

**October 19, 2023**

To,  
The Board of Directors,  
**Sky Gold Limited**  
Plot No. D-222/2, TTC Industrial Area,  
MIDC Shirawane,  
Navi Mumbai, Darave,  
Thane,  
Maharashtra – 400706

**Subject: Valuation of equity shares to arrive at the minimum price for the preferential issue as per  
Preferential Issue Regulations in Chapter V of SEBI (ICDR) Regulations, 2018 (updated).**

Dear Sir,

With reference to our engagement with **M/s SKY Gold Limited**, for the purpose of preferential allotment of equity shares by the Company, the valuation has been carried out 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.

Based on the assumptions and limiting conditions as described in this report, as well as the facts and circumstances as on the valuation date, it is concluded that the fair value of equity shares for preferential allotment of equity share of Sky Gold Limited is Rs. 425.00.

A detailed valuation report is appended herewith.

With best regards,

**CA. Snehal Shah**  
**Registered Valuer**

**Securities or Financial Assets**

M. No.: ICAIRVO/06/RV-P00116/2019-2020

IBBI Regn. No: IBBI/RV/06/2019/11772

UDIN: 23128640BGRKTW6171



**TABLE OF CONTENTS**

Section	PARTICULARS	PAGE NO.
1.	<b>EXECUTIVE SUMMARY</b>	<b>2 - 3</b>
2.	<b>BACKGROUND AND PURPOSE</b> 2.1 -- Brief Background of the Company 2.2 -- Purpose of Valuation	<b>4</b>
3.	<b>SCOPE OF WORK AND STATEMENT OF LIMITING CONDITIONS</b> 3.1 – Identity of Valuer 3.2 -- Scope of Work 3.3 – Valuation Standards 3.4 – Premise of Value 3.5 – Date of Valuation	<b>5 – 6</b>
4.	<b>CAVEATS, LIMITATIONS AND DISCLAIMERS</b>	<b>7 - 10</b>
5.	<b>INFORMATION SOURCES</b>	<b>11</b>
6.	<b>VALUATION METHODOLOGY &amp; APPROACH ADOPTED</b> 6.1 – Analysis of Valuation Methods 6.2 – Valuation Methods Adopted	<b>12 – 22</b>
7.	<b>VALUATION SUMMARY &amp; CONCLUSION</b>	<b>23</b>



## **SECTION – 1: EXECUTIVE SUMMARY**

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*Please note that this part of report is summary and does not include all our findings on the fair value of the subject financial instrument. Accordingly, this report must be read in full to understand the basis of our conclusion, the assumption used and the other relevant aspects with respects to our valuation report.*

### **1.1 TERMS OF ENGAGEMENT**

We refer to the engagement letter whereby, Sky Gold Limited (hereinafter referred as “Sky Gold” or “the Company”) has appointed CA Snehal Shah (hereinafter referred to as “Valuer” or “We” or “us”) on October 13, 2023 to determine fair value of equity shares of the Company.

This report (the “Report”) has been prepared pursuant to terms of engagement letter between CA Snehal Shah and Sky Gold including the terms and conditions set out therein dated October 13, 2023.

### **1.2 PURPOSE OF VALUATION**

As per the discussion held with the management, we understand that the Company wishes to do preferential allotment of equity shares and hence, the management of the Company wish to determine fair value of equity shares, to comply the requirements laid down under Regulation 164 and 166A of Chapter V of SEBI (ICDR) Regulations, 2018 (as amended).

### **1.3 DATE OF VALUATION**

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), the relevant date is considered at 12<sup>th</sup> October 2023.

### **1.4 VALUATION STANDARD**

The report has been prepared considering “Fair Value “as the appropriate standard of value.

### **1.5 PREMISE OF VALUE**

The valuation has been carried out under the fundamental premise of “Going Concern” as this, in our opinion, represents the best use of the business assets of the subject business enterprise.



## 1.6 VALUATION CONCLUSION

Based on the assumptions and limiting conditions as described in this report, as well as the facts and circumstances as of the valuation date, the fair value of equity shares of Sky Gold is worked out as under:

Sr. No	Valuation Approach	Valuation Method	Value per Share (Rs.)
1	Income Approach	Discounted Cash Flow Method	425.00
2	Asset Approach	Book Value Method	106.05
3	Market Approach	Market Price Method	385.54
	As per Regulation 166A of SEBI (ICDR) the floor price of per equity share is		425.00

## CONCLUSION

Based on above, we recommend to have fair value of equity share of Sky Gold Limited at Rs. 425.00 per share.

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## SECTION – 2: BACKGROUND AND PURPOSE

### 2.1 BACKGROUND OF THE COMPANY

Sky Gold Limited was incorporated on 7<sup>th</sup> May 2008 having Corporate Identification Number as L369111MH2008PLC181989. The company has been engaged in the business of designing, manufacturing and marketing of gold jewellery. The company specializes in lightweight jewellery of 22 carat gold. The company manufactures jewellery through casting process. Sky Gold Limited is the one of only manufacturers to use state of art equipment from Turkey, Germany and Italy. The company has a design library of more than 9 lakh designs of chains, bracelets, bangles, friendship pendants, ear rings, etc. The company works on B2B model with leading jewellery retailers like Malabar Gold and Diamonds, Joyalukkas, Kalyan Jewellers, GRT Jewellers, Senco Gold and Diamonds and Kimzi. The company also works with large wholesalers.

#### Capital Structure of the Company as on 12.10.2023:

Authorized Share Capital	Amount (Rs)
1,10,00,000 Equity Shares of Rs.10/- each	11,00,00,000
<b>Total</b>	<b>11,00,00,000</b>
Issued, Subscribed & Paid-up Share Capital	Amount (Rs.)
1,07,43,880 Equity Shares of Rs.10/- each fully paid up	10,74,38,800
<b>Total</b>	<b>10,74,38,800</b>

#### Shareholding Pattern of the Company (Based on latest Shareholding filed with stock exchanges):

Sr. No.	Description	No of Shareholders	Total Shares	% of Equity
1.	Promoters and Promoter Group	6	79,01,656	73.55
2.	Public	6,554	28,42,224	26.45
	<b>Total</b>	<b>6,560</b>	<b>1,07,43,880</b>	<b>100.00%</b>

### 2.2 PURPOSE OF VALUATION

As per the discussion held with the management, we understand that the Company wishes to do preferential allotment of equity shares and hence, the management of the Company wish to determine fair value of equity shares, to comply the requirements laid down under Regulation 164 and 166A of Chapter V of SEBI (ICDR) Regulations, 2018 (as amended).



**SECTION – 3: IDENTITY OF VALUER, SCOPE OF WORK AND BASIS FOR VALUATION**

**3.1 IDENTITY OF VALUER**

In the light of above facts & circumstances, Sky Gold has appointed CA Snehal Shah to provide the valuation services to determine fair value of its equity shares. Snehal Shah is a Chartered Accountant & Registered Valuer under asset class - Securities or Financial Assets, as per rule 3 of the Companies (Registered Valuer and Valuation) Rules 2017, holding valid Certificate of Practice from ICAI Registered Valuers Organisation.

**Brief details of the Valuer:**

Name of Valuer	Snehal Shah
Address of the Valuer	920, Samanvay Silver Complex, B/s Hotel Royal Orchid, Mujmahuda, Akota, Vadodara – 390020.
Contact Details	M – 8758074411
Email Address	<a href="mailto:office@casnehalshah.in">office@casnehalshah.in</a>
Qualifications	Chartered Accountant, Registered Valuer (SFA)
IBBI Registration No	IBBI/RV/06/2019/11772
ICAI RVO Membership No	ICAIRVO/06/RV-P00116/2019-2020
Disclosure of Interest or Conflict	The undersigned is an independent valuer. There is no conflict of interest. It is further stated that neither the undersigned nor the relatives / associates are related or associated with the Company.

**3.2 SCOPE OF WORK**

Valuation by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Our assessment of the valuation will be on the basic assumption of a going concern entity and would be based on some or all of popular methodologies under Income Approach, Market Approach and Asset Approach.

Please note that this valuation exercise does not constitute an audit of the books and records of the Company under the Companies Act. We will not accept any responsibility for the accuracy or authenticity of the records or information provided to us.



In carrying out the exercise, we have relied upon the information and clarifications provided by the Management of Sky Gold. We have also relied upon management's representation as well as other documentation provided to us.

No responsibility is taken to update this report for events and circumstances occurring after the report date of 19<sup>th</sup> October 2023.

### 3.3 VALUATION STANDARD

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) in a current transaction between willing parties, that is, other than in a forced or liquidation sale."

### 3.4 PREMISE OF VALUE

The Report has been prepared in compliance with the Valuation Standards issued by the Institute of Chartered Accountants of India and adopted by ICAI Registered Valuers Organisation.

The valuation has been carried out under the fundamental premise of "Going Concern" as this, in our opinion, represents the best use of the business assets of the subject business enterprise.

### 3.5 DATE OF VALUATION

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), the relevant date is considered at 12<sup>th</sup> October 2023.

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## **SECTION – 4: CAVEATS, LIMITATIONS AND DISCLAIMERS**

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### **4.1 RESTRICTIONS ON USE OF VALUATION REPORT**

This valuation report has been prepared for the purpose stated herein and should not be relied upon for any other purpose. Our client is only authorized user of this report and is restricted for the purpose stated. We do not take any responsibility for the unauthorized user of this report. The report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

### **4.2 OUR RESPONSIBILITY**

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

The decision to carry out the transaction (including consideration thereof) lies entirely with the management/ the Board of directors and our work and our findings shall not constitute a recommendation as to whether or not the management /the board of directors should carry out the transaction.

### **4.3 DECLARATION OF INDEPENDENCE**

We are independent of the company and have no current or expected interest in the company or its assets. The fee paid for our services in no way influenced the results of our analysis.

### **4.4 ACCURACY OF INFORMATION**

While our work has involved an analysis of financial information & accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client's existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information. Accordingly, we assume no responsibility and make no representation with respect to the accuracy or completeness of any information provided by and on behalf the client. Our report is subject to the scope and limitations detailed in this 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.





#### 4.5 POST VALUATION DATE EVENTS

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

#### 4.6 RANGE OF VALUE ESTIMATE

The valuation of companies and businesses is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value and estimate of the value is normally expressed as falling within a likely range. However, to comply with the client's request, we have provided a single value for the company. Whilst we consider our value or values to be both reasonable and defensible based on the information available to us, other may place a different value.

#### 4.7 ACHIEVABILITY OF FORECAST RESULTS

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

#### 4.8 RELIANCE ON THE REPRESENTATIONS OF THE CLIENTS, THEIR MANAGEMENT AND OTHER THIRD PARTIES

The company and its management/representatives have assured us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We 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-vehicle, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employees or agents. The management has represented that the companies have clear and valid title of asset. No investigation on the companies claim to such rights has been assumed to be valid.



#### 4.9 NO PROCEDURE PERFORMED TO CORROBORATE INFORMATION TAKEN FROM RELIABLE EXTERNAL SOURCES

We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we 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 we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

#### 4.10 COMPLIANCE WITH RELEVANT LAW

The report assumes that the client complies fully with relevant laws and regulations applicable in its area of operations and usages unless otherwise stated, and that the companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the financial statements and other information provided to us. Our report is not, nor should it be construed as me opining or certifying the compliance of the proposed transaction with the provisions of any law including companies, competition, taxation and capital market related laws or as regards any legal implications or issues arising in India or abroad.

#### 4.11 MULTIPLE FACTORS AFFECTING THE VALUATION REPORT

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

#### 4.12 SUBSEQUENT EVENTS

An analysis of such nature is necessary 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 us 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.



**4.13 FUTURE SERVICES INCLUDING BUT NOT LIMITED TO TESTIMONY OR ATTENDANCE IN COURTS/TRIBUNALS/AUTHORITIES FOR THE OPINION OF VALUES IN THE VALUATION REPORT**

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

**4.14 INFORMATION PROVIDED WITH RESPECT TO VALUATION**

In the course of the valuation, we were provided with written information. We have however, evaluated the information provided to us 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 purposes of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by/ on behalf of the company.

We do not make any representation or warranty, express or implied, as to accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for/ or based on or relating to any such information contained in the valuation. No responsibility or liability is accepted for any loss or damage howsoever arising that you may suffer as result of this Report and all responsibility and liability is expressly disclaimed by us.

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## SECTION – 5: INFORMATION SOURCES

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For the purpose of this report, the documents and/or information published or provided by management have been relied upon. We have fully relied on the information provided by the company and do not vouch for the accuracy of the information provided to us by the management of the Company.

We have relied on the following information sources:

- Background documents and information of the company.
- Memorandum and Articles of Association.
- Audited Financial Statements of Sky Gold for the financial year 2022-23.
- Provisional financial statements for the period up to 30<sup>th</sup> September 2023.
- Projected financial statements up to financial year 2027-28.
- Other relevant details such as its history, present activities and other information (including verbal) as required from time to time.
- Information available in public domain and databases such as Moneycontrol, Morningstar and Bombay Stock Exchange etc.

We have also obtained such other analysis, review, explanations and information considered reasonably necessary for our exercise, from the client or other public available sources.

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## **SECTION – 6: VALUATION METHODOLOGY & APPROACH ADOPTED**

Valuation is not an exact science and is dependent on various factors such as specific nature of business, economic life cycle in which the industry and company is operating, past financial performance of the business, future growth potential of the business, business model, management of the company, relevance of technology in the business model, liquidity of equity and much more. The results of the valuation exercise may vary significantly depending on the basis used, the specific circumstances and the judgement of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue.

There are 3 fundamental approaches to Valuation viz. Income Approach, Market Approach and Cost / Asset Approach. Each approach uses different parameters / methodology and are used in different situations as mentioned hereunder:

### **Income Based Approach:**

- Discounted Cash Flow Method

### **Asset Based Approach:**

- Net Asset Value Method

### **Market Based Approach/Relative Valuation Approach:**

- Guideline Public Company method/Comparable Company Method
- Market Price method

## **6.1 ANALYSIS OF VALUATION METHODS**

For the purpose of determining fair value, a valuer may use any of the approaches as per the generally / internationally accepted valuation methodologies which in its opinion are most appropriate based on the facts of each situation. We have analysed following methods for the appropriateness for the current valuation exercise:



**a. Discounted Cash Flow Method**

Discounted Cash Flow (DCF) method is an income-based approach. Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. The terminal value represents the total value of the available cash flow for all periods subsequent to the horizon period. The terminal value of the business at the end of the horizon period is estimated, discounted to its present value equivalent, and added to the present value of the available cash flow to estimate the value of the business.

DCF analysis involves determining the following:

- Estimating future free cash flows: Free cash flows are the cash flows expected to be generated by the firm that are available to all providers of capital.
- Appropriate discount rate to be applied to cash flows i.e., the cost of capital: This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (viz. shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

To arrive at the total value available to the stakeholders of the company, the value arrived at above under the DCF Method for the company is adjusted for, inter alia, the value of loans, cash, and surplus / non-operating assets/liabilities as deemed appropriate for the purpose of our valuation analysis.

DCF is a widely accepted, more scientific and internationally accepted method for evaluating value of business. As the valuation is performed considering 'Going Concern' premise, we have used DCF method in our exercise.

**b. Net Asset Value Method**

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. Further, as actual realization of the operating assets is not contemplated, we have considered it appropriate not to determine the replacement values of the assets.

**c. Guideline Public Company Method / Comparable Companies Multiple Method**

Guideline Company Method uses the valuation ratio of publicly traded company and applies this ratio to the company being valued. The valuation is done based on certain multiples (such as Sales, Profits, Book Value etc.) of the publicly listed companies which are in similar business/industry and comparable on parameters like business model, products, sales, geography etc. The Guideline Public Company Method is founded on the concept that companies within similar industries or similar positions within their industries will have similar valuations or characteristics upon which a valuation can be based – whether that company is public or private. It is vital to understand the subject company's market, product lines and several other aspects to identify comparable public companies.

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.

We could not find any listed company which is in same line of business activity as Sky Gold Limited is engaged in, hence, we have not used this method.

**Market Price (MP) Method**

As Sky Gold is listed on the stock exchange, the pricing guideline of Regulation 164 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR) have been relied upon for valuing the equity share of the Company under the Market Price Method.

ICDR Regulations 2018 provides following guidelines for pricing of the Preferential Issue of frequently traded shares:

If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue 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 recognised stock exchange preceding the relevant date; or
- b. the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

Explanation:

(a) For the purpose of this regulation, 'stock exchange' means any of the recognised stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.

(b) "Relevant date "in case of preferential issue of equity shares means, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.

## 6.2 VALUATION METHOD ADOPTED

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

### 6.2.1. Discounted Cash Flow Method

Calculation under DCF method is based on the following factors:

**I. Beta:** Beta is a measure of a stock's volatility in relation to the market. The market has beta of 1.0, and individual stocks are ranked according to how much they deviate from the market. A stock that swings more than the market over time has a beta above 1.0. If a stock moves less than the market, the stock's beta is less than 1.0. High-beta stocks are supposed to be riskier but provide a potential for higher returns; low-beta stocks pose less risk but also lower returns.

Beta is a key component for the capital asset pricing model (CAPM), which is used to calculate cost of equity. All things being equal, the higher a Company's beta is, the higher its cost of capital discount rate. The higher the discount rate, the lower the present value placed on the Company's future cash flows. In short, beta can impact a Company's valuation.

**II. Cost of Equity:** Cost of equity refers to a shareholder's required rate of return on an equity investment. It is the rate of return that could have been earned by putting the same money into a different investment





with equal risk. We have used most viable Capital Asset Pricing Method [CAPM] for Valuation purpose, because CAPM explicitly accounts for an investment's riskiness and can be applied by any Company, regardless of its dividend size or dividend growth rate. The CAPM method also implicitly relies on past performance to predict the future.

**III. Capital Asset Pricing Model - CAPM:** A model that describes the relationship between risk and expected return and that is used in the pricing of risky securities.

$$\bar{r}_a = r_f + \beta_a (\bar{r}_m - r_f)$$

Where:

$r_f$  = Risk free rate

$\beta_a$  = Beta of the security

$\bar{r}_m$  = Expected market return

The general idea behind CAPM is that investors need to be compensated in two ways:

- Time value of money
- Risk.

The time value of money is represented by the risk-free (rf) rate in the formula and compensates the investors for placing money in any investment over a period of time. The other half of the formula represents risk and calculates the amount of compensation the investor needs for taking on additional risk. This is calculated by taking a risk measure (beta) that compares the returns of the asset to the market over a period of time and to the market premium (Rm-rf).

**IV. Terminal Value:** The terminal value of an asset is its anticipated value on a certain date in the future. It is used in multi-stage discounted cash flow analysis and the study of cash flow projections for a several-year period. We have used perpetuity growth model for identifying ongoing free cash flows. The exit or terminal multiple approaches assume the asset will be sold at the end of a specified time period, helping investors evaluate risk/ reward scenarios for the asset.

**We have considered following factors during calculations under DCF Method:**

- We have considered audited financial statements for the financial year 2022-23, unaudited financial statements up to 30.09.2023 and Projected Financial Statements for financial years 2023-24 to 2027-28, as provided by the management of Sky Gold.



- Risk Free rate (RFR) of return has been taken based on 10 years bond yield of Government of India as at 12<sup>th</sup> October 2023, which is 7.30%.
- Market Rate of Return has been worked out by taking CAGR of BSE 500 since inception, which is 14.82%. As the Risk-Free Rate is 7.30%, the risk premium is considered at 7.52%.
- Beta value of the Company has been considered as 1.27 considering past 3 years average.
- We have considered the Perpetual Growth Rate i.e. the present value of going concern beyond the period of projection to infinity at 5.00% considering the expected growth of the sector in a long-term basis.
- The average cost of debt is considered at 9.00% with the post-tax cost of debt of 6.73%.
- Considering the above parameters and after applying CAPM model, the Weighted Average Cost of Capital (WACC) is worked out at 15.33%.

Based on the this, we have arrived at the fair value per equity share as follows:

Particulars	Amount (Rs. In Crore)
<b>Business Enterprise Value</b>	466.24
Less: Net Debt	9.94
<b>Business Equity Value</b>	<b>456.30</b>
Total number of equity shares	1,07,43,880
<b>Value of Share (Rupees per share) [Rounded off]</b>	<b>425</b>

#### 6.2.2. Market Price Method

We have carried out valuation as per SEBI ICDR Regulations, which is as following:

- A. 90 trading days' volume weighted average price (VWAP) of the equity shares of Sky Gold Limited, quoted on the NSE preceding 12<sup>th</sup> October 2023, (Relevant Date).

Date	No of Shares	Volume of Shares
(a)	(b)	(c)
11-Oct-23	1,68,546.00	6,57,36,804
10-Oct-23	12,06,419.00	48,25,74,653
09-Oct-23	8,89,552.00	35,86,89,523
06-Oct-23	83,804.00	2,84,75,412



05-Oct-23	79,142.00	2,62,38,352
04-Oct-23	32,008.00	1,05,05,927
03-Oct-23	93,080.00	3,04,06,091
29-Sep-23	1,46,521.00	4,76,41,956
28-Sep-23	30,683.00	97,78,028
27-Sep-23	1,21,400.00	3,91,86,054
26-Sep-23	1,46,674.00	4,65,60,538
25-Sep-23	1,27,706.00	3,85,88,994
22-Sep-23	1,762.00	5,03,180
21-Sep-23	4,834.00	13,76,080
20-Sep-23	4,950.00	14,04,239
18-Sep-23	31,646.00	89,92,149
15-Sep-23	36,107.00	1,02,29,890
14-Sep-23	6,009.00	16,91,290
13-Sep-23	10,763.00	30,01,292
12-Sep-23	11,408.00	32,49,589
11-Sep-23	6,594.00	18,95,846
08-Sep-23	39,196.00	1,11,94,378
07-Sep-23	9,596.00	26,89,302
06-Sep-23	11,053.00	31,18,491
05-Sep-23	32,562.00	92,14,846
04-Sep-23	13,544.00	38,53,563
01-Sep-23	12,566.00	35,81,329
31-Aug-23	14,607.00	41,61,638
30-Aug-23	23,801.00	67,87,597
29-Aug-23	23,571.00	67,03,170
28-Aug-23	6,458.00	18,62,770
25-Aug-23	11,052.00	31,26,942
24-Aug-23	47,994.00	1,36,59,941
23-Aug-23	26,983.00	75,79,403
22-Aug-23	15,666.00	44,80,476
21-Aug-23	6,616.00	19,30,549
18-Aug-23	52,330.00	1,55,48,527
17-Aug-23	1,28,050.00	3,83,76,557
16-Aug-23	1,69,954.00	4,86,42,377
14-Aug-23	5,625.00	15,33,656
11-Aug-23	5,342.00	13,87,847
10-Aug-23	14,903.00	37,63,718
09-Aug-23	7,432.00	18,94,170
08-Aug-23	9,798.00	25,31,422



07-Aug-23	10,101.00	26,56,755
04-Aug-23	5,380.00	14,34,458
03-Aug-23	9,795.00	26,10,795
02-Aug-23	5,745.00	15,43,798
01-Aug-23	6,644.00	17,76,094
31-Jul-23	5,249.00	14,15,998
28-Jul-23	7,731.00	20,83,884
27-Jul-23	6,105.00	16,87,173
26-Jul-23	12,462.00	35,31,631
25-Jul-23	19,705.00	56,62,345
24-Jul-23	10,344.00	28,51,512
21-Jul-23	4,230.00	11,45,920
20-Jul-23	5,336.00	14,43,899
19-Jul-23	5,481.00	14,97,181
18-Jul-23	7,234.00	19,60,801
17-Jul-23	7,455.00	19,95,129
14-Jul-23	10,335.00	26,99,560
13-Jul-23	9,679.00	26,01,672
12-Jul-23	5,146.00	13,86,261
11-Jul-23	10,321.00	27,91,645
10-Jul-23	11,351.00	31,41,344
07-Jul-23	4,613.00	12,76,316
06-Jul-23	9,538.00	26,52,663
05-Jul-23	5,566.00	15,45,939
04-Jul-23	5,498.00	15,32,690
03-Jul-23	9,214.00	25,38,059
30-Jun-23	2,518.00	7,04,350
28-Jun-23	9,686.00	27,19,049
27-Jun-23	4,326.00	11,65,360
26-Jun-23	3,889.00	10,53,561
23-Jun-23	5,573.00	15,35,502
22-Jun-23	5,365.00	15,18,519
21-Jun-23	7,537.00	21,54,600
20-Jun-23	10,484.00	29,95,241
19-Jun-23	12,459.00	36,20,123
16-Jun-23	6,187.00	18,48,254
15-Jun-23	9,395.00	28,19,544
14-Jun-23	10,963.00	33,12,640
13-Jun-23	26,048.00	78,65,953
12-Jun-23	29,600.00	88,40,929



09-Jun-23	42,766.00	1,33,54,458
08-Jun-23	35,255.00	1,16,20,671
07-Jun-23	60,761.00	2,01,58,763
06-Jun-23	10,39,935.00	36,46,47,039
05-Jun-23	9,16,073.00	39,84,33,949
02-Jun-23	73,957.00	2,96,68,049
<b>Total</b>	<b>64,51,342.00</b>	<b>2,35,18,48,631</b>
<b>90 trading days' Volume Weighted Average Price preceding Relevant Date, i.e., 12.10.2023 [c] / [b]</b>		<b>364.55</b>

- B. 10 trading days' volume weighted average price (VWAP) of the equity shares of Sky Gold Limited, quoted on the NSE preceding 12<sup>th</sup> October 2023, (Relevant Date).

Date	No of Shares	Volume of Shares
(a)	(b)	(c)
11-Oct-23	1,68,546.00	6,57,36,804
09-Oct-23	12,06,419.00	48,25,74,653
06-Oct-23	8,89,552.00	35,86,89,523
05-Oct-23	83,804.00	2,84,75,412
04-Oct-23	79,142.00	2,62,38,352
03-Oct-23	32,008.00	1,05,05,927
29-Sep-23	93,080.00	3,04,06,091
28-Sep-23	1,46,521.00	4,76,41,956
27-Sep-23	30,683.00	97,78,028
26-Sep-23	1,21,400.00	3,91,86,054
<b>Total</b>	<b>28,51,155.00</b>	<b>1,09,92,32,799</b>
<b>10 trading days' Volume Weighted Average Price preceding Relevant Date, i.e., 12.10.2023 [C] / [B]</b>		<b>385.54</b>

#### 6.2.4. Net Asset Method

We have also carried out valuation as per the Net Asset Value method.

We have considered the unaudited financial statements as of 30<sup>th</sup> September 2023 and calculated the value of shares as per book value method.

The details of the same are as follows:



ASSETS	Amount (Rs. In lac)
<b>Non-Current Assets</b>	
(a) Fixed Assets	
- Tangible Assets	1,896.30
- Intangible Assets	1,148.68
(b) Non-current Investments	7,870.65
(c) Other Non-Current Assets	20.61
<b>Sub total</b>	<b>10,936.24</b>
<b>Current assets</b>	
(a) Current Investments	-
(b) Inventories	10,127.47
(c) Trade Receivables	9,684.37
(d) Cash and Cash Equivalents	505.79
(e) Short-term loans and advances	11.71
(f) Other Assets	743.17
<b>Sub total</b>	<b>21,072.50</b>
<b>TOTAL ASSETS (A)</b>	<b>32,008.74</b>
LIABILITIES	Amount (Rs. In lac)
<b>Non-Current Liabilities</b>	
(a) Long Term Borrowings	2,872.80
(b) Long Term Provisions	84.96
(c) Deferred Tax Liabilities	264.31
<b>Sub total</b>	<b>3,222.06</b>
<b>Current Liabilities</b>	
(a) Short Term Borrowings	16,360.14
(b) Trade & Other Payables	349.07
(c) Other Current Liabilities	120.72
(d) Short Term Provisions	562.52
<b>Sub total</b>	<b>17,392.47</b>
<b>TOTAL LIABILITIES (B)</b>	<b>20,614.53</b>
<b>NAV (A) - (B)</b>	<b>11,394.21</b>
<b>Number of shares</b>	<b>1,07,43,880</b>
<b>NAV Per Share</b>	<b>106.05</b>



**Regulation 166A of SEBI (ICDR) Regulations**

Any preferential issue, which may result in a change in control or allotment of more than five per cent of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price:

Provided that the floor price, in such cases, shall be higher of the floor price determined under sub regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable:

Provided further that if any proposed preferential issue is likely to result in a change in control of the issuer, the valuation report from the registered valuer shall also cover guidance on control premium, which shall be computed over and above the price determined in terms of the first proviso.

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**SECTION – 7: VALUATION SUMMARY & CONCLUSION**

We have carried out the valuation exercise after taking into consideration all the factors and methods mentioned hereinabove. The calculations have been performed as per the methods discussed above and the results have been summarised as below:

Sr. No	Valuation Approach	Valuation Method	Value per Share (Rs.)
1	Income Approach	Discounted Cash Flow Method	425.00
2	Asset Approach	Book Value Method	106.05
3	Market Approach	Market Price Method	385.54
	<b>As per Regulation 166A of SEBI (ICDR) the floor price of per equity share is</b>		<b>425.00</b>

**CONCLUSION**

Based on above, we recommend to have fair value of equity share of Sky Gold Limited at Rs. 425.00 per share.

With best regards,



**CA. Snehal Shah**  
**Registered Valuer**

**Securities or Financial Assets**

M. No.: ICAIRVO/06/RV-P00116/2019-2020

IBBI Regn. No: IBBI/RV/06/2019/11772

UDIN: 23128640BGRKTW6171

**Date: 19.10.2023**

**Place: Vadodara**

