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LLP Identification Number ABA-5443

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Valuation Report
Of
Fair value of Shares

SURAJ ESTATE DEVELOPERS LIMITED

Valuation Analysis

We refer to our Engagement Letter dated 20th August, 2024 confirming our appointment as Independent Registered Valuers of **Suraj Estate Developers Limited (“Company”)**. In the following paragraphs, we have summarized our valuation Analysis (“**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.

1 Context and Purpose

Based on discussion with the management, we understand that the company’s promoters are evaluating the **Fair value of Equity Shares** for preferential allotment of shares to the investors and they require our assistance in arriving valuation as required under Regulation 164 (Pricing of the frequently traded shares) of Securities and Exchange Board of India (issue of capital and disclosure requirements) Regulation 2022 as amended from time to time.

2 Conditions and major assumptions

Conditions

The historical financial information, if any, about the company presented in this report, if any 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.

This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.

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.

Assumptions

The opinion of value given in this report is based on information provided by the management of the Company and also from the public domain and we have relied upon the same and also other sources as listed in the report. This information is assumed to be accurate and complete. We have relied upon the representations contained in the public and other documents in our possession concerning the value and useful condition of assets or liabilities except as specifically stated to the contrary in this report.

We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.

We have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry. This report presumes that the management of the Company will maintain the character and integrity of the company through sale, reorganization or reduction of any owner's/manager's participation in the existing activities of the Company.

We have been informed by the management that there are no environmental or toxic contamination problems; any significant lawsuits or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

3 Background of the company

Suraj Estate Developers Limited is a marquee real estate listed company with over 37 years of experience in building inspiring spaces. The company's ongoing projects are The Palette, Ocean Star, Suraj Lumina, Suraj Emmanuel, Louisandra and Ave Maria – redefine city living while transforming the Mumbai landscape.

In 1986, Suraj Estate was born with the vision to transform real estate with a commitment to quality and customer satisfaction. Over 35 years, its residential and commercial developments have become an integral part of the Mumbai skyline. The company aims to empower customers, employees, stakeholders and the communities.

Suraj has developed over 10 lakh square feet land in Mumbai's finest neighbourhoods. It has developed custom spaces for the country's leading institutions including the National Stock Exchange of India, Union Bank of India and Clearing Corporation of India.

Further data of the company is as under:

CIN	U99999MH1986PLC040873
Company Name	SURAJ ESTATE DEVELOPERS LIMITED
ROC Code	RoC-Mumbai
Registration Number	040873
Company Category	Company limited by Shares
Company Subcategory	Non-govt Company
Class of Company	Public
Authorised Capital (Rs)	30,00,00,000/-
Paid up Capital (Rs)	22,18,05,555/-
Company Status	Active
Date of Incorporation	10/09/1986
Registered Address	301, 3rd Floor, Aman Chambers, Veer Savarkar Marg, Opp. Bengal Chemicals, Prabhadevi, Mumbai City, Mumbai, Maharashtra, India, 400025
Email Id	suraj@surajestate.com
Whether Listed or not	Listed

Key Managerial Persons & Directors

DIN / PAN	Name	Begin date	Designation
00634576	Rajan Meenathakonil Thomas	10/09/1986	Managing Director
03168761	Mrutyunjay Mahapatra	03/12/2021	Director
08194706	Satyendra Shridhar Nayak	03/12/2021	Director
*****8177M	Shreepal Shah	01/12/2021	CFO
00318419	Rahul Rajan Jesu Thomas	18/08/2006	Whole-time director
02492141	Sujatha R Thomas	10/09/1986	Director
07068748	Sunil Pant	03/12/2021	Director
*****0561B	Shivil Kapoor	01/12/2021	Company Secretary

4 Valuation Standards

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

5 Valuation Methodology and approach

The standard of value used in the Analysis is "**Fair Value**", which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for sale on the open market for a reasonable period of time, with both buyer and seller being In possession of the pertinent facts and neither being under any compulsion to act.

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- whether the entity is listed on a stock exchange
- Industry to which the Company belongs
- Past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated
- Extent to which industry and comparable company information is available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorised as follows:

a. Asset Approach**Net Asset Value Method ("NAV")**

The value arrived at under this approach is based on the audited financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted for any contingent liabilities that are likely to materialise.

The Net Asset Value is generally used as the minimum break-up value for the transaction since 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.

The asset approach may be most appropriate for valuation of company under following specific circumstances:

- Where there is paucity of information about future profitability or uncertainty about future cash flows;
- Where the Company is being valued is in stage of liquidation;
- Where there are violent fluctuations or disruptions in the business;
- Where it is required by specific provisions of any tax or other statutes.
- Fair Market Valuation of shares according to **Net Asset Value Method** for preferential allotment of shares to the investors as per Asset Approach.

The valuation working in respect of the Suraj Estate Developers Limited as per NAV approach is annexed as Annexure “A”.

b. Market Approach

Since the Company’s shares are listed the same has been valued as per this approach. This approach should streamline with the valuation criteria in accordance with **Regulation 164(1) of the ICDR Regulations** for preferential allotment of shares to the investors.

Regulation 164 (1) provides that when allotment of less than 5% of post issue fully diluted share capital then share shall be valued at-

Higher of:

90/10 trading days’ Volume Weighted Average Price (VWAP) of the scrip preceding the relevant date, whichever is higher, or

any stricter provision in the Article of Association (AOA) of the issuer company.

Suraj Estate Developers Limited is a listed Company so Fair Market Valuation of shares according to **Regulation 164(1) of the ICDR Regulations** for preferential allotment of shares to the investors as per Market Approach.

The valuation working in respect of the Suraj Estate Developers Limited as per Market approach is annexed as Annexure “B”.

c. Income Approach

Discounted Cash Flows - "DCF"

DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

Beta is an adjustment that uses historic stock market data to measure the sensitivity of the company's cash flow to market indices, for example, through business cycles.

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation 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 the risk associated with the cash flows it generates. DCF analysis is based mainly on the following elements:

- Projection of financial statements (key value driving factors)
- The cost of capital to discount the projected cash flows

We have valued the outstanding and upcoming projects of the Company according to Discounted Cash Flow Method as per Income Approach. The Surplus assets (Cash and Cash equivalents, Land and Office premises) have been added and Outstanding debt has been reduced to arrive at the Equity Value of the Company.

The management of the Company has provided the provisional Balance Sheet as on 30th June, 2024, projected cash flow statement for six years commencing from July 01, 2024 to March 31, 2030 and data available on NSE. 30th June, 2024 has been considered as the relevant date for valuation under DCF methodology.

The valuation working in respect of the Suraj Estate Developers Limited of Suraj Estate Developers Limited as per Income approach is annexed as Annexure “C”.

Valuation Methodology:

The application of any 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 the instant case, based on the nature of business of the Company, availability of data and generally acceptable valuation methodologies, we have valued the Shares at Volume Weighted Average Price (VWAP) method and Net Asset Value (NAV) method (Discounted Cash Flow (DCF) method.

Our choice of methodologies 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.

6 Opinion on Fair Value of Equity Shares

Based on our valuation exercise, Fair Value of the Equity shares of the Company is as under:

Valuation Methodology	Value per share	Weights	Product	Remarks
Net Assets Value	123.17	0%	0	Annexure A
Discounted Cash Flow	703.79	100%	703.79	Annexure C
Total		100%	703.79	

Valuation Methodology	Value per share	Remarks
Volume Weighted Average Method	713.52	Annexure B

Our calculation is based on as prescribed by Regulation 164 of the SEBI (ICDR) Regulations 2018 read with SEBI (SAST) Regulations 2011, wherein the minimum price of the equity shares is INR 713.52/- per share.

Please refer to the assumptions made by us, information documents made available to us while conducting the valuation and limitations and disclaimers in the report for the valuation arrived as above.

7 Source of Information

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

- Discussions with the Management
- MCA Data
- Company website <https://surajestate.com/>
- Data available in public domain on BSE, NSE
- Valuation report by Rathi & Associates dated 20th August, 2024
- Provisional Financials as on 30th June, 2024
- Projected financials provided by the Company for the period 1st July 2024 to 31st March, 2030

We have also obtained such other information and explanations which were considered relevant for the purpose of the Analysis.

8 Caveats

Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice. The services do not represent accounting, assurance, financial due diligence review, consulting, transfer pricing or domestic/international tax-related services that may otherwise be provided by us.

Our review of the affairs of the Company and their books and account does not constitute an audit in accordance with Auditing Standards. We have relied on explanations and information provided by the Management of the Company and accepted the information provided to us as accurate and complete in all respects.

Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided. Nothing has come to our attention to indicate that the information provided had material mis-statements or would not afford reasonable grounds upon which to base the Report.

The valuation worksheets prepared for the exercise are proprietary to valuer and cannot be shared. Any clarifications on the workings will be provided on request, prior to finalizing the Report, as per the terms of our engagement.

The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them.

The Valuation Analysis contained herein represents the value only on the date that is specifically stated in this Report. This Report is issued on the understanding that the Management of the Company has drawn our attention to all matters of which they are aware, which have an impact on our Report up to the date of signature. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

We have no present or planned future interest in the Company and the fee for this Report is not contingent upon the values reported herein. Our Valuation analysis should not be construed as investment advice; specifically, we do not express any opinion on the Suitability or otherwise of entering into any transaction with the Company.

9 Distribution of Report

The Analysis is confidential and has been prepared exclusively for the Company. 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 valuer. Such consent will only be given after full consideration of the circumstances at the time. However, we do understand that report will be shared with the investor / buyers of the company.

Yours faithfully

For KKCA VALUERS LLP
REGISTERED VALUER



DHARMESH LALITKUMAR TRIVEDI

Partner

IBBI Reg No: IBBI/RV/06/2019/11302

**(Chartered Accountant & Registered Valuer –
Securities or Financial Assets)**

Firm IBBI Reg No.: IBBI/RV-E/07/2023/185

**(Land & Building, Plant & Machinery,
Securities or Financial Assets)**

ICAI Membership No.: 040961 (FRN 148007W)

Date: 10th September, 2024

Place: Mumbai

UDIN: 24040961BKBFCW2413

ANNEXURE A

CALCULATION THROUGH NAV METHOD

Particulars	<i>Amount in INR Crores</i> Book Value
Equity (including non-controlling interest)	21.46
Reserves	524.93
Book Net-Worth	546.38
No. of Equity Shares	4,43,61,111
NAV per share	123.17

ANNEXURE B**CALCULATION THROUGH MARKET APPROACH**

Particulars	Date
Date of EGM	14-Sep-24
Relevant Date (As per Regulation 161)	14-Aug-24

A. Volume Weighted Average Price (VWAP) of the equity shares of the Company during the period of 90 trading days preceding the Relevant date i.e., August 14, 2024, as quoted on the National Stock Exchange of India Limited

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

$$460.92 = 13,35,64,68,598.40 \div 2,89,77,919$$

Date	Number of Shares	Total Turnover (Rs.)
13-Aug-24	3,65,941	28,44,51,577.40
12-Aug-24	1,20,206	8,96,73,111.75
09-Aug-24	1,56,758	10,98,17,644.15
08-Aug-24	55,338	3,75,94,283.05
07-Aug-24	2,98,091	20,35,57,137.95
06-Aug-24	3,73,544	25,50,43,746.85
05-Aug-24	1,40,129	9,58,33,037.00
02-Aug-24	1,08,592	7,82,81,227.60
01-Aug-24	3,87,858	28,08,49,402.65
31-Jul-24	1,50,295	10,37,83,187.00
30-Jul-24	5,18,107	37,43,19,076.10
29-Jul-24	28,756	1,99,50,912.80
26-Jul-24	2,93,759	19,37,96,246.75
25-Jul-24	56,188	3,53,39,191.40
24-Jul-24	35,185	2,09,33,168.75
23-Jul-24	82,666	4,67,02,657.90
22-Jul-24	47,746	2,71,84,328.10
19-Jul-24	66,021	3,85,07,865.60
18-Jul-24	54,619	3,23,53,544.70
16-Jul-24	1,23,024	7,49,86,197.50
15-Jul-24	2,26,526	13,69,09,570.60
12-Jul-24	2,85,024	17,47,99,596.65
11-Jul-24	1,00,850	6,48,60,459.80
10-Jul-24	2,00,814	12,79,15,710.10
09-Jul-24	2,91,844	19,24,47,620.60
08-Jul-24	6,36,512	42,06,70,220.05
05-Jul-24	4,13,216	25,12,27,669.95

VALUATION REPORT OF EQUITY SHARES OF SURAJ ESTATE DEVELOPERS LIMITED

04-Jul-24	8,56,573	52,49,65,304.45
03-Jul-24	5,60,907	31,47,55,065.60
02-Jul-24	1,96,837	10,42,32,072.85
01-Jul-24	3,31,330	17,09,27,666.60
28-Jun-24	5,27,636	26,04,96,304.85
27-Jun-24	3,01,175	14,31,17,000.55
26-Jun-24	9,38,958	44,34,22,457.05
25-Jun-24	2,67,856	12,06,16,012.15
24-Jun-24	4,81,419	21,54,33,100.75
21-Jun-24	5,63,440	24,98,80,452.70
20-Jun-24	3,72,359	16,10,22,160.55
19-Jun-24	11,52,102	49,08,50,691.45
18-Jun-24	4,92,984	21,10,78,071.40
14-Jun-24	5,20,384	21,68,02,541.85
13-Jun-24	5,10,009	20,30,60,322.10
12-Jun-24	67,267	2,59,56,046.45
11-Jun-24	1,33,295	5,17,13,077.10
10-Jun-24	3,37,389	13,31,04,437.00
07-Jun-24	72,073	2,73,25,363.30
06-Jun-24	2,79,142	10,22,59,133.80
05-Jun-24	2,34,353	8,10,43,344.80
04-Jun-24	5,09,726	16,92,14,471.55
03-Jun-24	1,47,406	5,76,65,676.35
31-May-24	1,13,937	4,36,79,045.95
30-May-24	48,560	1,85,19,512.45
29-May-24	1,08,892	4,21,96,120.65
28-May-24	3,37,475	13,27,47,226.30
27-May-24	3,70,104	14,53,82,693.15
24-May-24	93,607	3,56,91,943.75
23-May-24	1,10,672	4,28,92,490.55
22-May-24	1,45,878	5,72,22,618.15
21-May-24	1,06,837	4,13,43,863.25
18-May-24	18,036	70,50,795.90
17-May-24	78,172	3,06,81,028.75
16-May-24	2,18,131	8,62,53,437.70
15-May-24	1,07,427	4,08,58,153.00
14-May-24	45,353	1,76,07,635.70
13-May-24	1,87,545	7,10,05,665.05
10-May-24	2,50,300	9,25,05,026.00
09-May-24	2,10,332	8,22,08,440.65
08-May-24	4,45,707	17,88,62,338.90
07-May-24	6,68,883	28,38,69,615.55
06-May-24	10,18,880	43,35,81,374.40
03-May-24	4,53,173	18,17,41,872.25
02-May-24	5,07,598	20,20,55,141.60

VALUATION REPORT OF EQUITY SHARES OF SURAJ ESTATE DEVELOPERS LIMITED

30-Apr-24	6,39,672	25,16,27,340.45
29-Apr-24	2,97,291	11,42,28,767.95
26-Apr-24	4,03,905	15,30,17,471.90
25-Apr-24	2,08,807	7,76,87,900.80
24-Apr-24	3,24,686	12,17,61,815.45
23-Apr-24	5,77,274	21,69,20,974.30
22-Apr-24	3,52,269	13,02,23,888.35
19-Apr-24	4,88,859	17,81,91,036.15
18-Apr-24	16,77,719	61,61,42,969.45
16-Apr-24	1,57,226	5,41,51,769.95
15-Apr-24	6,44,182	22,14,12,632.10
12-Apr-24	2,72,461	9,38,62,474.70
10-Apr-24	5,34,947	18,50,70,234.65
09-Apr-24	1,66,238	5,68,07,025.40
08-Apr-24	5,36,313	18,22,56,707.20
05-Apr-24	2,08,566	6,71,14,559.35
04-Apr-24	2,35,302	7,51,24,813.95
03-Apr-24	1,34,474	4,21,81,008.65
90 trading days' Volume Weighted Average Price preceding the relevant date		460.92

B. Volume Weighted Average Price (VWAP) of the equity shares of the Company during the period of 10 trading days preceding the Relevant date i.e., August 14, 2024, as quoted on the National Stock Exchange of India Limited

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

$$713.52 = 1,53,88,84,355.40 \div 21,56,752$$

Date	Number of Shares	Total Turnover (Rs.)
13-Aug-24	3,65,941	28,44,51,577.40
12-Aug-24	1,20,206	8,96,73,111.75
09-Aug-24	1,56,758	10,98,17,644.15
08-Aug-24	55,338	3,75,94,283.05
07-Aug-24	2,98,091	20,35,57,137.95
06-Aug-24	3,73,544	25,50,43,746.85
05-Aug-24	1,40,129	9,58,33,037.00
02-Aug-24	1,08,592	7,82,81,227.60
01-Aug-24	3,87,858	28,08,49,402.65
31-Jul-24	1,50,295	10,37,83,187.00
10 trading days' Volume Weighted Average Price preceding the relevant date		713.52

The minimum issue price of the securities under the preferential issue shall be not less than higher of the following:

a.	Volume Weighted Average Price (VWAP) of the related equity shares during the period of 90 trading days preceding the Relevant date quoted on the recognized stock exchange	460.92
b.	Volume Weighted Average Price (VWAP) of the related equity shares during the period of 10 trading days preceding the Relevant date quoted on the recognized stock exchange	713.52
	Minimum Issue Price in terms of Regulation 164 (1) of the SEBI ICDR Regulations, 2018 (Higher of the above) Rounded off to Rs. 714/-	713.52

VALUATION REPORT OF EQUITY SHARES OF SURAJ ESTATE DEVELOPERS LIMITED

ANNEXURE C

CALCULATION THROUGH INCOME APPROACH

(Amounts in INR Crores)

Particulars	01-Jul-24	FY	FY	FY	FY	FY	Total
	31-Mar-25	2025-26	2026-27	2027-28	2028-29	2029-30	
<i>No. of months</i>	9	12	12	12	12	12	
Total Collections	690.17	1,188.30	1,253.75	1,525.42	1,911.01	-	6,568.64
Total Balance Project Cost	437.27	609.06	637.10	574.01	546.27	53.64	2,857.35
Project Surplus	252.90	579.24	616.64	951.40	1,364.74	-53.64	3,711.30
Less Tax	43.88	50.46	83.37	173.32	197.45	197.45	745.93
Project Surplus Post Tax	209.03	528.78	533.27	778.09	1,167.29	-251.09	2,965.36
Discounting Period	0.38	1.38	2.38	3.38	4.38	5.38	
Discount Factor	0.95	0.83	0.72	0.63	0.55	0.48	
Present Value of Project Surplus Post Tax	198.52	437.67	384.67	489.15	639.53	-119.89	

NPV of Project Surplus Post Tax	2,029.64
Add Value of Land and Land Reserves	180.69
Add Value of Office Premises at 4th Floor Aman Chambers	31.31
Less Debt Outstanding	421.16
Add Cash and cash equivalents (inc. Mutual Fund investment)	81.47
NPV of Project Surplus Post Tax & Post Debt	1,901.96
Add Terminal Value	1,220.15
Equity Value	3,122.11
No of Shares Outstanding	4,43,61,111
Fair Value per Share (INR)	703.79

Annual Sale Potential FY 2030-31 onwards	1,308.39
<i>EBITDA Margin %</i>	<i>30.00%</i>
EBITDA	392.52
Tax	98.80
<i>Tax Rate</i>	<i>25.17%</i>
PAT	293.72
WACC	14.74%
Terminal growth rate	3.25%
Terminal value	2,555.42
Discounting tenure	0.48
Discounted Present Value of Terminal Value	1,220.15