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SANGITA KUMARI GUPTA

Registered Valuer - Securities or Finance Assets (IBBI)
[RV (SFA), FCA, DISA, CCA (ICAI), Independent/Women Director]

PRIVATE & CONFIDENTIAL

Report on Evaluation of
Fair Value of Equity Shares of
M/s CHAUPAL SANSADHAN LIMITED

Date: 02/01/2023

To,
CHAUPAL SANSADHAN LIMITED

Registered Address:
Chamber 11, Bodhi, Daniyalpur
PO Shivpur Varanasi, Uttar Pradesh, India - 221003

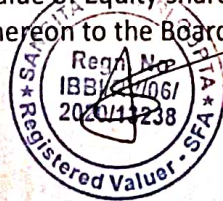
Dear Sirs,

With reference to our engagement letter dated on 18/12/2022, details and information provided to us with respect to M/s CHAUPAL SANSADHAN LIMITED from time to time, we have executed valuation exercise in respect of shares.

1. **Scope and purpose of the report**

We have been informed that "M/s CHAUPAL SANSADHAN LIMITED" (herein after referred to as "Company") is proposing to issue its equity shares as preferential allotment. We have been intimated that such proposal will require adherence to the provisions of Section 42(Offer or invitation for Subscription of Securities on Private Placement), Section 62 (Further Issue of Share Capital) of Companies Act, 2013 read along with Companies (Share Capital and Debentures) Rules, 2014 and Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other provisions which governs the issuance of further equity share.

In connection with the issuance of shares by way of Private Placement, we have been requested by the Company to carry out the valuation of the Equity shares on a going concern basis as at 18/12/2022 (the "Valuation Date") to determine the fair value of Equity shares for the proposed issuance of shares by way of Private Placement and provide a report thereon to the Board of Directors of the Company.



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This report and the information contained herein are absolutely confidential. It is intended only for the sole use and information as stated herein. We understand that our report containing our opinion on the value of equity shares of the Company will be required to be furnished by the Company to the requisite regulatory authority, in connection with the preferential allotment of equity shares. We hereby give consent to such disclosure of our report to them on the basis that I owe responsibility to only Company that have engaged us and to no other person. Further we accept no responsibility or liability to any other party in connection with this report to the extent permitted by laws.

The results of our valuation are not permitted to be used or relied by you for any other purpose or by any other party for any purpose whatsoever. It is hereby notified that reproduction, copying or otherwise quoting of our valuation report or any part thereof except for the purpose and in the circumstances as set out earlier in this report, is not permitted.

2. Back Ground:

CHAUPAL SANSADHAN LIMITED is engaged in carry on the business to establish, maintain, conduct, provide, procure and make available services of Resource development, general construction, development of land and farms, civil engineering contractors, consultants, architects, designers, town planners and village planners. Further to generate , develop , accumulate, produce, manufacture, purchase, process, transform, distribute, transmit, sale, supply, sub-contract resources and/or otherwise import/ export, deal in any kind of machinery , equipment, material , article, and stores for generating , distributing, transmitting all kind of resources, and to deal with all persons including Companies, government and semi- government bodies for these purposes and to do all such acts, deeds and things including construction , laying down , establishing , fixing and to carry out all necessary activities for the aforesaid purpose. The Company is headquartered in the Varanasi, Uttar Pradesh at registered Address - Chamber 11, Bodhi, Daniyalpur, PO Shivpur Varanasi, Uttar Pradesh, India - 221003 and Subject Company is incorporated on 31/07/2015.

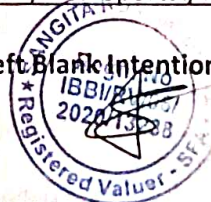
3. Brief Overview of M/s CHAUPAL SANSADHAN LIMITED:

3.1 Company Profile:

Name	:	CHAUPAL SANSADHAN LIMITED
CIN	:	U74120UP2015PLC072346
Date of Incorp	:	31/07/2015
Reg Address	:	Chamber 11, Bodhi, Daniyalpur, PO Shivpur Varanasi, Uttar Pradesh, India – 221003
Financial Year ending	:	Financial Year ends on 31 st of March every Year.
Authorised Capital as on	:	
Valuation date	:	Rs. 9,00,00,000/- (Nine Crores Only)
Paid up Capital as on	:	Rs. 3,00,00,000/- (Three Crores Only)
Valuation date	:	1,00,000/- (One lac Only) Equity share – Class A (Par Value Rs. 100/- each)
	:	1,00,000/- (One lac Only) Equity share – Class B (Par Value Rs. 100/- each)
	:	1,00,000/- (One lac Only) Preference share – Class C (Par Value Rs. 100/- each)

Source: MCA Masterdata <https://www.mca.gov.in/mcafoportal/viewCompanyMasterData.do>

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4.1 Details of Directors and Shareholders as on 18/12/2022:

Particulars of the Directors:

S. No.	Name of Director (s)	DIN	Date of appointment
1	ASHVINEE KUMAR	05231470	31/07/2015
2	AJIT KUMAR	06373894	01/01/2020
3	RAVI SHANKAR	06415046	31/07/2015
4	VIJAY NARAYAN VERMA	07847506	18/07/2022
5	DILIP KUMAR	07869507	01/01/2020
6	DINESH KUMAR	09674912	18/07/2022

Source: MCA Masterdata <https://www.mca.gov.in/mcafoportal/viewCompanyMasterData.do>

4.2 Detail of shareholders and their shareholdings (holding > 5%):

Class A – Equity Shares without differential voting Rights:

S. No.	Name of the Shareholder(s)	No of Shares	Paid Up Share capital	% of Shareholdings
1.	Yogbodhi Private Limited	50,000	50,00,000/-	25.00%
2.	Ashivinee Kumar	26,500	26,50,000/-	13.25%

Class B – Equity Shares with differential voting Rights:

S. No.	Name of the Shareholder(s)	No of Shares	Paid Up Share capital	% of Shareholdings
1.	Amit Chaudhary	9,000	9,00,000/-	4.5%
2.	Awadhesh Kumar Dubey	9,000	9,00,000/-	4.5%

Source: Management Representation Letter and ROC documents.

5. Identity of the Valuer and Any other experts involved in the Valuation:

Name of the Valuer	CA Sangita Kumari Gupta (Registered Valuer – SFA)
Address of the Valuer	B – 701, Himachal Apartment, Plot No 21, Sector 5, Dwarka, New Delhi – 110075
Contact Detail	9711564990
Email address	casangitakumarigupta@gmail.com
Qualifications	Chartered Accountant, Registered Valuer – Securities or Financial Assets Class A
Independence and Disclosure of	The undersigned is an independent Valuer. There is no

Interest	conflict of interest. It is further stated that neither the undersigned nor the relatives /associates are related or associated with the client Company
Any other expert involved	No

6. Date of Appointment, Valuation Date and Date of Valuation Report:

Date of Appointment	18/12/2022
Valuation Date	18/12/2022
Date of Valuation Report	02/01/2023

7. Procedures adopted in carrying out the Valuation and Valuation Standard followed:

- Receipt of proposal for valuation,
- Discussion with the management and acceptance of the proposal,
- Receipt of intimation about appointment and acceptance of proposal,
- Execution of valuation engagement letter and providing the checklist for required information, documents, Financial statements and records,
- Receipt of information, documents as per the checklist leading to preliminary study including analysis of business,
- Verification and confirmation of data and discussion with Directors and concerned senior key personnel of the Company,
- Industry analysis by researching publicly available data on Real estate Industry.
- Determining valuations approach and methods,
- Valuation synthesis & revisiting the assumptions and decision made; Report preparation and its validation.

8. Valuation Standards

8.1.1 In compliance of the above requirements, valuation of the equity shares of the Company has been carried out by applying, International Valuations Standards (popularly known as 'IVS') issued by International Valuations Standards Council (IVSC) including the following Valuation standards:

IVS 104 Bases of Value have been considered while selecting the valuation approaches and methods.

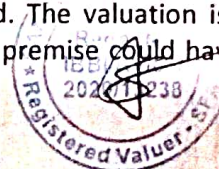
IVS 105 Valuation Approaches and Methods

IVS 200 Business and Business Interest

IVS 500 Financial Instruments

Further the guidance notes issued by IVSC under the head *Covid -19 Research, analysis and guidance for valuation professions* have also been considered.

8.2 Valuation Base and Premise of Value: For the purpose of arriving at valuation of the shares of Company. Fair Value Base has been considered. The valuation is based on the premise of going concern value. Any change in valuation base or premise could have significant impact on valuation exercise and therefore this report.



8.3 Valuation Approach and Methodology of Equity Shares:

The valuation of any Company, business, Financial instruments, Equity or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond my control. In performing my analysis, I have relied on the assumptions of the management with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Company. Further, this valuation will fluctuate with lapse of time, changes in prevailing market conditions, the conditions and prospects, financial and otherwise, and other factors which generally influence the valuations.

The Objective of the valuation process is to make a best reasonable judgment of the value of the equity share/division of the Company. There are a number of valuation methodologies to value companies/Businesses using historical and forecast financials of the Company.

Commonly used valuation methodologies are as follows:

(I) Income Approach

The Income Approach indicates the value of a business based on the value of the cash flows that a business is expected to generate in future. This approach is appropriate in most going concern situations as the worth of a business is generally a function of its ability to earn income/cash flow and to provide an appropriate return on investment.

Discounted Cash Flows Method ('DCF')

Valuation as per Discounted Cash Flow Method is dependent on future free cash flow. The valuation can be done by applying Free Cash Flow for Firm (FCFF) or Free Cash Flow for Equity (FCFE). The projected cash flows are used with statistical techniques. Discount factors are the reflection of time value of money, risk involved, etc.

DCF method is a strong valuation tool as it concentrates on cash generation potential of a business. This method is based on the capability of a Company to generate cash flows in the future. The free cash flows are projected for a certain number of years and then discounted at a discount rate that reflects a Company's cost of capital and risk associated with the cash flow it generates.

Reason for not giving any weightage to this methodology adopted under the Income Based Approach

As Management of Company is unable to prepare and provide to us projected financial for future years. Due to non-availability of Projected financial, we could not considering this approach for our valuation exercise.

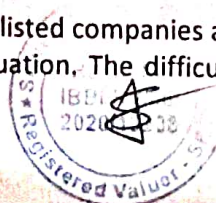
(II) Market Approach

Compared to the Income Approach that incorporates Company-specific estimates to arrive at the firm's intrinsic value, the Market Approach relies on relative valuation to arrive at the value of a business, based upon how similar assets are priced in the market.

The Market Approach provides a reasonable basis for valuation and is relatively a quick approach in its application, but it suffers from a number of limitations.

Company Comparable Method:

Under this methodology, market multiples of comparable listed companies are computed and applied to the Company being valued to arrive at a multiple based valuation. The difficulty here is in the selection of a



comparable Company, since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, profitability and accounting practices.

Reason for not giving any weightage to this methodology adopted under the Market Based Approach

As the Company is not a listed or publicly traded Company, so we have not considered the market-based approach. Also, we couldn't identify any listed comparable or any comparable transaction to the Company.

(III) Asset / Cost Approach

Valuation on Net Assets is computed by taking the net value of a business's assets, subtracting there from the amount of the liabilities and preferred shareholders' claims and dividing the remainder among the equity shareholders according to their individual rights.

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.

Net Assets Value (NAV) Methods:

The Net Asset Value, as at the latest audited Balance Sheet date or as per the Provisional balance sheet date is calculated starting from the total assets of the Company and deducting all Liabilities including debts, dues, borrowing, current Liabilities, Likely contingent Liabilities and Preference Capital, if any. In other words, the value so arrived at should represent the true net worth of the business after providing for all outside present as well as potential liabilities. The Net assets value as calculated from the assets side of the balance sheet in the above manner is cross checked with equity share capital plus free reserves and surplus, less the likely contingent Liability.

Methodology of valuation used for M/s CHAUPAL SANSADHAN LIMITED:

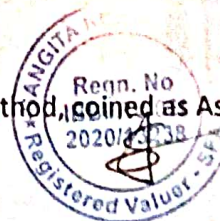
M/s CHAUPAL SANSADHAN LIMITED is an unlisted entity and comparable Company or Comparable Transaction not available/not provided by client, hence the Market Approach of Valuation cannot be applied to it for the purpose of valuation.

Further, Due to Non availability/ not provided of the Projected financial statements as required, by managements of Company, Income Approach of Valuation cannot be applied to it for the purpose of valuation.

Net Asset Value as per the Provisional balance sheet date is calculated starting from the total assets of the Company and deducting all Liabilities including debts, dues, borrowing, current Liabilities, Likely contingent Liabilities and Preference Capital, if any. In other words, the value so arrived at should represent the true net worth of the business after providing for all outside present as well as potential liabilities. The Net assets value as calculated from the assets side of the balance sheet in the above manner is cross checked with equity share capital plus free reserves and surplus, less the likely contingent Liability.

9. Basis of Valuation:

The Method selected for valuation is Net Assets Value Method, **Weightage - NA**



10. Management Representation / Sources of information

For the Purpose of determining the fair value of M/s CHAUPAL SANSADHAN LIMITED 'the Company', We have relied upon the following information and data representation received from Management of subject Company.

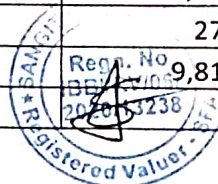
- i. Latest revised Memorandum of Associate and Articles of Association of the Company.
- ii. The Write – up denoting the activities and background of the Company.
- iii. Audited balance sheet and profit and loss account for the year ended 31.03.2021 & 31.03.2022.
- iv. Management and Chartered Accountant certified Provisional Balance sheet, profit and loss account with notes for the period ending 18.11.2022.
- v. Management representation letter confirming the correctness and completeness of the information provided during the course of exercise.
- vi. Discussion (Oral) with the management to understand the business of the Company, its historical financial statements and its future business plans.
- vii. We have relied upon the information and explanations provided to us by the management /representatives/consultants without carrying out any test for its accuracy and completeness. We have not performed any audit, review or examinations of any of the historical or prospective information used and thus not express any opinion with regard to the same.

11. Assumptions Considered for Valuation:

- a. The Provisional provided to us are not reviewed and have been considered as such for the purpose of valuation.

Projected Balance Sheet

Particulars	FY 21-22 Audited	Provisional as on 18/12/2022
Share Capital	30,000,000	30,000,000
Reserve and Surplus	11,394,473	10,931,473
Long term Borrowing	400,000	12,813,000
Other Long term Liabilities	4,300,000	4,300,000
Short Term Borrowing	1,700,000	1,936,000
Trade Payables	-	4,905,000
Other Current Liabilities	577,630	4,129,000
Provisions	1,500,630	1,669,000
Total Liabilities	49,872,733	70,683,473
Net Fixed Assets	20,391,924	37,061,000
Non Current Investments	13,605,100	19,581,000
DTA	-	-
Long Term loan and advances	1,480,000	380,000
Other Non Current Assets	274,146	275,000
Current Investments	9,814,903	6,625,000
Inventories	-	-



Short Term Loan and Advances	-	3,729,000
Trade receivables	-	1,520,000
Cash and Cash Equivalents	196,621	492,473
Other Current assets	4,110,039	1,020,000
Total Assets	49,872,733	70,683,473

- b. Appropriate adjustments have been carried out for calculating value attributable to equity shares holders which is depicted in para 13 of this report.
- c. Provisional data mention in above table is on the basis of financial received from management. Same provisional financial certified by Chartered accountant and Management.
- d. Preference shareholders payable at par as per MRL and terms of issuance of Preference share provided by management, accordingly considered for calculation of NAV attributable to equity shareholders.

12. Valuation

The Value per share of M/s CHAUPAL SANSADHAN LIMITED as on the Valuation date of 18th December, 2022, comes to Rs. 154.66/- (One Hundred and fifty four and Sixty-Six Paise only), round off to Rs. 155 (One Hundred and Fifty Five Only) (Refer Annexure A) on the basis of Provisional Financial statements.

Hence, By considering the above para, Thus, Fair Value per share of M/s CHAUPAL SANSADHAN LIMITED consider as Rs. 155.00/- (One hundred and Fifty Five Only).

M/s CHAUPAL SANSADHAN LIMITED	
Annexure A	
Computation of value per equity share as per Net Assets Value (NAV) Methodology:	
Particulars	Amount in Rs. as on 18th December 2022
Equity Share Capital	30,000,000.00
Reserve and Surplus	10,931,473.00
Net Assets Value (NAV) (Business Value)	40,931,473.00
Less: Payable to Preference Shareholders (Class C)	10,000,000.00
NAV attributable to Equity Shareholders (Class A & Class B)	30,931,473.00
Diluted No of Equity Shares (Class A & Class B)	200,000.00
Value per equity share as per NAV method	154.66
Rounded off to Rs. 155.00/-	

13. Scope limitations

Our report is subject to the terms of our engagement letter and the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to in this report.

Our work does not designed to verify the accuracy, reliability, an audit, due diligence, review or certification of the historical financial statements of the Company referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the date of this report. A Valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Company have drawn our attention to all the matters, which it is aware of concerning the financial position of the Company and any other matter, which may have an impact on the valuation analysis of the equity shares of the Company, including any significant changes that have taken place or likely to take place in the financial position of the Company. We have no responsibility to update this report for event and circumstances occurring after the date of this report.

No investigation of the Company's claim to title of assets has been made for the purpose of this valuation and the Company's claim to such rights has been assumed to be valid. No responsibility is assumed for matters of a legal nature.

The fee for our valuation analysis and the report thereupon is not contingent upon the results reported. We have no conflict of interest with the Company in conducting this assignment, except to the extent of our professional fee.

Our findings do not constitute a recommendation as to whether to carry out the transaction based on this valuation.

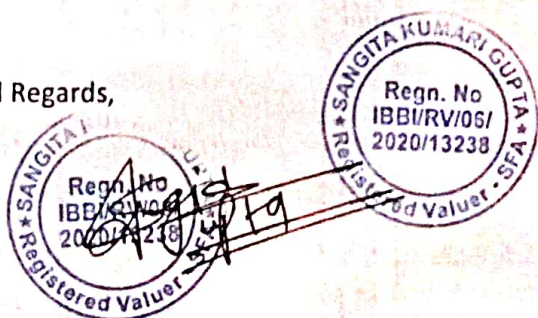
14. Conclusion

On consideration of all the relevant factors and issues discussed herein above for purpose of valuation of equity shares, the fair value per equity Share of the Company having face value of INR 100/- each fully paid up is valued at Rs. 155.00/- (Rs. One Hundred and Fifty Five Only) as on valuation date i.e. 18/12/2022. (refer para 13 above).

The method used for arriving Fair Value of Equity Share is Net Assets Value Method and these methods are as per internationally accepted pricing methodology.

We trust the above meets with your requirements.

Thanks and Regards,



RV Sangita Kumari Gupta

Registered Valuer - SFA

FCA, DISA

Reg No. IBB/RV/06/2020/13238

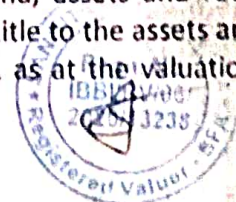
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UDIN - 2357835806WKYD6405

15. Major factors Influencing valuation, Caveats, Limitations and Disclaimers

1. No representation or warranty, express or implied, is given by us or any of their respective partners, officers, affiliates, employees, advisors or agents (and any warranty expressed or implied by statute in hereby excluded) as to the accuracy or completeness of the contents of this Report or any other documents or information supplied, or which may be supplied at any time or any opinions or projections expressed herein or therein, nor is any such party under any obligation to update the report or correct any inaccuracies or omissions in it which may exist or become apparent. In particular, for reason of commercial sensitivity, information on certain matters has not been included in the Report.
2. **Restriction on use of Valuation Report :** This report has been prepared for the exclusive use of Company for share allotment proposals as preferential allotment and shall not be given or reproduced or quoted to any third parties without our prior written consent except for the fulfillment for the purpose mentioned in Para 1.
3. **Responsibility Clause:** I owe responsibility to only to the client that has appointed me under the terms of the engagement letter. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In event I shall not be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the client Company or their directors, employees or agents.
4. **Accuracy of Information:** While the work has involved an analysis of financial information and accounting records, my engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, I assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the client Company. My Report is subject to the scope and limitations detailed in the Valuation Report. As such the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
5. **Achievability of the forecast results:** I do not provide assurance on the achievability of the results forecast by the management/owners as events and circumstances do not occur as expected; differences between actual and expected results may be material. I express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.
6. The Projected financial contained the report is provided to us by management of the M/s CHAUPAL SANSADHAN LIMITED ("Company"). Accordingly, there can be no assurance that the projected results will be attained. In Particular, but without prejudice to the generality of the forgoing, no Representation or warranty whatsoever is given in relating to the reasonableness or achievability of the projections in the Report or in relation to the bases and assumptions underlying such projections and your must satisfy yourself in relation to the reasonableness, achievability and accuracy thereof.
7. Our finding do not constitute a recommendation as to whether to carry out the transaction based on this valuation. No responsibility or liability is accepted for any loss or damage howsoever arising that you may suffer as a result of this Report and any and all responsibility and liability is expressly disclaimed by us or any of them or any of their respective partners, officers, affiliates, advisors or agents.
8. For the purpose of this engagement and report, we have made no investigation of, and therefore assume no responsibility for the good and valid title of land, assets and receivable by, or liabilities against Company. Our Conclusion of value assumes that the title to the assets and Liabilities of Company reflected in the statement of Assets and liabilities is intact, as at the valuation date. Further, for the



purpose of this assignment, we are not required to carry out valuation of any other tangible/intangible assets of M/s CHAUPAL SANSADHAN LIMITED ("Company").

9. **Compliance with relevant laws:** The Report assumes that the Company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the Company will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded or reflected in the financial statements such as Financial Statements provided to me.
10. **Multiple factors affecting the Valuation Report:** The Valuation Report is tempered by the exercise of my judicious discretion, taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Financial Statements but could strongly influence the value.
11. **Future services including but not limited to Testimony or attendance in courts/ tribunals/ authorities for the opinion of value in the Valuation Report:** I am fully aware that based on the opinion of value expressed in this Report, I may be required to give testimony or attend court / judicial proceedings with regard to the subject financial assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the client Company seeking my evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my tendering evidence before such authority shall be under the applicable laws.
12. **Provisional information as on Valuation Date:** Fair Value of equity of the Company has been performed on the provisional Certified Financial Statements of Company provided by management and chartered Accountant. I have considered these financials as on the last available financial statements as the proxy for the financial position as of the Valuation date.
13. **Events occurring after the date:** Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this Report.
14. **Analysis and review carried out but have not carried out a due diligence or audit:** In the course of the Valuation, I was provided with both written and verbal information. I have however, evaluated the information provided to me by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. The conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company.

