

VALUATION REPORT
on
Fair value of Equity Shares
Sobhaygya Mercantile Limited

Karan Chetan Shah

Chartered Accountants, Registered Valuer- SFA

C 413 Satyam Apartment Link Road, Near Don Bosco School, Borivali West, Mumbai - 400091

Contents

1	Valuation Analysis.....	3
2	Context and Purpose.....	3
3	Conditions.....	3
4	Background of the company	4
5	Valuation Date	5
6	Valuation Standards	5
7	Valuation Premise and Basis and Approach.....	5
8	Source of Information.....	8
9	Caveats.....	8
10	Distribution of Report & Other Major Assumptions	9
11	Summary on Valuation & Conclusion	10
12	Annexure 1	10
13	Annexure 2	12
14	Annexure 3	13



1 Valuation Analysis

We refer to our Engagement as independent valuers of **Sobhaygya Mercantile Limited** (the “Company”). In the following paragraphs, we have summarized our valuation Analysis (the “Analysis”) of the business of the company as informed by the management and detailed herein, together with the description of the methodologies used and limitation on our scope of work.

2 Context and Purpose

Based on discussion with the management, we understand that the Company is evaluating the possibility of Fair Value of Equity shares under the **Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018**. In this context, the management of **Sobhaygya Mercantile Limited** (the “Management”) has requested us to estimate the fair value of the Equity Shares. - “Proposed Transaction”.

3 Conditions

Conditions:

The financial information about the company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report and it should not be used by anyone to obtain credit or for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country. We have not audited, reviewed or compiled the Financial Statements and express no assurance on them.

We acknowledge that we have no present or contemplated financial interest in the Company. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

We have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not to be required to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.



4 Background of the company

The Company is engaged in the the business of Engineering Consultancy and Metal (Aggregate) Sales.

Company URL: - <https://www.sobhagyatd.com/>

• **Further data of the company is as under:**

CIN	L45100MH1983PLC031671
Company Name	SOBHAYGYA MERCANTILE LIMITED
ROC Name	ROC Mumbai
Registration Number	031671
Date of Incorporation	27/12/1983
Email Id	sobhagyamercantile9[at]gmail[dot]com
Registered Address	U.N.-1916, 19TH FLOOR, ONE LODHA PLACE, SENAPATI BAPAT MARG, LOWER PAREL, Delisle Road, Mumbai, Mumbai, Maharashtra, India, 400013
Address at which the books of account are to be maintained	-
Listed in Stock Exchange(s) (Y/N)	Yes
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Public
ACTIVE compliance	ACTIVE Compliant
Authorised Capital (Rs)	20,00,00,000
Paid up Capital (Rs)	8,70,00,000
Date of last AGM	29-09-2025
Date of Balance Sheet	31-03-2025
Company Status	Active

• **Directors and Key Managerial Persons:**

DIN/PAN	Name	Designation	Date of Appointment
02628216	Shrikant Mitesh Bhangdiya	Managing Director	09/08/2019
03416775	Sonal Kirtikumar Bhangdiya	Director	09/08/2019
00091140	Prashant Kumar Lahoti	Director	21/09/2019
****9850L	Anil Khawale Ramrao	CFO	21/09/2019
****2367P	Shalinee Chandrabhushan Singh	Company Secretary	12/02/2020
08471166	Rupesh Prakash Malpani	Director	09/08/2024

• **Shareholding pattern as on valuation date is as under:**

Shareholders	No. of Shares	% Holding
Promoter & Promoter Group	62,99,919	72.41%
Public	24,00,081	27.59%
Total	87,00,000	100.00%

Face Value Per Share is Rs. 10/-



5 Valuation Date

The Analysis of the Fair Value of Equity shares of the **Sobhaygya Mercantile Limited**. has been carried out as on **as on 20th March 2026** based on the Financials as on **31st December 2025**.

6 Valuation Standards

The Report has been prepared in compliance with the internationally accepted valuation standards and valuation standard adopted by ICAI Registered Valuers Organisation.

7 Valuation Premise and Basis and Approach

The standard of value adopted for the present analysis is "Fair Value." Fair Value may be described as the price at which an asset or business would change hands between a willing buyer and a willing seller, acting prudently, knowledgeably, and without compulsion, after adequate exposure to the market.

Business valuation is inherently judgmental and not an exact science. The value of a business ultimately reflects what a rational and informed investor is willing to pay, including any premium attributable to goodwill, synergies, or strategic considerations. The choice and relative weight assigned to valuation methodologies depend on several factors, including:

- Whether the entity is publicly listed or privately held
- The nature and dynamics of the industry in which it operates
- Historical performance and visibility of sustainable growth
- Availability and reliability of comparable market data

Given these considerations, valuation outcomes may differ based on the assumptions applied, factual circumstances, and professional judgment exercised.

For a going concern, valuation methodologies are generally grouped into the following broad approaches:

1. Asset Approach

Net Asset Value (NAV) Method

Under the Asset Approach, value is derived from the net worth of the business as reflected in its financial statements, subject to appropriate adjustments. Net assets represent shareholders' funds after considering adjustments for contingent liabilities, non-operating assets, or fair value modifications where relevant.

This method is typically regarded as a floor or break-up value, as it does not capture the earning potential or intangible strengths of the business. Since it relies primarily on historical accounting data, it may not reflect the economic value of the enterprise as a continuing operation.

2. Market Approach

Comparable Company Multiple Method (CCM)

This method involves identifying publicly traded companies with similar operational and financial characteristics and applying relevant valuation multiples to the subject company. Perfect comparability is rare due to differences in scale, product mix, leverage, growth prospects, and

accounting policies; however, meaningful insights can still be drawn from prevailing market benchmarks.

Comparable Transaction Multiple Method (CTM)

Under this approach, valuation multiples derived from recent transactions within the same or similar industry are applied to the financial metrics (such as revenue or EBITDA) of the subject company. This method reflects pricing observed in actual market transactions.

3. Income Approach

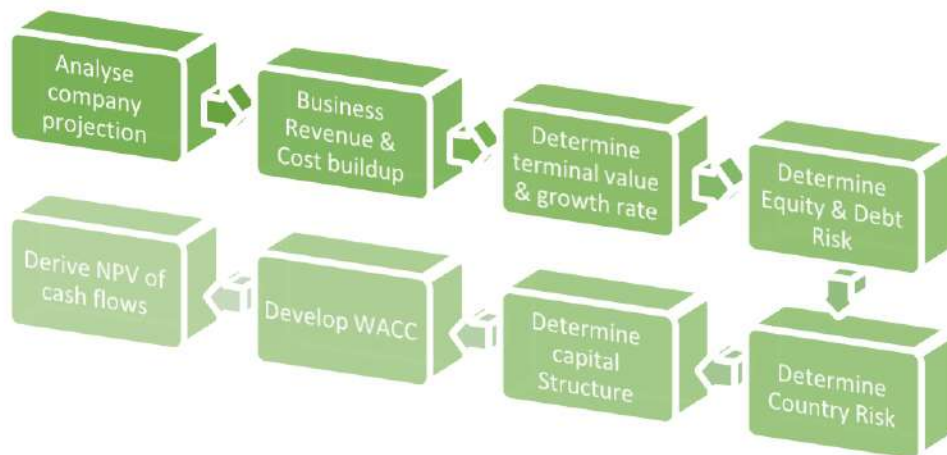
Discounted Cash Flow (DCF) Method

The DCF method estimates value based on the present value of expected future cash flows generated by the business. These cash flows are discounted using the Weighted Average Cost of Capital (WACC), which reflects the blended cost of debt and equity adjusted for business risk.

Risk is commonly assessed using beta, which measures the sensitivity of the company's returns relative to broader market movements.

The DCF approach focuses on the intrinsic earning capacity of the business and is particularly relevant where reliable projections can be made. The analysis typically involves:

- Forecasting future financial performance and free cash flows
- Determining an appropriate discount rate reflecting capital costs and risk profile
- Estimating terminal value based on sustainable long-term growth assumptions



Valuation methodology

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose.

In this case, the Company being a listed Company, we have considered valuation regulations applicable to preferential issue of Equity Shares as defined in Securities and Exchange Board of India (Issue of Capital & Disclosure) Regulations, 2018, the requirements of the Articles of Association of the Company and the provisions of the Companies (Share Capital and Debentures) Rules, 2014 (as amended).

SEBI Regulations for requirement of Valuation:



SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED

The relevant Regulations under SEBI (ICDR) are reproduced as under:

Regulation 165. *Where the shares of an issuer are not frequently traded, the price determined by the issuer shall take into account the valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies:*

Provided that the issuer shall submit a certificate stating that the issuer is in compliance of this regulation, obtained from an independent valuer to the stock exchange where the equity shares of the issuer are listed.

Regulation 161: *"relevant date" means: a) in case of preferential issue of equity shares, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue:*

Explanation: Where the relevant date falls on a weekend or a holiday, the day preceding the weekend, or the holiday will be reckoned to be the relevant date.

Regulation 166A (1): Other conditions for pricing

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.

Approach	Method	Selection	Rationale for selection
Asset Approach	NAV Method	-	The usage of the cost method is of more predominance in valuation of non-financial assets, hence not applied for the valuation of financial instrument like the one being valued. It serves as a valuation floor since most companies have a greater value as a going concern than they would if they were liquidated. Hence, no weightage is considered for cost approach for the current valuation Exercise
Income Approach	DCF Method	Selected	DCF is considered as the most scientific method as it considers the time value of money and the cash outflows required for increased levels of business forecasted. It considered relevant and appropriate in case of companies which are in the growth phase of the business cycle, as in the present case. Accordingly, 50% weightage is considered for Income approach for current valuation exercise..
Market Approach	CCM Method	Selected	The CCM model typically provides a range of values for a company, derived from the valuations of its comparable peers. As this method offers a spectrum of values rather than a single point estimate, we have adopted the CCM method for a comprehensive assessment of a company's market position and its potential valuation and considered remaining 50% weightage for Market approach for current valuation exercise.

Our choice of methodology and valuation has been arrived using usual and conventional methodologies adopted for purposes of a similar nature and our reasonable judgment, in an

independent and bona fide manner based on our previous experience of assignments of similar nature.

Net Asset Value (Refer Annexure 1)

Comparable Company Method (Refer Annexure 2)

Discounted Cash Flow Method (Refer Annexure 3)

8 Source of Information

The Analysis is based on a review of information of the Company provided by the Management and information relating to sector as available in the public domain. Specifically, the sources of information include:

- Historical Data of Trading Price and Volume traded of the stock on Bombay Stock Exchange

Further, we have also been informed by the Company that.

1. The Equity Shares of the Company are listed on the Bombay Stock Exchange.
2. The Equity Shares are infrequently traded on the Bombay Stock Exchange and does not meet the definition of Frequently traded shares as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
3. The Company is proposing to hold Extraordinary General Meeting of Members on 20th April 2026 to approve the proposed preferential issue and hence, the relevant date is 20th March 2026 (*Day prior to the weekend*).
4. The present issue of Equity Shares shall result in change in control of the Company.
5. Management certified projected financial statement for period of 5 years for the year ending FY26 to FY30.
6. Details of Shareholding and numbers of equity shares as on valuation date.

In addition to the above, we have also obtained such other information and explanations which were considered relevant for the purpose of the Analysis.

9 Caveats

The engagement to provide valuation recommendations and related observations falls within the scope of our corporate advisory services. This assignment does not include services such as statutory audit, assurance engagements, financial or tax due diligence, consulting, transfer pricing analysis, or domestic or international tax advisory services that may otherwise be rendered separately.

Our procedures did not constitute an audit conducted in accordance with applicable auditing standards. In carrying out this engagement, we have relied upon information, explanations, and representations furnished by the Company's management and have assumed such information to be true, complete, and not misleading. While we performed a review for overall plausibility and internal consistency, we have not independently verified the underlying data. Based on the information made available to us, nothing has come to our attention that causes us to believe that the data contains material inaccuracies that would invalidate the conclusions expressed herein.

The detailed working papers and valuation models developed in connection with this assignment are confidential and remain the intellectual property of the Valuer. Clarifications regarding the

methodology or workings may be provided upon request in accordance with the terms of engagement, prior to issuance of the final report.

Our scope of review has been restricted to specific aspects of the Company's business and financial information as considered relevant for the purpose of this valuation. Accordingly, the depth of examination should be viewed in light of such agreed limitations.

The valuation conclusions expressed in this Report are valid solely as of the valuation date specified herein. We have assumed that the Company's management has disclosed all relevant matters that could influence the valuation up to the date of signing. We undertake no obligation to revise or update this Report to reflect events or circumstances arising subsequent to the report date.

We confirm that neither we nor our associates have any current or prospective financial interest in the Company. Our professional fees are fixed and are not dependent upon the outcome of the valuation or the values determined.

This Report is prepared exclusively for the stated purpose and should not be interpreted as investment advice or as a recommendation to enter into, or refrain from entering into, any transaction involving the Company. We do not comment on the appropriateness or otherwise of any specific transaction.

A draft version of this Report was shared with the Company for the limited purpose of verifying factual accuracy, key assumptions, and management representations prior to its finalization.

Further, this Report should not be regarded as a certification or opinion regarding compliance with any statutory, regulatory, accounting, foreign exchange, taxation (including transfer pricing), or other legal requirements, nor does it address related legal or tax consequences.

The valuation opinion expressed herein should not be construed as advice to buy, sell, or otherwise deal in securities of the Company. The Report does not express any view on the price at which such securities may or should trade in the market.

10 Distribution of Report & Other Major Assumptions

The Analysis is confidential and has been prepared exclusively for **Sobhaygya Mercantile Limited**. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of the valuer. Such consent will only be given after full consideration of the circumstances at the time. However, we do understand that the report will be shared with the investor / buyers of the Company / submission to government authorities and regulators towards statutory compliances.

Assumptions:

The valuation conclusions expressed in this Report are based, in part, on information and explanations provided by the Company's management, as well as other sources referenced herein. We have assumed such information to be reliable, accurate, and complete for the purpose of this engagement.

In forming our opinion, we have relied on representations contained in public records, documents made available to us, and other materials provided during the course of our review, except where expressly stated otherwise in this Report.

We have not undertaken independent verification of ownership of assets, nor have we examined whether the assets are subject to any liens, charges, or encumbrances. Accordingly, we have assumed that the Company holds valid title to its assets and that they are not materially impaired by undisclosed obligations.

It has further been assumed that the Company will continue to operate in a prudent and commercially reasonable manner, and that there will be no material adverse changes in economic, industry, or market conditions that would significantly affect its operations. This Report also assumes continuity in management approach and that the fundamental nature and integrity of the business will be preserved in the event of any restructuring, ownership change, or reorganization.

11 Summary on Valuation & Conclusion

Based on our valuation exercise Fair Value of the Equity Shares as on 20th March 2026 is as under:

Method	in INR		
Price determined from the independent registered valuer	663.07		

Method	Value per share	Weight	Product
Asset Approach – NAV Method	127.11	0	0.00
Market Approach – CCM Method	632.24	50%	316.12
Income Approach – DCF Method	693.89	50%	346.95
	Weighted Average Value per share		663.07

Control Premium

The present issue of Equity Shares shall not result in change in control of the Company. Hence guidance on control premium is not considered under Regulation 166A.

We trust the above meets your requirements. Please feel free to contact us in case you require any additional information or clarifications.

Yours faithfully



Karan C Shah
Chartered Accountant
M No: 190724
Registered Valuer- Securities and Financial Assets
(Reg No: IBBI/RV/06/2024/15561)
UDIN: 26190724QMFHKJ3606

Place: Mumbai
Date: 21st March 2026

12 Annexure 1

Asset Approach – Net Asset Value Method as on 31st December 2025

(INR Lakhs)

Particulars		Amount
Assets		
Non-current assets		
Fixed Assets		
-Tangible Assets		102.77
-Right To Use Of assets		5.01
-Intangible Assets		3.03
-CWIP		88.15
Deferred tax assets (net)		243.04
Non-Current Investment	Note 1	29.40
Current assets		
Inventories		259.73
Trade receivables		13,183.87
Cash and bank balances		78.05
Short-term loans and advances		5,020.22
Other Current Assets		1,833.21
Total Assets	A	20,846.48
Liabilities		
Non-Current Liabilities		
Long-Term Borrowings		657.91
Lease Liability		5.71
Current liabilities		
Trade payables		8,981.77
Other current liabilities		1,205.73
Short-term provisions		960.39
Total Liabilities	B	11,811.51
Net-Worth	C = (A - B)	9,034.97
Add: Cash from Warrants Converted into Equity	D	2,023.47
Adjusted Net-Worth	E = C + D	11,058.44
No. of Equity Shares	F	87,00,000
Value Per Share	G = E / F	127.11



13 Annexure 2

Market Approach - Comparable Company Method (CCM)

Particulars	EV/Sales
Ratios as per Listed Peer Companies (Note 2)	2.58
Sales of Company (in INR Lakhs) (Dec-25 TTM)	20,763.70
Enterprise Value (in INR Lakhs)	53,532.75
Less: Debt (in INR Lakhs)	657.91
Add: Cash (in INR Lakhs)	78.05
Add: Cash from Warrants Converted into Equity (in INR Lakhs)	2,023.47
Add: Fair Value of Investment (in INR Lakhs) (Note 1)	28.74
Equity Value (in INR Lakhs)	55,005.10
No. of Shares	87,00,000
Value per share (in INR)	632.24

Note 2: -

EV/Sales Multiple of Listed Peer Company

Particulars		EV/Sales	Source
Lloyds Engineering Works Ltd		4.76	https://www.screener.in/
Dilip Buildcon Ltd		1.71	
Kalpataru Projects International Ltd		0.83	
IRB Infrastructure Developers Ltd		5.59	
Average Listed peer ratios		3.22	
Size Discount (#)	@20%	-0.64	
Adjusted Average		2.58	

(#) Size Discount of 20% has been applied to account for the differences in scale and operational capacities between the target company and the listed comparable companies.



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14 Annexure 3

Income Approach - Discounted Cash Flows (DCF) Method

(INR Crore)

Number of Months		12M	9M	3M	12M	12M	12M	12M	
Particulars		FY25 - A	FY26	FY26	FY27 - E	FY28 - E	FY29 - E	FY30 - E	TV
EBITDA		25.53	23.55	6.94	58.67	73.43	95.20	106.76	112.10
Less: Depreciation		-0.66	-0.25	-0.07	-18.87	-16.05	-13.64	-11.60	-12.18
EBIT		24.87	23.31	6.87	39.80	57.38	81.56	95.16	99.92
Less: Tax on EBIT	25.17%	-6.26	-5.87	-1.73	-10.02	-14.44	-20.53	-23.95	-25.15
NOPAT		18.61	17.44	5.14	29.78	42.94	61.03	71.21	74.77
Add: Depreciation		0.66	0.25	0.07	18.87	16.05	13.64	11.60	12.18
Less: Capex		-0.20	-0.40	0.10	-124.10	0.00	0.00	0.00	-14.60
(Increase)/ decrease in working capital		-25.17	-23.28	25.74	13.47	9.28	3.19	3.68	
Other Non-Current Assets		-2.39	0.00	0.00	0.00	0.00	0.00	0.00	
Other Non-Current Liabilities		-0.06	0.28	0.00	0.00	0.00	0.00	0.00	
Free cash flow to firm ('FCFF')		-8.56	-5.71	31.05	-61.98	68.26	77.86	86.49	72.35
Annual factor		0.00	0.00	0.25	1.00	1.00	1.00	1.00	
Discounting period (end year)		0.0	0.0	0.25	1.25	2.25	3.25	4.25	
PV factor	13.92%	0.000	0.000	0.97	0.85	0.75	0.65	0.57	
PV of FCFF		0.00	0.00	30.07	-52.68	50.93	50.99	49.72	

PV of FCFF for the horizon period	129.04	A
FCFF for terminal year	72.35	
WACC (Note 3)	13.92%	
Perpetuity Growth	5.00%	
Capitalisation Rate	8.92%	
Gross terminal value	810.79	
PV factor	0.57	
PV of terminal value	466.12	B
Enterprise value	595.16	A+B
Less: Long Term Debt	-12.87	
Add: Fair Value of Investments (Note 1)	0.29	
Add: Cash & Bank	0.88	
Fair Value of Equity	583.45	
Add: Cash from Warrants Converted into Equity	20.23	
Fair Value of Equity	603.69	
No of Share	87,00,000	
Value Per Share (in INR)	693.89	
Value Per Share (in INR) (R/off)	694.00	

Note 1: Fair Value of the Investment

(INR Crore)

Particulars	Book Value	Fair Value (*)
Investment	0.29	0.29
Total Investment	0.29	0.29

(*) Book Value is considered a fair value

Assumptions

WACC	13.92 %
Market Return (Rm)	11.97 %
Long Term Growth Rate	5.00 %

Terminal Value

The terminal value refers to the present value of the business as a going concern beyond the period of projections up to infinity. This value is estimated by taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimates growth rate of the industry and economy. Based on dynamics of the sector and discussions with the Management we have assumed a terminal growth rate of **5.00 %** for the Company beyond the projections periods. The cash flows of **Rs. 72.35 Crore** have been used to determine the terminal value. Based on these assumptions the terminal value has been calculated at **Rs. 810.79 Crore**.

Using these cash flows and a discount rate of **13.92 %** we estimate the equity value of the Company **Rs. 603.69 Crore.**

Discount Factor

Discount Factor considered for arriving at the present value of the Free Cash Flows to the Firm (“FCFF”) is the WACC.

The Weighted Average Cost of Capital (“WACC”) is based on the proportionate weights of each component of the source of capital, i.e. weighted average of The Cost of Equity (“COE”) & The Cost of Debt (“COD”) wherein the ratio of Equity/Debt on total capital is the proportionate weights

WACC: COE * Equity Weightage of total Capital + COD * Debt Weightage of total Capital

Note 3: Calculations of WACC

Particulars	Note	%
Base Cost of equity		11.97%
Company specific risk premium		4.00%
Adjusted CoE	Note 4	15.97%
- Equity Weightage (*)		75.88%
Weighted CoE (A)		12.12%
Post tax cost of debt	Note 5	7.48%
- Debt Weightage (*)		24.12%
Weighted CoD (B)		1.80%
WACC (A + B)		13.92%

Note 4: Organisation Specific Discount Rate

- Cost of Equity of 15.97 % is taken as Discounting rate, calculated using,
 - Historical Market Return of BSE 500 from January 05, 2006, to December 31, 2025, is 11.97 %
 - We have considered Premium of 4.00 %.

	Rate	Source
Market Return (Rm)	11.97 %	Return of BSE 500 for the period of January 05, 2006, to December 31, 2025.
Company Specific Risk	4.00%	Contingency of revenues, projected high profitability, achievability of projections

Based on the above parameters, the cost of Equity has been calculated at **15.97%**.

Note 5: Calculation of Post Tax Cost of Debt

Cost of Debt (*)	10.00%
Tax rate	25.17%
Post tax	7.48%

(*) As per Management Representation

