlad Nagar Ahmedabad – 380 015, Gujarat.

The Amalgamating Company is an investment holding company and predominantly engaged in undertaking investments in group companies and its primary source of income constitutes dividend income and income from capital gains etc. The Amalgamating Company is the holding company of Amalgamated Company (*defined hereinafter*) and holds 51.92% shareholding in the Amalgamated Company. Presently, entire 100% shareholding in the Amalgamating Company is held by Algoquant Financials LLP along with nominee.

Capital structure as on December 31, 2022:

Particulars	INR
Authorised Share Capital	
1,00,000 equity shares of INR 100/- each	1,00,00,000
Issued Subscribed and Paid Up	
52,746 equity shares of INR 100/- each, fully paid up	52,74,600

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Algoquant Fintech Limited

Algoquant Fintech Limited (formerly known as Hindustan Everest Tools Limited) is a public limited company, incorporated under the Companies Act, 1956 on 25th January 1962, having its registered office at Unit No. 705, 07th Floor of ISCON Elegance, developed at Plot No. 24, Prahaladnagar Ahmedabad- 382355.

AFL was formerly engaged in the business of trading in metals, which was discontinued w.e.f. 01st April 2021. Presently, AFL is engaged in the business of trading in financial instruments using various trading algorithms. The equity shares of AFL are listed on the BSE Ltd. Furthermore, AFL is the subsidiary of AIPL.

Capital structure as on December 31, 2022:

Particulars	INR
Authorised Share Capital	
1,15,00,000 equity shares of INR 2/- each	2,30,00,000
20,000 Redeemable Cumulative Preference Shares of INR. 100/- each	20,00,000
Issued Subscribed and Paid Up	
80,36,000 equity shares of INR 2/- each, fully paid up	1,60,72,000

Shareholding Pattern of Equity Shareholders of AFL as on December 31, 2022:

Sl. No.	Category of Shareholder	Nos. of Shares	% of Holdings
1	Promoters & Promoter Group	52,96,075	65.90%
2	Public	27,39,925	34.10%
	Total	80,36,000	100.00%

VI. Source of Information

Registered Valuer has based this opinion on information provided and represented by the management of the Companies. My review and analysis included, but was not necessarily limited to, the following:

- Limited reviewed financial statements of AFL for the period ended December 31, 2022;
- Audited financial statements of AIPL and GSPL for the period ended December 31, 2022;
- Audited financial statements of AFL, AIPL and GSPL for the financial year ended March 31, 2022 and 2021;
- Draft scheme of proposed arrangement;
- Other relevant details regarding the Companies such as their history, past and present activities, future prospects, existing shareholding pattern and other relevant information and data, including information in the public domain;
- MOA & AOA of the Companies;
- Information available on public domain and data base such as Stern NYU, and websites of BSE Limited, National Stock Exchange of India Limited and Capital Market Data;

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- Management representations given by the management either written or oral from time to time to Valuer.

During the discussion with the management, I have also obtained explanations, information and representations, which I believed were reasonably necessary and relevant for my exercise.

VII. Valuation Approaches

It should be understood that valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and beyond my control. In performing my analysis, I made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Company. In addition, this valuation will fluctuate with changes in prevailing market conditions and prospects, financial and otherwise of the companies and other factors which generally influence the valuation of the companies and their assets.

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

This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- Industry to which the company belongs.
- Ease with which the growth rate in cash flows to perpetuity can be estimated.
- Extent to which industry and comparable company information is available.
- Having arrived at an assessment of fair value, some adjustments that are typically considered in such an exercise are:
- Whether there is change of control and therefore a control premium is justified for a particular purchaser, if any.
- Whether the entity is listed on a stock exchange.
- Whether the shares are marketable and frequently traded or there is a case for discounting on account of illiquidity, if applicable.

The three traditional approaches to value are the market, income, and cost approaches. In developing my opinion, I considered all three approaches to value the Company and chose the most appropriate approach or approaches. My conclusions rely on the approaches judged to be most appropriate for the purpose and scope of my analysis, as well as the nature and reliability of the data available to us. The three approaches to value are summarized as follows:

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A. Market Approach

Under the Market approach, the valuation is based on the market value of the company in case of listed companies and comparable companies trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

Market Price ('MP') Method

Under this method, the market price of an equity shares of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

Comparable Companies Multiple ('CCM') Method

Under the Comparable Companies Multiple ('CCM') method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and Informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Transactions ('CTM') Method

Under the Comparable Transactions Multiple ('CTM') method, the value of a company can be estimated by analyzing the prices paid by purchases of similar companies under similar circumstances. This is a valuation method where we will be comparing recent market transaction in order to gauge current valuation of target company. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. This valuation approach is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

B. Cost (Asset-Based) Approach

The asset-based (net underlying assets) approach is a form of the cost approach. The values of the individual assets (i.e., current, fixed, and intangible) of the business are estimated. The sum of the individual asset values represents the total asset value of the enterprise. The enterprise's liabilities related to working capital are deducted to arrive at an indication of value for the invested capital of the business.

C. Income Approach

The Income approach determines the fair market value by dividing the benefit stream generated by the subject or target company by a discount or capitalization rate. Usually, under

the Income Approach, the methods that may be applied are Discounted Cash Flow (DCF) Method or the Price Earning Capacity (PECV) Method.

Under DCF method, the future free cash flows of the business are discounted to the valuation date to arrive at the present value of the cash flows of the business or capitalized using a discount rate depending on the capital structure of the Company. This method also takes into account the value of the business in perpetuity by the calculation of terminal value using the exit multiple method or the perpetuity growth method, whichever is appropriate.

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.

Each of the described approaches may be used to develop a value indication; however, the appropriateness of these approaches varies with the type of business or asset being valued.

VIII. Procedure Adopted

In connection with this exercise, I have adopted the following procedures to carry out the valuation:

- Requested and received financial information;
- Obtained data available in public domain;
- Undertook industry analysis such as researching publicly available market data including economic factors and industry trends that may impact the valuation;
- Detailed analysis of Comparable Companies for each business;
- Discussion (physical/over call) with the management to understand the business and fundamental factors that could affect its earning-generating capability including strengths,
- Weaknesses, opportunity and threats analysis and historical financial performance;
- Selection of valuation methodology/(ies) as per internationally accepted valuation methodologies;
- Determined the fair equity share swap ratio based on the selected methodology; and
- The management has been provided with the opportunity to review the Draft Report (excluding the recommended Share Entitlement Ratio) as a part of my standard practice to make sure that factual inaccuracies/ omissions are avoided in my final report.

For the purpose of arriving at the valuation of the Companies/businesses, I have considered the valuation base as 'Fair Value' and the premise of value is 'Going Concern Value'. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this report.

For basis of valuation approach adopted by me kindly refer Annexure 1 of this report.

IX. Major Factors that were considered during the valuation

- Share price of the Companies are in INR;
- Equity shares of AFL is listed and equity shares of GSPL and AIPL are unlisted; and
- Key operating/ financial parameters of the Companies.

X. Basis of Fair Equity Share Entitlement Ratio

The fair basis of the demerger of Demerged Undertaking of GSPL into AFL and amalgamation of AIPL with AFL would have to be determined after taking into consideration all the factors and methodologies mentioned herein earlier. Though different values have been arrived at under each of the above approaches/ methodologies, for the purposes of recommending a fair equity share entitlement ratio for proposed demerger and amalgamation, it is necessary to arrive at a final value for each of the Companies. It is however important to note that in doing so, I am not attempting to arrive at the absolute value of the shares of the respective Companies, but at their relative values to facilitate the determination of a fair equity share entitlement ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approaches/methods.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by me and judgement taking into account all the relevant factors. There will always be several factors, e.g. quality of 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 the shares. The determination of valuation is not a precise science and the conclusions arrived at in many cases will, of necessity be subjective and dependent on the exercise of individual judgement. This concept is also recognized in judicial decision. There is therefore, no indisputable single exchange ratio.

While I have provided my recommendations on the share entitlement ratio based on the information available to me and within the scope and constraints of my engagement, others may have a different opinion as to the share entitlement ratio. The final responsibility for the determination of the share entitlement ratio at which the proposed demerger and amalgamation shall take place will be with the Board of Directors of the respective Companies, who should take into account other factors such as their own assessment of the proposed demerger and amalgamation and input of other advisors.

The fair equity share exchange ratio has been arrived at on the basis of a relative fair equity valuation of AFL, GSPL and AIPL based on the various approaches/ methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and

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growth of the business of these Companies, having regard to information base, key underlying assumptions and limitations.

I have independently applied approaches/ methodologies discussed herein earlier and as mentioned in Annexure 1, as considered appropriate, and arrived at the relative value per share of the Companies for determination of share entitlement ratio for the proposed demerger and amalgamation. To arrive at the consensus on the share entitlement ratio for the proposed demerger and amalgamation, suitable minor adjustments/ rounding off have been done.

In light of the above, and on consideration of all the relevant factors and circumstances as discussed and outline hereinabove, we recommend the following fair share entitlement ratio:

For the proposed demerger of demerged undertaking of GSPL into AFL:

727 (Seven Hundred Twenty Seven) equity shares of AFL of INR. 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares of GSPL of INR 10.00/- each, fully paid-up.

For the proposed amalgamation of AIPL with AFL:

8278 (Eight Thousand Two Hundred Seventy Eight) equity shares of AFL of INR. 2.00/- each, fully paid-up for every 100 (One Hundred) equity shares of AIPL of INR 100.00/- each, fully paid-up.

XI. Exclusions and Limitations

• **Responsibility of RV:**

I owe responsibility 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 of 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 willful default on part of the companies, their directors, employees or agents.

• **Accuracy of Information:**

While my 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 client's existing business records. Accordingly, I assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf the client.

• **Dependence on various assumptions:**

Budgets/ forecasts relate to future events and are based on assumptions which may not remain valid for the whole of the relevant period. Consequently, this information cannot be relied upon to the same extent as that derived from audited accounts for completed accounting periods. I express no opinion as to how closely the actual results will correspond to those projected/forecast.

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- **Range of 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. Although every scientific method has been employed in systematically arriving at the value, there is, therefore, no indisputable single value and the estimate of the value is normally expressed as falling within a likely range. To comply with the client request, I have provided a single value for the Fair Value of the assets of the company. Whilst, I consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.

- **Reliance on data from external sources:**

The actual market price achieved may be higher or lower than our estimate of value (or value range of value) depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). 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, our valuation conclusion will not necessarily be the price at which any agreement proceeds. The final transaction price is something on which the parties themselves have to agree. I also emphasize that our opinion is not the only factor that should be considered by the parties in agreeing the transaction price.

- **Reliance on the representations of the owners/clients, their management and other third parties:**

The client/owner 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 owners/clients, their management and other third parties concerning the financial data, operational data and maintenance schedule of all plant-machinery-equipment-tools-vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. I shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the companies, their directors, employee or their agents.

- **Reliance on data from external sources:**

I have relied on data from external sources also to conclude the valuation. These sources are considered 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 the accuracy of such data and that such data has been accurately and correctly extracted from those sources and /or reproduced in its proper form and context.

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- **Compliance with relevant laws:**

The report assumes that the company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets 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 balance sheet/fixed assets register provided to us.

- **Post Valuation Date Events:**

An analysis of such nature is necessarily based on the prevailing, stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to me as of the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

- **Multiple factors affecting the Valuation Report:**

The valuation report is prepared by the exercise of judicious discretion by the Valuer and judgment 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 Balance Sheet but could strongly influence the value.

- **Testimony 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 company, 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 of attending court / judicial proceedings and my tendering evidence before such authority shall be under the applicable laws.

- **Unavailability of information as on Valuation Date:**

The Fair Value of assets of the companies has been performed on the basis of provisional unaudited financials of the Companies provided by management as on valuation date. Hence, based on representation given by the Companies, I have considered financials as on the last available financial statements as the proxy for the financial position as of the valuation date.

- **Definition and Premise of Value:**

It should be noted that liquidation value could be significantly different from fair value or fair market value. Further, Liquidation Value in an orderly sale can be very different from Liquidation Value in a fire sale transaction and Liquidation Value of a single machine or any individual asset on a standalone basis could be very different from Liquidation Value of a single machine or any individual asset as part of the entire plant and machinery.

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Spaze Itech Park, Sohna Road,
Sector-49, Gurugram, Haryana-122018
Mobile: +91 9911077439
Email: manwanimanish@yahoo.in

- The Valuation Report is subject to the laws of India.

Respectfully Submitted

Manish Digitally signed by
Manish Manwani
Date: 2023.03.09
21:35:50 +05'30'
Manwani

MANISH MANWANI**Registered Valuer-SFA**

IBBI Membership No: IBBI/RV/03/2021/14113

Place: Gurugram

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

Annexure 1

I also reproduce the computation of fair equity share entitlement ratio in tabulated format in pursuance of SEBI Circulars.

A. Demerger of demerged undertaking of GSPL into AFL

Valuation Approach	Valuation Method	AFL		Demerged Undertaking of GSPL	
		Value per Share (INR)	Weights (%)	Value per Share (INR)	Weights (%)
Income Approach	DCF	NA	NA	NA	NA
Market Approach	MP	490.01	100.00%	NA	NA
	CCM	82.12	0.00%	3,559.61	100.00%
Asset Approach	NAV	NA	NA	NA	NA
Relative Value per share		490.01		3,559.61	
Fair Equity Share Entitlement Ratio (Rounded Off)		7.27			

NA=Not Adopted/Not Applicable

B. Amalgamation of AIPL with AFL

Valuation Approach	Valuation Method	AFL		AIPL	
		Value per Share (INR)	Weights (%)	Value per Share (INR)	Weights (%)
Income Approach	DCF	NA	NA	NA	NA
Market Approach	MP	490.01	100.00%	NA	NA
	CCM	82.12	0.00%	NA	NA
Asset Approach	NAV	NA	NA	40,562.54	100.00%
Relative Value per share		490.01		40,562.54	
Fair Equity Share Entitlement Ratio (Rounded Off)		82.78			

NA=Not Adopted/Not Applicable

Notes:

AFL: Valuation of Equity Shares of INR 2/- each, fully paid up

The issuance of shares under schemes in case of allotment of shares only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes shall follow the pricing provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (hereinafter referred to as "the SEBI ICDR Regulations")

The equity shares of AFL are traded on BSE Limited and as per the definition prescribed under Regulation 164(5) of SEBI ICDR Regulations, the equity shares of AFL are frequently traded shares.

Regulation 164(1) states the price of the equity shares shall be not less than higher of the following:

- a) The 90 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or
- b) The 10 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date.

Regulation 164 of SEBI ICDR Regulations specifies the minimum price for issue of shares on a preferential basis. The pricing formula provided in Regulation 164(1) has been considered for arriving at the value per equity share of AFL under the Market Price Method. For detailed working kindly refer to Annexure 2.

I have also considered Price/ Earnings trailing multiples, Price/ Revenue trailing multiples and Price/ Book Value trailing multiple of certain comparable companies of AFL engaged in the similar business to compute the value per equity share using Comparable Companies Multiple (CCM) Method.

The fair value derived from CCM Method is too below from the fair value derived using Market Price Method based on the pricing formula provided in Regulation 164(1) of SEBI ICDR Regulation. Therefore I have assigned zero weight to value of CCM method.

In the absence of adequate details and transactions of companies operating in similar businesses, I am unable to apply CTM method in case of AFL.

The Asset Approach does not reflect the intrinsic value of a business in a going concern scenario. Further since AFL is a listed company on BSE, information related to future profitability is price sensitive in nature and hence the management of AFL has not provided us with the projected financial statements of AFL. In view of this, I have not considered Assets Approach and Income Approach for valuation of equity shares of AFL.

AIPL: Valuation of Equity Shares of INR 100/- each, fully paid up

Since AIPL is an investment holding company and predominantly engaged in undertaking investments and majorly the total value of its assets constitutes from investment in and loan given to its subsidiary i.e. AFL. Therefore, I have applied Net Assets Value method under Asset Approach for fair value of equity shares of AIPL.

MANISH MANWANI

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

GSPL: Valuation of Equity Shares of INR 10/- each, fully paid up

Since the equity shares of GSPL are not listed on any recognized stock exchange, therefore the market price method cannot be applied in the current case.

In the absence of adequate details and transactions of companies operating in similar businesses, I am unable to apply CTM method in case of GSPL.

On analysing the historical financial statements of GSPL, I am of the view that GSPL is a high growth company as the historical revenue growth of GSPL is very high. In addition to above, based on my discussion with the management of GSPL, I further understand that the growth prospect of GSPL is also high in future terms.

Both the principles of valuation and the empirical evidence shows that forward-looking multiples are indeed more accurate predictors of value than historical multiples are.. It also embed future expectations better than multiples based on historical data.

I have considered Price/ Earnings forward year 1 multiples, Price/ Revenue forward year 1 multiples of certain comparable companies of GSPL engaged in the similar business to compute the value per equity share using Comparable Companies Multiple (CCM) Method.

The Asset Approach does not reflect the intrinsic value of a business in a going concern scenario, hence the same has not used. Further since the management of GSPL has not provided me with the projected financial statements for maintainable periods therefore Income Approach for valuation of equity shares of GSPL can not be used. Furthermore, the discounted cash flow method does not considered an appropriate method to evaluate the fair value a BFSI (Banking, Financial Services and Insurance) business.

MANISH MANWANI

Registered Valuer (Securities or Financial Assets)

IBBI Registration No.: IBBI/RV/03/2021/14113

90

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

Annexure 2

A. Volume Weighted Average Price (VWAP) for a period of 90 trading days of the equity shares of AFL quoted on BSE Limited during the last 90 trading days preceding March 10, 2023 "Relevant date".

Volume Weighted Average Price = Sum of Total Value ÷ Total Volume

$$477.80 = 27,22,90,320.00 \div 5,69,882$$

Date	No. of Shares	Total Turnover (Rs.)
09-Mar-23	6020	30,46,273.00
08-Mar-23	2718	13,54,155.00
06-Mar-23	4969	24,34,239.00
03-Mar-23	7127	34,63,758.00
02-Mar-23	5188	25,14,803.00
01-Mar-23	6761	32,71,113.00
28-Feb-23	5442	26,28,736.00
27-Feb-23	2737	13,39,226.00
24-Feb-23	2933	14,38,402.00
23-Feb-23	2425	12,06,687.00
22-Feb-23	4272	22,40,387.00
21-Feb-23	3584	18,77,698.00
20-Feb-23	1755	9,22,992.00
17-Feb-23	3741	19,89,830.00
16-Feb-23	3019	16,14,840.00
15-Feb-23	8495	46,30,617.00
14-Feb-23	3746	20,15,313.00
13-Feb-23	3180	16,68,011.00
10-Feb-23	3531	18,71,144.00
09-Feb-23	6487	34,78,231.00
08-Feb-23	7470	40,52,207.00
07-Feb-23	5054	28,72,754.00
06-Feb-23	1174	6,58,985.00
03-Feb-23	14013	74,65,791.00
02-Feb-23	26651	1,40,78,145.00
01-Feb-23	13111	67,61,091.00
31-Jan-23	10635	53,59,362.00
30-Jan-23	6115	30,83,963.00
27-Jan-23	14246	70,46,831.00
25-Jan-23	4433	22,16,966.00
24-Jan-23	4127	20,83,225.00
23-Jan-23	3900	19,17,543.00
20-Jan-23	6171	30,56,271.00
19-Jan-23	8213	40,73,630.00

MANISH MANWANI

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18-Jan-23	3824	18,95,877.00
17-Jan-23	3571	17,66,671.00
16-Jan-23	4864	24,08,843.00
13-Jan-23	3626	18,07,446.00
12-Jan-23	12411	61,06,239.00
11-Jan-23	4195	20,53,712.00
10-Jan-23	5462	27,75,535.00
09-Jan-23	24456	1,27,08,317.00
06-Jan-23	3880	19,99,338.00
05-Jan-23	4035	20,94,433.00
04-Jan-23	8165	42,13,271.00
03-Jan-23	3220	16,44,063.00
02-Jan-23	5381	27,34,209.00
30-Dec-22	10485	53,09,267.00
29-Dec-22	6326	31,58,394.00
28-Dec-22	4699	22,99,967.00
27-Dec-22	3154	15,29,694.00
26-Dec-22	5122	24,92,578.00
23-Dec-22	10409	49,62,611.00
22-Dec-22	9915	49,08,646.00
21-Dec-22	14182	72,12,482.00
20-Dec-22	11854	59,95,656.00
19-Dec-22	11314	57,14,874.00
16-Dec-22	8216	39,55,763.00
15-Dec-22	22753	1,05,69,421.00
14-Dec-22	862	3,81,000.00
13-Dec-22	10691	44,33,768.00
12-Dec-22	8326	33,44,373.00
09-Dec-22	6359	25,92,118.00
08-Dec-22	4327	17,51,284.00
07-Dec-22	7025	28,64,398.00
06-Dec-22	11944	48,64,148.00
05-Dec-22	2619	10,71,712.00
02-Dec-22	1100	4,52,748.00
01-Dec-22	1869	7,63,092.00
30-Nov-22	2436	10,07,591.00
29-Nov-22	2625	10,77,038.00
28-Nov-22	2447	9,98,775.00
25-Nov-22	1155	4,73,353.00
24-Nov-22	2798	11,56,729.00
23-Nov-22	1940	7,97,953.00
22-Nov-22	2804	11,57,732.00
21-Nov-22	2883	11,82,025.00
18-Nov-22	1560	6,42,000.00

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Mobile: +91 9911077439
Email: manwanimanish@yahoo.in

17-Nov-22	2855	11,76,179.00
16-Nov-22	3226	13,41,847.00
15-Nov-22	5403	21,52,192.00
14-Nov-22	1078	4,18,781.00
11-Nov-22	4299	16,76,059.00
10-Nov-22	4223	16,50,244.00
09-Nov-22	16012	63,71,541.00
07-Nov-22	5951	23,27,670.00
04-Nov-22	4208	15,81,558.00
03-Nov-22	2701	10,06,839.00
02-Nov-22	6802	25,56,837.00
01-Nov-22	18392	69,68,210.00
Total	5,69,882.00	27,22,90,320.00
90 trading days' Volume Weighted Average Price preceding Relevant Date, i.e., March 10, 2023		477.80

B. Volume Weighted Average Price (VWAP) for a period of 10 trading days of the equity shares of AFL quoted on BSE Limited during the last 10 trading days preceding the relevant date.

Volume Weighted Average Price = Sum of Total Value ÷ Total Volume

$$490.01 = 2,26,97,392.00 \div 46,320$$

Date	No. of Shares	Total Turnover (Rs.)
09-Mar-23	6020	30,46,273.00
08-Mar-23	2718	13,54,155.00
06-Mar-23	4969	24,34,239.00
03-Mar-23	7127	34,63,758.00
02-Mar-23	5188	25,14,803.00
01-Mar-23	6761	32,71,113.00
28-Feb-23	5442	26,28,736.00
27-Feb-23	2737	13,39,226.00
24-Feb-23	2933	14,38,402.00
23-Feb-23	2425	12,06,687.00
Total	46,320	2,26,97,392.00
10 trading days' Volume Weighted Average Price preceding Relevant Date, i.e., March 10, 2023		490.01

Annexure – 3B

March 29, 2023

To,

BSE Limited

25th Floor, Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai - 400 001

BSE – 505725

Dear Sir/ Ma'am,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for the proposed Scheme of Arrangement amongst Growth Securities Private Limited ('Demerged Company'), Algoquant Investments Private Limited ('Amalgamating Company') and Algoquant Fintech Limited ('Resulting Company' / 'Amalgamated Company') presented under Section 230-232 read with Section 66 and other applicable provisions of the Companies Act, 2013

This is to certify/confirm that :-

- (i) No material event impacting the valuation has occurred during the intervening period of filing the scheme documents with Stock Exchange and period under consideration for valuation; and
- (ii) There are no past defaults of listed debt obligations of the entities forming part of the scheme.

Thanking you,
Yours faithfully,

**For Algoquant Fintech Limited
(Formerly Hindustan Everest Tools Limited)**

For Algoquant Fintech Limited


Atul Kaushal Company Secretary

Company Secretary & Compliance officer
Membership No. : A67692