Valuation Report for Determination of

Fair Value of Equity Shares of

Markolines Pavement Technologies Limited

Neha Bhandari

Registered Valuer –Securities or Financial Assets

IBBI Reg. No.: IBBI/RV/16/2021/14449

To

Board of Directors, **22 April 2025**

Markolines Pavement Technologies Limited

502, A Wing, Shree Nand

Dham sector 11, CBD Belapur,

Navi Mumbai 400614., Maharashtra, India

Subject: Valuation of Markolines Pavement Technologies Limited for the determinaton of the swap ratio in regard to the proposed acquisition of Markolines Infra Private Limited as per SEBI (ICDR) Regulations

Dear Sir/ Madam,

We refer to the engagement letter dated **19 April 2025** and the discussions undertaken with the Management of Markolines Pavement Technologies Limited (hereinafter referred to as 'MPTL' or 'the Company' or 'the acquirer') wherein the Management of MPTL has requested Neha Bhandari, IBBI Registered Valuer– Securities or Financial Assets (referred to as 'RV') to determine fair value of Equity Shares of MPTL as on **31 March 2025** (" Valuation Date") in regard to the proposed acquisition of Markolines Infra Private Limited (hereinafter referred to as 'MIPL' or 'the acquiree' or 'the target company'.

As the Company is listed on BSE Limited, it need to comply with Regulation 164 and 166A of SEBI (ICDR) Regulations. Therefore, the Company is required to obtain the valuation report from independent Registered Valuer for determining the issue price.

This report sets out our scope of work, background, sources of information, procedures performed by us, key value considerations and our opinion on the fair value of the equity shares. I have summarized the valuation analysis of the company as on the valuation date together with the description of the purpose, methodologies used and limitations on our scope of work in accordance with the Valuation Standard issued by the Institute of Chartered Accountants of India and Internationally Accepted Valuation principles.

Our analysis and report are in conformity with the “ICAI Valuation Standards” issued by the Institute of Chartered Accountants of India. In addition to the general standards/ guidelines of the IVS, our report specifically complies with ICAI Valuation Standards**.**

Because of the limited purpose of this report, the financial information presented in this report may be incomplete and contain departures from generally accepted accounting principles. We have not audited, reviewed, or compiled the financial information provided by the management and express no assurance on it. Had we audited or reviewed the financial information, matters may have come to our attention that could have resulted in our use of the amounts that differ from those provided. Accordingly, we take no responsibility for the underlying data presented in this report.

This document is provided on the basis that it is kept CONFIDENTIAL and its circulation and use are RESTRICTED. It should not be copied or sent to any other person without the express permission of our office.

I am pleased to present here with our report on the same. We are thankful to the Management of the company for their kind co-operation extended during the course of this assignment.

Yours Sincerely,

Neha Bhandari

Registered Valuer- SFA
IBBI Reg. No.: **IBBI/RV/16/2021/14449**
UDIN:
Date: 22 April 2025
Place: Jaipur

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Executive Summary:

Valuation Date	31 March 2025
Date of Report	22 April 2025
Purpose of Valuation	Regulatory purpose
Base of Valuation	Fair Value
Premise of Valuation	Going Concern
Variation from Standard Assumptions	None
Special Assumptions	None
Capacity & Status of Valuer	External-Neha Bhandari (RV-S&FA) IBBI Registration No. : IBBI/RV/16/2021/14449
Independence	The total fees, including the fee for this assignment earned from the instructing party are less than 10% of our total annual revenues.

Fair Value :

Based on our study and analytical review procedures subject to the limitations expressed within this report, in our opinion the fair value of the equity shares of the MPTL as on valuation date is **INR 160.08** /- per equity share of face value of **INR 10**/- each.

The above executive summary is to be read in conjunction with the valuation report to which it forms part of and is subject to the assumptions, caveats and bases of valuation stated herein and should not be read in isolation.

Introduction of the Company

Markolines Pavement Technologies Limited is a listed public company incorporated on 8 November 2002. It is classified as a non-government company and is registered at the Registrar of Companies, Mumbai. MPTL's Corporate Identification Number (CIN) is L99999MH2002PLC156371, and its registration number is 156371. The company's registered address is 502, A Wing, Shree Nand Dham, Sector 11, CBD Belapur, Navi Mumbai 400614, Maharashtra, India.

- ❖ Markolines endeavours to enhance its potential of innovation, quality and speed to be the most trusted and reliable Highway Maintenance company.
- ❖ MPTL aspire to serve people across the world by expanding boundaries of possibilities and delivering efficient solutions for infrastructure needs, staying focused on sustainability and safety at all times.
- ❖ MPTL apply superior Highway Maintenance services to manage high-quality infrastructure through highly skilled resources and innovative technology.
- ❖ Markolines strives to be at the prime position for Highway Maintenance Service through cutting edge technology and execution excellence.
- ❖ MPTL pledge to uphold the values of honesty, transparency and integrity at every step of our journey towards a better future.
- ❖ MPTL are paving the path towards unlimited possibilities to develop into an Indian MNC to deliver high-quality solutions for managing and operating infrastructure assets.

Existing Capital Structure

The authorized equity share capital of the company is INR 50,00,00,000 divided into 5,00,00,000 Equity Shares having face value of INR 10 each. MPTL fully paid-up equity share capital as on 31 March 2025 is INR 22,00,45,200 divided into 2,20,04,520 equity shares of INR 10 each.

Ownership Structure

The details of shareholders holding more than 5% shares

Name of the Share Holders	No of shares	% Holding
Sanjay Bhanudas Patil	5,735,040	30.01%
Kirti Ratanachand Oswal	1,342,080	7.02%
Jaya Vijay Oswal	1,389,760	7.27%
Karan Atul Bora	1,414,400	7.40%
Kunal Atul Bora	1,181,265	6.18%

Management Structure

The Board of Directors of MPTL as at the report date is set out below:

S no	Name of Director	Designation	DIN/PAN	Begin Date
1	Akash Manohar Phatak	Director	09288697	20/08/2021
2	Kirtinandini Sanjay Patil	Director	09288282	20/08/2021
3	Sanjay Bhanudas Patil	Managing Director	00229052	08/11/2002
4	Anjali Vikas Sapkal	Director	02136528	17/08/2021
5	Praveen Sevantilal Panchal	Director	10895449	07/01/2025

Purpose of Valuation Exercise

Scope of Work

Based on discussion with the management, we understand that the Company requires our assistance in determining swap ratio in regard to the proposed acquisition of Markolines Infra Private Limited by Markolines Pavement Technologies Limited. As requested by the management, we have undertaken the value analysis of the equity shares of the Company on an 'as is where is', going concern basis, as at 31 March 2025 ('Valuation Date') under Companies Act 2013 and in accordance with **Regulations 164 and/or 166A (as applicable) of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 ("ICDR").**

Compliance with Valuation Standards and Valuation Basis

- Our analysis and report are in conformity with the "ICAI Valuation Standards" issued by the Institute of Chartered Accountants of India. In addition to the general standards/ guidelines of the IVS, our report specifically complies with ICAI Valuation Standard 102 - Valuation Bases (IVS 102), ICAI Valuation Standard 103 – Valuation Approaches and Methods (IVS 103), ICAI Valuation Standard 201 - Scope of Work, Analyses and Evaluation (IVS 201), ICAI Valuation Standard 202 - Reporting and Documentation (IVS 202) and ICAI Valuation Standard 301 - Business Valuation (IVS 301).

- The valuation basis used in arriving at valuation conclusion is 'Fair Value'. *'Fair value' is defined by IVS102 as "the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the valuation date."*

- IVS 102 defines 'orderly transaction' as " *a transaction that assumes exposure to the market for a period before the valuation date to allow for marketing activities that are usual and customary for transactions involving such assets or liabilities and it is not forced transaction. The length of exposure time will vary according to the type of asset and market conditions*.

- IVS 102 further defines ‘Market participants’ as “willing buyers and willing sellers in the principal (or most advantageous) market for the asset or liability that have all of the following characteristics:
  - they are independent of each other, that is, they are not related parties as defined under applicable accounting framework and set of reporting/ accounting standards therein, although the price in a related party transaction may be used as an input to a fair value measurement if the entity has evidence that the transaction was entered into at market term
  - they are knowledgeable, having a reasonable understanding about the asset or liability and the transaction using all available information, including information that might be obtained through due care that is usual and customary
  - they are able to enter into a transaction for the asset or liability; and
  - they are willing to enter into a transaction for the asset or liability, i.e., they are motivated but not forced or otherwise compelled to do so.”

Base & Premise for Valuation

- As per ICAI Valuation Standards 102, Valuation base means the indication of the type of value being used in an engagement. Different valuation bases may lead to different conclusions of value. Therefore, it is important for the valuer to identify the bases of value pertinent to the engagement. This Standard defines the following valuation bases: Fair value, Participant specific value and Liquidation value.

- As the Company is on going concern basis, RV has decided to choose Fair Value as base of valuation. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.

- Premise of Value refers to the conditions and circumstances how an asset is deployed. This valuation is performed on the premise that the Company will continue to operate as a going concern. IVS 102 defines ‘going concern value’ as *“the value of a business enterprise that is expected to continue to operate in the future.”*

<u>The relevant extract of Section 62 (1)(C) of the Companies Act, 2013 is as under:</u>

Further issue of share capital.— (1) Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.

This report has been issued in accordance with section 247 of Companies Act 2013, which provides statutory backing to the Valuation, which requires that in respect of valuation of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of this Act, it should be valued by a person having such qualification and experience and registered as valuer in such manner as may be prescribed.

In view of the above background, Registered Valuer understands that the purpose of this report is to determine the fair value of equity shares of MPTL that will be allotted to the investors in accordance with the requirement of section 62(1)(c) of the Companies Act, 2013, which states that when a company proposes to issue new shares, the price of such shares should be determined by the valuation report of a Registered Valuer.

SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018

Extract of the Regulation 164 and 166A are as under:

Regulation 164 : Pricing of Frequently traded shares

1. If the equity shares of the issuer have been listed on a recognized 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:

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

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

For the purpose of this Chapter, "frequently traded shares" means the shares of the issuer, in which the traded turnover on any recognized stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer: Provided that where the share capital of a particular class of shares of the issuer is not identical throughout such period, the weighted average number of total shares of such class of the issuer shall represent the total number of shares.

Regulation 166A : Other conditions for Pricing

166A. (1) 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.

Appointment & Identity of Valuer

Appointing Authority, Appointment date, Valuation date and Report date:

As per Section 247 of The Companies Act, 2013, Board of Director of MPTL appointed Neha Bhandari (Registered Valuer) on 19 April 2025 for valuation of equity shares as on valuation date 31 March 2025 . The valuation report is issued on 22 April 2025 .

Identity of the Valuer:

Neha Bhandari is a Registered Valuer (Securities or Financial Asset class) as required under The Companies (Registered Valuers & Valuation) Rules, 2017. Neha Bhandari is registered with Insolvency & Bankruptcy Board of India vide registration number IBBI/RV/16/2021/14449. Neha's primary membership is registered with AARVF Registered Valuers Organization vide registration no. AaRVF/M/SorFA/188.

Disclosure of Valuer Interest:

I have no present or prospective contemplated financial interest in MPTL nor any personal interest with respect to the Promoters & Board of Directors of MPTL. I have no bias/prejudice with respect to any matter that is the subject of the valuation report or to the parties involved with this engagement. My professional fee for this valuation is based upon my normal billing rates, and not contingent upon the results or the value of the business or in any other manner.

Intended Users of The Report:

This Valuation Report is confidential and has been prepared exclusively for Board of Directors of MPTL. It should not be circulated or reproduced to any other person for any purpose other than as mentioned above, without the prior consent of the valuer. This Valuation report should not be construed as investment advice, specifically we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.

Sources of Information

Our expression of the opinion on the fair value of the Company is supported by all procedures that we deem to be relevant. We have obtained sufficient information in accordance with IVS 201- 'Scope of Work, Analyses and Evaluation', and relied on the data, facts, information, documents, and explanations as authenticated, and provided to us by the Management. The scope of this valuation included a review of the Company's historical financial statements, other financial and non-financial data.

We have fully relied on the information provided by the company and do not vouch for the accuracy of the information as is provided to us by the management of MPTL. Our opinion was based on the information listed below:

- Background documents and information of the company;
- Equity share trading details since listing before valuation date;
- Provisional financial statements of the Company for the financial year as of 31 March 2025.
- Audited financial statements of the Company for the financial years 2022-23 and 2023-2024;
- Financial projections of the company for 4 year from 01 April 2025 to 31 March 2029
- Valuaton report of Registered Valuer as of 31 March 2025 for Markolines Infra Private Limited
- Memorandum & Articles of Association
- Discussions and correspondence with the Management in connection with business operations, past industry and company trends, proposed future business plans and prospects both for company & industry, realizability of assets, business drivers & risks etc.
- Information available in public domain and databases such as Capitaline, National Stock Exchange, Bombay Stock Exchange etc.

We have also considered/ obtained such other analysis, review, explanations and information considered reasonably necessary for our exercise, from the Client or other public available sources. Supporting data, copies of source documents and other pertinent information supporting our opinion of value are maintained in our files.

Procedures adopted in carrying out the Valuation

Process Flow : Receipt of proposal for valuation includes

- 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, and records
- Receipt of information, documents as per the checklist
- Cross verification of data with concerned officials of the company for clarifications/explanations.
- Determining valuations approach, techniques, and methods in compliance with applicable standards
- Valuation synthesis & revisiting the assumptions and decision made
- Report preparation and its validation.

Limitation of Verification

Our valuation report and analysis are subject to the assumptions and limiting conditions as mentioned in **Annexure A** of the report.

- The relevant information for the purpose of this valuation has been provided by the Management. We do not make any representations or warranty, express or implied, regarding the achievability/accuracy of the forecasts and accuracy/completeness of such other information as provided by the Management.

- The relevant information & support documents provided by the Management have not been independently verified by us with any third party or any other sources and are believed to be true and reliable. The information contained herein is based on the analysis of information known or knowable as of the valuation date.

- Unless stated otherwise, industry and market data used in this report have been obtained from market research, publicly available information & industry publications.

- In no event shall we be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or willful default on the part of the Company, their management, employees or agents. In no circumstances shall the liability of registered valuer relating to services provide in connection with the engagement set out in this report exceed the amount paid to us in respect of the fees charged for those services.

Valuation Approaches & Methodologies

Valuation Approaches

In order to value the Company, we considered three approaches to valuation, as provided under the *'IVS 103 – Valuation Approaches and Methods'*: the market approach, the income approach and the asset approach. We have reviewed and analyzed several methods and their results to determine which methods would generate the most reasonable opinion of value of the Company's operations as on the Valuation Date. After careful consideration of each method's underlying assumptions and variables that were utilized, we have considered all the three approaches i.e. market approach, income approach and assets approach to ascertain fair value which would provide the most appropriate indication of the fair value of the Company due to being listed on the stock exchange.

A description of these methods and the methods considered but not used are included within this report. Both internal and external factors, which influence the value of the Company have been reviewed, analyzed, and interpreted. Internal factors included financial position and results of operations of the Company. External factors included, among other things, the status of the economy and the position of the Company relative to the industry.
A brief explanation of each valuation approach is provided below:

Income Approach

The income approach provides an estimate of the present value of the monetary benefits expected to flow to the owners of the business. It requires the projection of the cash flows that the business is expected to generate. These cash flows are then converted to their present value by means of discounting, using a rate of return that accounts for the time value of money and the appropriate degree of risk in the investment. The value of the business is the sum of the discounted cash flows.

Market Approach

Market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. It considers actual arm's-length transactions for which the market value of investments alternative to the subject company can be observed. The value of a company or an ownership interest in the company can be estimated by developing relevant multiples for the comparative companies that relate value to underlying revenue, earnings, or cash flow variable, and then applying these multiples to the comparable underlying revenue, earnings, or cash flow variable for the subject company. The value multiples can be derived from guideline public company and guideline transactions of the publicly traded company or private companies.

Cost (Asset-Based) Approach

The asset-based (net underlying assets) approach is a form of the cost approach. The values of the individual assets (i.e., current, fixed, and intangible) of the business are estimated. The sum of the individual asset values represents the total asset value of the enterprise. The enterprise's liabilities related to working capital are deducted to arrive at an indication of value for the invested capital of the business. Since the cost approach does not always reflect the full value of intangible assets, it is often inappropriate to value an operating business completely on the basis of this approach without giving weights to other valuation methods. Cost approach may be relevant to the value of an operating business that is not sufficiently profitable and whose "breakup" values may be greater than its going concern value.

Valuation Methodologies

The valuation methodology to be adopted varies from case to case depending upon different factors affecting valuation. Different methodologies are adopted for the valuation of manufacturing, investment, consultancy and trading companies. Though there are no thumb rules for valuation, the method to be adopted has to be appropriate to the particular purpose for which valuation is being done as well as the attendant circumstances of each case. For example, a manufacturing company is generally valued on the combination of asset value and the earning potential of the business. An investment company is valued based on the fair market value of underlying assets.

However, the value is specific to the point in time and may change with the passage of time. The value is derived in the context of an existing environment that includes economic conditions, state of industry/market and state of business activities of companies being valued etc. as on the appointed date of valuation. The basis of valuation would depend upon the purpose of valuation, the type of business, the prospects and other attendant circumstances.

Method of Valuation

There are several commonly used and accepted methods for determining the value of business/shares of the company, which would be applied to the present case, to the extent relevant and applicable, such as:

Income Approach - Discounted Free Cash Flow Method (DCF)

The DCF method values the asset by discounting the cash flows expected to be generated by the asset for the explicit forecast period and also the perpetuity value (or terminal value) in case of assets with an indefinite life. The DCF method is one of the most common methods for valuing various assets such as shares, businesses, real estate projects, debt instruments, etc. This method involves discounting of future cash flows expected to be generated by an asset over its life using an appropriate discount rate to arrive at the present value. The important inputs for the DCF method are (1) Cash flows; (2) Discount rate; and (3) Terminal value.

Market Approach -Comparable Company Multiples Method (CCM)

Under the CCM Method, the value of shares/ business of a company is determined based on market multiples of publicly traded comparable companies, that is, valuation based on multiples benchmark to the multiples of similar assets in the industry. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

This method involves reviewing valuation multiples for companies that are in the same or similar line of business as the company being valued and then applying the relevant valuation multiples to the subject company to determine its value. The theory behind this approach is that valuation measures of similar companies, as manifested through stock market valuations of listed comparable companies, should represent a good proxy for the specific company being valued. Depending on the source of data available and the underlying company being valued, a variety of valuation measures might be used including Enterprise Value (EV) to Sales, EV to EBITDA, Price to Earnings, etc.

Asset Approach - Net Asset Value Method (NAV)

The net asset value method is an asset-based approach to valuation where the value of the business is based on the difference between the fair market value of the assets and liabilities of the business. This method is a sound method for estimating the value of a non-operating business, such as real estate holding company, or a business that is continuing to generate losses, or which is expected to be liquidated. Net Asset Value Method is also considered appropriate, where the future cash flows / commercial operations of the valued company cannot be reasonably ascertained.

Valuation Exercise & Working

Valuation of the Company via Market Approach : Market Price Method

The three approaches discussed in previous section of the report are internationally accepted valuation approaches and used globally for valuations. After considering all the approaches, I have considered all the three approaches i.e. market approach, income approach and assets approach to ascertain fair value of MPTL equity shares.

As MPTL is listed company and need to comply with SEBI ICDR Regulations 2018, I have considered the Regulation 164 of valuing frequently traded shares. As per Regulation 164 “frequently traded shares” means the shares of the issuer, in which the traded turnover on any recognized stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer.

In the present case, the relevant date is 22 April 2025, therefore I have obtained the trade data from BSE for the period 21 April 2025 to 03 May 2024 (i.e. 240 trading days) to determine if the shares are frequently traded or not.

During the 240 trading days preceding to the valuation date, there has been trading of 1,43,30,650 number of shares. The issued number of shares as on valuation date is 2,20,04,520. The trading number of shares 1,43,30,650 in 240 days are higher than 10% of outstanding number of shares i.e. 22,00,452 (10% of issued shares 2,20,04,520). Therefore, we conclude that the shares are frequently traded and fair value can be determined as per Regulation 164 of SEBI ICDR Regulations 2018.

As per SEBI ICDR Regulations 2018, the preferential issue shall be not less than higher of the following for frequently traded shares:

- the 90 trading days volume weighted average price preceding the relevant date; or
- the 10 trading days volume weighted average prices preceding the relevant date.

90 trading days volume weighted average price of equity shares of Markolines Pavement Technologies Limited preceding the relevant date

Date	No.of Shares	Total Turnover (Rs.)
21-Apr-25	147,200	25,289,920
17-Apr-25	6,400	1,084,480
16-Apr-25	40,000	6,911,320
15-Apr-25	40,000	6,893,000
11-Apr-25	112,000	18,827,280
09-Apr-25	76,800	11,864,880
08-Apr-25	65,600	9,954,480
07-Apr-25	41,600	6,160,320
04-Apr-25	88,800	13,666,960
03-Apr-25	184,000	27,793,720
02-Apr-25	60,800	8,266,440
01-Apr-25	72,000	9,418,640
28-Mar-25	143,200	19,197,080
27-Mar-25	185,600	24,095,080
26-Mar-25	248,800	31,155,120
25-Mar-25	224,000	29,266,960
24-Mar-25	206,400	26,010,640
21-Mar-25	290,400	36,738,440
20-Mar-25	182,400	21,767,560
19-Mar-25	119,200	13,590,200
18-Mar-25	123,200	13,599,400
17-Mar-25	54,400	6,345,640
13-Mar-25	196,000	23,344,920
12-Mar-25	142,400	17,041,320
11-Mar-25	132,000	16,028,920
10-Mar-25	203,200	25,906,040
07-Mar-25	87,200	10,784,640
06-Mar-25	39,200	4,777,240
05-Mar-25	143,200	17,509,240
04-Mar-25	53,600	6,363,400

Date	No.of Shares	Total Turnover (Rs.)
03-Mar-25	40,000	4,846,040
28-Feb-25	33,600	4,158,360
27-Feb-25	26,400	3,357,840
25-Feb-25	23,200	3,048,880
24-Feb-25	28,800	3,809,240
21-Feb-25	266,400	34,888,040
20-Feb-25	14,400	1,834,240
19-Feb-25	48,000	6,163,440
18-Feb-25	28,800	3,611,920
17-Feb-25	78,400	9,820,880
14-Feb-25	21,600	2,856,720
13-Feb-25	25,600	3,576,120
12-Feb-25	15,200	2,109,560
11-Feb-25	56,000	8,003,640
10-Feb-25	31,200	4,785,960
07-Feb-25	83,200	13,189,520
06-Feb-25	75,200	12,112,160
05-Feb-25	76,800	12,474,320
04-Feb-25	13,600	2,225,200
03-Feb-25	121,600	19,507,360
01-Feb-25	7,200	1,182,280
31-Jan-25	29,600	4,768,440
30-Jan-25	56,800	9,332,880
29-Jan-25	21,600	3,417,520
28-Jan-25	36,800	5,686,920
27-Jan-25	9,600	1,538,440
24-Jan-25	10,400	1,747,440
23-Jan-25	24,000	4,093,600
22-Jan-25	6,400	1,039,200

Date	No.of Shares	Total Turnover (Rs.)
21-Jan-25	4,000	674,960
20-Jan-25	5,600	948,840
17-Jan-25	12,800	2,216,560
16-Jan-25	10,400	1,820,040
15-Jan-25	52,800	9,051,440
14-Jan-25	56,000	9,516,840
13-Jan-25	92,000	16,175,320
10-Jan-25	28,000	4,554,880
09-Jan-25	16,000	2,556,640
08-Jan-25	48,000	7,562,360
07-Jan-25	6,400	1,024,720
06-Jan-25	15,200	2,343,400
03-Jan-25	8,800	1,422,120
02-Jan-25	13,600	2,193,080
01-Jan-25	16,800	2,697,800
31-Dec-24	28,000	4,502,600
30-Dec-24	14,400	2,306,920
27-Dec-24	12,000	1,903,240
26-Dec-24	45,600	7,309,760
24-Dec-24	12,800	2,135,120
23-Dec-24	24,800	4,166,080
20-Dec-24	26,400	4,510,840
19-Dec-24	20,800	3,608,040
18-Dec-24	36,800	6,391,080
17-Dec-24	11,200	1,960,000
16-Dec-24	4,800	850,640
13-Dec-24	24,000	4,221,000
11-Dec-24	19,200	3,477,000
10-Dec-24	12,800	2,309,560
09-Dec-24	13,600	2,508,880

Total values of shared traded (INR)	795,759,200
Total number of shares traded in 90 Days	5,713,600
VWAP	139.27

<u>10 trading days volume weighted average price of equity shares of Markolines Pavement Technologies Limited preceding the relevant date</u>

Date	No.of Shares	Total Turnover (Rs.)
21-Apr-25	147,200	25,289,920
17-Apr-25	6,400	1,084,480
16-Apr-25	40,000	6,911,320
15-Apr-25	40,000	6,893,000
11-Apr-25	112,000	18,827,280
09-Apr-25	76,800	11,864,880
08-Apr-25	65,600	9,954,480
07-Apr-25	41,600	6,160,320
04-Apr-25	88,800	13,666,960
03-Apr-25	184,000	27,793,720

Total values of shared traded (INR)	128,446,360
Total number of shares traded in 10 Days	802,400
VWAP	**160.08**

Valuation analysis

Based on the above workings, the fair value of the share of Markolines Pavement Technologies Limited is determined as under:

Higher of 90 trading days or 10 trading days preceding relevant date:

- **90 trading days - volume weighted average price: INR 139.27/-**

- **10 trading days - volume weighted average price: INR 160.08/-**

In accordance with SEBI ICDR Regulations 2018, the shares of the company are frequently traded based on preceding 240 trading days data. Therefore, the preferential allotment shall not be less then INR 160.08 i.e. the higher price between 90 & 10 trading days before the valuation date.

(This space has been left blank intentionally)

Valuation of the Company – Asset Approach via Net Assets Method

The net asset value method is an asset-based approach whereby the value of the business is based on the difference between the fair market value of the assets and liabilities of the business. The Company is a going concern; therefore, the value could not be less than the fair market value of the Company's net asset value prior to any discounts. The Net Asset Value method attempts to measure the value of the net assets of the company against each share. It is computed by taking the net value of the company's assets, subtracting from them the amount of liabilities and preferred shareholders claims, and dividing the remainder amongst the number of equity shares.

Fair Value of MPTL Equity Shares as at 31 March 2025

I have reviewed the management approved financials as on 31 March 2025 and based on the adjusted net assets method, the fair value of equity share is ascertained as INR 33 per share.

Valuation of the Company – Income Approach via the Discounted Cash Flow Method (‘DCF’)

The Discounted Cash Flow method is an income-based approach that is based on the concept that the estimated value of a business is the present value of its discretely projected future cash flows, plus the present value of the company’s terminal value. This method is suitable in situations where future cash flows are expected to change from year-to-year, and where such year-to-year changes are reasonably predictable. Accordingly, the projected free cash flows to Equity (‘’FCFE”) based on these financial statements is as set out below:

We have been provided with the projected financial statement of the company for 4 years from 01 April 2025 to 31 March 2029 by the management, which we have considered for our analysis. Based on the DCF method, the fair value of equity share is ascertained as INR 133 per share.

Valuation summary & analysis

After reviewing all the three approaches, the fair value of MPTL equity shares as per each approach is mentioned below:

Based on the above workings, the calculation of the fair value of the share of Markolines Pavement Technologies Limited is as under:

In accordance with SEBI ICDR Regulations 2018, the shares of the company are frequently traded. Therefore, I have determined the price per share in accordance with Regulation 164 and 166A that deals with valuation of frequently traded shares. Accordingly, pursuant to Regulation 164, for the purpose of preferential allotment of shares of Face value of INR 10/-, I have determined the fair value of the Equity share to be **INR 160.08/-** as on valuation date i.e. 31 March 2025.

BASIS OF FAIR EQUITY SHARE EXCHANGE RATIO

The basis of the acquisition of MIPL (target) by MPTL (acquirer) would have to be determined after taking into consideration all the factors and methods mentioned in the report. Though different values have been arrived at under each of the approaches/methods as mentioned above, for the purposes of recommending the Share Exchange Ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approach/method. The Share Exchange Ratio has been arrived at on the basis of value of equity shares of the Companies based on the various approaches/methods explained herein after considering various qualitative factors relevant to each company, business dynamics and growth potentials of the businesses of the Companies, information base and key underlying assumptions and limitations.

The fair value of the MIPL (target) as at the valuation date, 31 March 2025, has been provided by the management for the determination of the share exchange ratio. This valuation has been considered as provided and adopted accordingly in our analysis, with no independent verification of the fair value performed.

Further, during the pendency of this Scheme, any corporate action in nature of preferential issue/fresh issue which may result in increase of the issued and paid up share capital of the Acquirer Company or the Target Company shall not have an effect on alteration/amendment of the Share Exchange Ratio as arrived and approved as on/with reference to the Valuation Date. While I have provided my recommendation of the Share Exchange Ratio based on the information available to me and within the scope and constraints of our engagement, others may have a different opinion as to the Share Exchange Ratio. The final responsibility for the determination of the Share Exchange Ratio at which the proposed Acquisition shall take place will be with the Board of Directors of the respective Companies who should take into account other factors such as their own assessment of the proposed Acquisition and input of other advisors. I have independently applied approaches/methods discussed above, as considered appropriate, and arrived at the share exchange ratio for the proposed acquisition of MIPL (target) by MPTL (acquirer) .

To arrive at the consensus on the Share Exchange Ratio for the Proposed Acquisition, suitable minor adjustments/rounding off have been done in light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, I recommend the following Share Exchange Ratio for the Proposed Acquisition of MIPL with MPTL 1.15 (one decimal fifteen). It should be noted that I have not examined any other matter including economic rationale for the Proposed Acquisition per se or financial, accounting, legal or tax matters involved in the Proposed Acquisition.

Conclusion

The values so arrived at are subject to the matters enumerated in ‘Scope of Work, ‘Caveat, Limitation & Disclaimer statement’ and information provided to us and should be viewed in the light thereof.

Neha Bhandari
Registered Valuer- SFA
IBBI Reg. No.: **IBBI/RV/16/2021/14449**
UDIN:
Date: 22 April 2025
Place: Jaipur

Annexure A-CAVEATS, LIMITIATIONS & DISCLAIMERS

This report is subject to the following assumptions and limiting conditions:

❖ **Restrictions on use of Valuation Report**

a) This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose.
b) Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter.
c) This restriction does not preclude the client from providing a copy of the report to third party advisors whose review would be consistent with the intended use.
d) I do not take any responsibility for the unauthorized use of this report.

❖ **Responsibility of RV**

a) I owe responsibility only to the authority that has appointed me under the terms of the engagement letter.
b) 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.
c) In no event I shall be liable for any loss, damage, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or wilful default on part of the client or companies , their directors, employees or agents.

❖ **Accuracy of Information**

a) While our work has involved an analysis of financial information and accounting records , our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records.
b) Accordingly, I express no audit opinion or any other form of assurance on this information.

❖ **Achievability of the forecast results**

a) I do not provide assurance on the achievability of the results forecast by the management / owners as events and circumstances don’t occur as expected, difference between actual and expected results may be material.
b) 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.

❖ **Post Valuation Date Events**

a) 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 later variations in value due to factors that are unforeseen at the valuation date.

b) Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.

❖ **Range of Value Estimate**

a) The valuation of companies and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement .

b) Although every scientific method has been employed in systematically arriving at the value , there is no indisputable single value and the estimate of the value is normally expressed as falling within a likely range.

❖ **No Responsibility to the Actual Price of the subject asset if sold or transferred/ exchanged**

a) The actual market price achieved may be higher or lower than our estimate of value (or range of value) depending upon the circumstances of the transaction (eg: the competitive bidding environment), the nature of the business (eg : the purchaser's perception of potential synergies.

b) The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved.

c) Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place.

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

a) The valuation report is tempered by the exercise of judicious discretion by the RV, taking into account the relevant factors.

b) There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.

❖ **Future services including but not limited to Testimony or attendance in courts/ tribunals/ authorities for the opinion of value in the Valuation Report**

a) I/We are fully aware that based on the opinion of value expressed in this report, I/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.

b) 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 tendering evidence before such authority shall be under the applicable laws.

❖ **Reliance on the representation of the owners/ clients , their management and other third parties**

a) The client/ owner and its management/ representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge.

b) 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- vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report.

c) I 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, employee or agents

d) 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.

❖ **No procedure performed to corroborate information taken from reliable external sources**

a) We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable .

b) 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.

c) 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.

❖ **Compliance with relevant laws**

a) The report assumes that the company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner.

b) Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us.

(End of report)

Valuation Report for Determination of Fair Value of Equity Shares

MARKOLINES INFRA LIMITED

SUMIT DHADDA

Registered Valuer –Securities or Financial Assets

IBBI Reg. No.: IBBI/RV/14/2018/10160

SUMIT DHADDA
Registered Valuer

DLS & ASSOCIATES LLP
Chartered Accountants

To, **18 April 2025**

The Board of Directors,
Markolines Infra Limited
502-A Wing Shree Nand Dhamsec-11 C B D Belapur,
Navi Mumbai, Maharashtra, India, 400614

Subject: Opinion on Fair Value of Equity Shares of "Markolines Infra Limited "

Dear Sir/ Madam,

We refer to the engagement letter dated **08 April 2025** and the discussions undertaken with the management of Markolines Infra Limited (hereinafter referred to as 'MIL ' or 'the Company') wherein the Management of MIL has requested SUMIT DHADDA, IBBI Registered Valuer- Securities or Financial Assets (referred to as 'RV' or 'I' or 'we') to determine fair value of Equity Shares of MIL as on **31 March 2025** ("Valuation Date").

This report sets out our scope of work, background, sources of information, procedures performed by us, key value considerations and our opinion on the fair value of the equity shares. I have summarized the valuation analysis of the company as on the valuation date together with the description of the purpose, methodologies used and limitations on our scope of work in accordance with the Valuation Standard issued by the Institute of Chartered Accountants of India and Internationally Accepted Valuation principles.

Our analysis and report are in conformity with the "ICAI Valuation Standards" issued by the Institute of Chartered Accountants of India. In addition to the general standards/ guidelines of the International Valuation Standards (IVS), our report specifically complies with ICAI Valuation Standards.

Office: 308, IIIrd Floor, Shree Mansion, Kamla Marg, C-Scheme, Jaipur
dhadda.sumit@gmail.com, 9571704444

Because of the limited purpose of this report, the financial information presented in this report may be incomplete and contain departures from generally accepted accounting principles. We have not audited, reviewed, or compiled the financial information provided by the management and express no assurance on it. Had we audited or reviewed the financial information; matters may have come to our attention that could have resulted in our use of the amounts that differ from those provided. Accordingly, we take no responsibility for the underlying data presented in this report.

This document is provided on the basis that it is kept CONFIDENTIAL, and its circulation and use are RESTRICTED. It should not be copied or sent to any other person without the express permission of our office.

I am pleased to present here with our report on the same. We are thankful to the Management of the company for their kind co-operation extended during this assignment.

Yours Sincerely,

SUMIT DHADDA
Registered Valuer- SFA
IBBI Reg. No.: IBBI/RV/14/2018/10160
UDIN:
Date: 18 April 2025
Place: Jaipur

TABLE OF CONTENTS

EXECUTIVE SUMMARY

Valuation Date	31 March 2025
Date of Report	18 April 2025
Purpose of Valuation	Regulatory purpose
Base of Valuation	Fair Value
Premise of Valuation	Going Concern
Value Variation from Standard Assumptions	None
Special Assumptions	None
Capacity & Status of Valuer	External-SUMIT DHADDA (RV-S&FA) IBBI Registration No. : IBBI/RV/14/2018/10160
Independence	The total fees, including the fee for this assignment earned from the instructing party are less than 5.0% of our total annual revenues

FAIR VALUE

Based on our study and analytical review procedures subject to the limitations expressed within this report, in our opinion the fair market value of the equity shares of the MIL as on valuation date is **INR 565 /-** per equity share of face value of **INR 10/-** each.

The above executive summary is to be read in conjunction with the valuation report to which it forms part of and is subject to the assumptions, caveats and bases of valuation stated herein and should not be read in isolation.

INTRODUCTION OF ENGAGEMENT

Purpose of Valuation Exercise

Based on discussion with the management, we understand that the Company wants to issue Equity Shares to the existing/proposed investors. In this context, the management requires our assistance in determining the fair value of equity share of the company. As requested by the management, we have undertaken the value analysis of the equity shares of the Company on an 'as is where is', going concern basis, as of 31 March 2025 ('Valuation Date') for compliance with the requirements of Companies Act, 2013 and Companies (Share Capital and Debenture) Rules, 2014 thereof, as amended time to time.

Compliance with Valuation Standards and Valuation Basis

❖ Our analysis and report are in conformity with the "ICAI Valuation Standards" issued by the Institute of Chartered Accountants of India. In addition to the general standards/ guidelines of the IVS, our report specifically complies with

a. ICAI Valuation Standard 102 - Valuation Bases (IVS 102)
b. ICAI Valuation Standard 103 – Valuation Approaches and Methods (IVS 103)
c. ICAI Valuation Standard 201 - Scope of Work, Analyses and Evaluation (IVS 201)
d. ICAI Valuation Standard 202 - Reporting and Documentation (IVS 202)
e. ICAI Valuation Standard 301 - Business Valuation (IVS 301)

❖ The valuation basis used in arriving at valuation conclusion is 'Fair Value'. *'Fair value' is defined by IVS 102 as "the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the valuation date."*

❖ IVS 102 defines 'orderly transaction' as " *a transaction that assumes exposure to the market for a period before the valuation date to allow for marketing activities that are usual and customary for transactions involving such assets or liabilities and it is not forced transaction. The length of exposure time will vary according to the type of asset and market conditions*.

IVS 102 further defines ‘Market participants’ as “willing buyers and willing sellers in the principal (or most advantageous) market for the asset or liability that have all the following characteristics:

- ❖ they are independent of each other, that is, they are not related parties as defined under applicable accounting framework and set of reporting/ accounting standards therein, although the price in a related party transaction may be used as an input to a fair value measurement if the entity has evidence that the transaction was entered into at market term
- ❖ they are knowledgeable, having a reasonable understanding about the asset or liability and the transaction using all available information, including information that might be obtained through due care that is usual and customary
- ❖ they are able to enter into a transaction for the asset or liability; and
- ❖ they are willing to enter into a transaction for the asset or liability, i.e., they are motivated but not forced or otherwise compelled to do so.”

Base & Premise for Valuation

a. As per ICAI Valuation Standards 102, Valuation base means the indication of the type of value being used in an engagement. Different valuation bases may lead to different conclusions of value. Therefore, it is important for the valuer to identify the bases of value pertinent to the engagement. This Standard defines the following valuation bases: Fair value, Participant specific value and Liquidation value.

b. As the Company is on going concern basis, RV has decided to choose Fair Value as base of valuation. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.

c. Premise of Value refers to the conditions and circumstances how an asset is deployed. This valuation is performed on the premise that the Company will continue to operate as a going concern. IVS 102 defines ‘going concern value’ as “the value of a business enterprise that is expected to continue to operate in the future.”

BACKGROUND OF THE COMPANY

Markolines Infra Limited is a public company incorporated on 18 February 2005. It is classified as Non-Government Company and is registered at Registrar of Companies, Mumbai .The Company's Corporate Identification Number (CIN) is U45209MH2005PLC151429, and its registration number is 151429. MIL registered office address is 502-A WING SHREE NAND DHAMSEC-11 C B D BELAPUR, NAVI MUMBAI, Maharashtra, India, 400614.

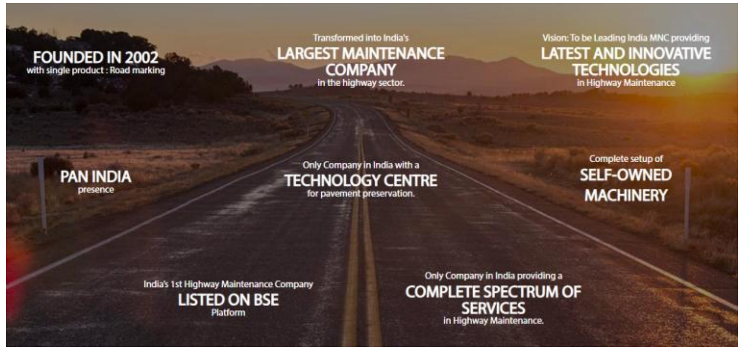
A Screenshot of company's updated details as per Ministry of Corporate Affairs (MCA) portal is given below:

Company Information

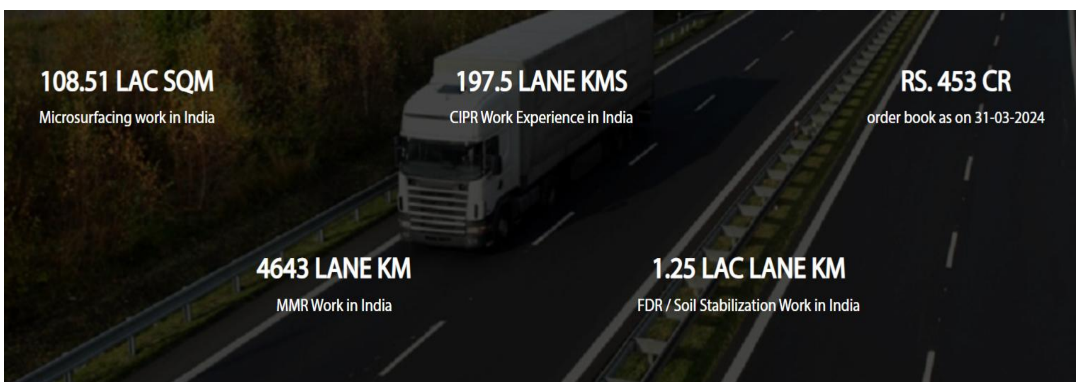
CIN	U45209MH2005PLC151429
Company Name	MARKOLINES INFRA LIMITED
ROC Name	ROC Mumbai
Registration Number	151429
Date of Incorporation	18/02/2005
Email Id	cs.mil@markolines.com
Registered Address	502-A WING SHREE NAND DHAMSEC-11 C B D BELAPUR, NAVI MUMBAI, Maharashtra, India, 400614
Address at which the books of account are to be maintained	-
Listed in Stock Exchange(s) (Y/N)	No
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)	23,00,00,000
Paid up Capital (Rs)	14,20,00,300
Date of last AGM	04/09/2024
Date of Balance Sheet	31/03/2024
Company Status	Active

Company Business Review

- Markolines endeavours to enhance its potential of innovation, quality and speed to be the most trusted and reliable Highway Maintenance company.



- MIL aspire to serve people across the world by expanding boundaries of possibilities and delivering efficient solutions for infrastructure needs, staying focused on sustainability and safety at all times.
- MIL apply superior Highway Maintenance services to manage high-quality infrastructure through highly skilled resources and innovative technology.
- Markolines strives to be at the prime position for Highway Maintenance Service through cutting edge technology and execution excellence.
- MIL pledge to uphold the values of honesty, transparency and integrity at every step of our journey towards a better future.
- MIL are paving the path towards unlimited possibilities to develop into an Indian MNC to deliver high-quality solutions for managing and operating infrastructure assets.



Existing Capital Structure

- The authorized equity share capital of the company as on 31 March 2025 is INR 23,00,00,000/- divided into 2,30,00,000 equity shares of face value of INR 10/- each.
- Issued, subscribed and fully paid-up equity share capital as on 31 March 2025 is INR 14,20,00,300/- divided into 1,42,00,030 equity shares of face value of INR 10/- each.

Ownership Structure

The details of shareholder holdings as at the report date is set out below:

NAME OF SHAREHOLDER	NO OF SHARES	% HOLDING

Management Structure

The Management structure of MIL as at the report date is set out below:

NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
Sanjay Bhanudas Patil	00229052	18/02/2005
Ramveer Singh	10635892	01/07/2024
Mahender Singh	10753539	30/08/2024
Anjali Vikas Sapkal	02136528	13/08/2024
Akash Manohar Phatak	09288697	13/08/2024
Sharifuddin Shamshuddin Momin	10729613	13/08/2024

APPOINTMENT & IDENTITY OF VALUER

Appointing Authority

As per Section 247 of The Companies Act, 2013 in absence of the Audit Committee, the Board of Directors of MIL appointed SUMIT DHADDA (Registered Valuer) for valuation of Equity Shares.

Appointment date, Valuation date and Report date

The Board of Directors appointed SUMIT DHADDA on 08 April 2025 . The analysis of the fair value of the equity share of the Company has been carried out on the valuation date i.e., 31 March 2025. The valuation report is issued on 18 April 2025 .

Identity of the Valuer

Sumit Dhadda is a Registered Valuer as required under The Companies (Registered Valuers & Valuation) Rules, 2017. He is registered with Insolvency & Bankruptcy Board of India vide registration number IBBI/RV/14/2018/10160 in Securities or Financial Asset class. His Permanent Account Number is AGXPD1172D. Sumit Dhadda is a practicing Chartered Accountant having ICAI membership number 402763. He is partner in DLS & Associates LLP, Chartered Accountants.

Intended Users of the Report

This Valuation Report is confidential and has been prepared exclusively for MIL . It should not be circulated or reproduced to any other person for any purpose other than as mentioned above, without the prior consent of the valuer. This Valuation report should not be construed as investment advice, specifically we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.

SOURCES OF INFORMATION

Our expression of the opinion on the fair value of the Company is supported by all procedures that we deem to be relevant. We have obtained sufficient information in accordance with IVS 201- 'Scope of Work, Analyses and Evaluation', and relied on the data, facts, information, documents, and explanations as authenticated, and provided to us by the Management. The scope of this valuation included a review of the Company's historical financial statements, other financial and non-financial data.

We have fully relied on the information provided by the company and do not vouch for the accuracy of the information as is provided to us by the management of MIL . Our opinion was based on the information listed below:

A. Company specific information:

- Brief background about the business of the Company
- Consolidated Audited Financial Statements of the Company for the year ended 31 March 2024
- Provisional Financial Statements of the Company for the year ended 31 March 2025
- Financial projections of the company for 4 years ending 31 March 2029
- Fair value of the investments as on 31 March 2025
- Estimated capital expenditure during the Projected Period
- Discussions and correspondence with the Management in connection with business operations, past industry and company trends, proposed future business plans and prospects both for company & industry, realizability of assets, business drivers & risks etc.

B. Industry and Economic information:

- Information available in public domain and databases such as Capitaline, National Stock Exchange, Bombay Stock Exchange etc. Such other information and documents as provided by the Management
- We have also considered/ obtained such other analysis, review, explanations and information considered reasonably necessary for our exercise, from the Client or other public available sources. Supporting data, copies of source documents and other pertinent information supporting our opinion of value are maintained in our files.

PROCEDURES ADOPTED IN VALUATION

1. **Process Flow** : Receipt of proposal for valuation includes

- ❖ 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, and records
- ❖ Receipt of information, documents as per the checklist
- ❖ Cross verification of data with concerned officials of the company for clarifications/explanations.
- ❖ Determining valuations approach, techniques, and methods in compliance with applicable standards
- ❖ Valuation synthesis & revisiting the assumptions and decision made
- ❖ Report preparation and its validation.

2. **Limitation of Verification**

❖ Our valuation report and analysis are subject to the assumptions and limiting conditions as mentioned in **Annexure B** of the report.

❖ The relevant information for the purpose of this valuation has been provided by the Management. We do not make any presentations or warranty, express or implied, regarding the achievability/accuracy of the forecasts and accuracy/completeness of such other information as provided by the Management.

❖ As part of our evaluation process, we have evaluated the reasonableness of the projections prepared by the Management and had detailed round of discussions with the management to understand the basis and assumptions for the preparation of the projections.

❖ The future projections have been benchmarked with the historical performance of the Company and current industry dynamics.

❖ The relevant information and support documents provided by the Management in relation to the projections have not been independently verified by us with any third party or any other sources and are believed to be true and reliable. The information contained herein is based on the analysis of information known or knowable as of the valuation date.

❖ Unless stated otherwise, industry and market data used in this report have been obtained from market research, publicly available information and industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability is not assured. Industry data used in this report has not been independently verified. The information included in the Report about other listed and unlisted companies is based on their respective annual reports and their respective publicly available information.

❖ In no event shall we be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or willful default on the part of the Company, their management, employees or agents. In no circumstances shall the liability of registered valuer relating to services provide in connection with the engagement set out in this report exceed the amount paid to us in respect of the fees charged for those services.

VALUATION APPROACHES

In order to value the Company, we considered three approaches to valuation, as provided under the 'IVS 103-Valuation Approaches and Methods': the market approach, the income approach and the asset approach.

We have reviewed and analyzed several methods and their results to determine which methods would generate the most reasonable opinion of value of the Company's operations as on the Valuation Date. After careful consideration of each method's underlying assumptions and variables that were utilized, we concluded that the Income Approach, assessing with the DCF method which would provide the most appropriate indication of the fair value of the Company. A description of these methods and the methods considered but not used are included within this report.

Both internal and external factors, which influence the value of the Company have been reviewed, analyzed, and interpreted. Internal factors included financial position and results of operations of the Company. External factors included, among other things, the status of the economy and the position of the Company relative to the industry.

Income Approach

The income approach provides an estimate of the present value of the monetary benefits expected to flow to the owners of the business. It requires the projection of the cash flows that the business is expected to generate. These cash flows are then converted to their present value by means of discounting, using a rate of return that accounts for the time value of money and the appropriate degree of risk in the investment. The value of the business is the sum of the discounted cash flows.

Market Approach

The market approach considers actual arm's-length transactions for which the market value of investments alternative to the subject company can be observed. The value of a company or an ownership interest in the company can be estimated by developing relevant multiples for the comparative companies that relate value to underlying revenue, earnings, or cash flow variable, and then applying these multiples to the comparable underlying revenue, earnings, or cash flow variable for the subject company. The value multiples can be derived from guideline public company and guideline transactions of the publicly traded company or private companies.

Cost (Asset-Based) Approach

The value under cost approach is determined based on the underlying value of assets which could be on book value basis , replacement cost basis or on the basis of realizable value. Under NAV method, the total value of the business is based either on net asset value or realizable value or replacement cost basis. NAV methodology is most applicable for the business where the value lies in the underlying assets. The net asset value method is an asset-based approach to valuation where the value of the business is based on the difference between the fair market value of the assets and liabilities of the business.

VALUATION METHODOLOGIES

The valuation methodology to be adopted varies from case to case depending upon different factors affecting valuation. Different methodologies are adopted for the valuation of manufacturing, investment, consultancy and trading companies.

Though there are no thumb rules for valuation, the method to be adopted has to be appropriate to the particular purpose for which valuation is being done as well as the attendant circumstances of each case. For example, a manufacturing company is generally valued on the combination of asset value and the earning potential of the business. An investment company is valued based on the fair market value of underlying assets.

However, the value is specific to the point in time and may change with the passage of time. The value is derived in the context of an existing environment that includes economic conditions, state of industry/market and state of business activities of companies being valued etc. as on the appointed date of valuation. The basis of valuation would depend upon the purpose of valuation, the type of business, the prospects and other attendant circumstances.

Method of Valuation

There are several commonly used and accepted methods for determining the value of business/shares of the company, which would be applied to the present case, to the extent relevant and applicable, such as:

- Value based on Market multiples of Comparable listed companies (CCM)
- Value based on the Discounted cash flow (DCF) method
- Net Asset value or Breakup value based on the value of the assets and liabilities (NAV)

Market Approach -Comparable Company Multiples Method (CCM)

Under the CCM Method, the value of shares/ business of a company is determined based on market multiples of publicly traded comparable companies, that is, valuation based on multiples benchmark to the multiples of similar assets in the industry. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

This method involves reviewing valuation multiples for companies that are in the same or similar line of business as the company being valued and then applying the relevant valuation multiples to the subject company to determine its value. The theory behind this approach is that valuation measures of similar companies, as manifested through stock market valuations of listed comparable companies, should represent a good proxy for the specific company being valued. Depending on the source of data available and the underlying company being valued, a variety of valuation measures might be used including Enterprise Value (EV) to Sales, EV to EBITDA, Price to Earnings, etc.

Income Approach - DCF Method

The DCF method values the asset by discounting the cash flows expected to be generated by asset over its life using an appropriate discount rate to arrive at the present value and the perpetuity value (or terminal value) in case of assets with an indefinite life. The DCF method is one of the most common methods for valuing various assets such as shares, businesses, real estate projects, debt instruments, etc. The important inputs for the DCF method are Cash flows, Discount rate and Terminal value.

1. Cash flows

The following are the cash flows which are used for the projections:

(a) Free Cash Flows to Firm (FCFF): FCFF refers to cash flows that are available to all the providers of capital, i.e., equity & preference shareholders and lenders. Therefore, cash flows required to service lenders and preference shareholders such as interest, dividend, repayment of principal amount and even additional fund-raising are not considered in the calculation of FCFF.

(b) Free Cash Flows to Equity (FCFE): FCFE refers to cash flows available to equity shareholders and therefore, cash flows after interest, dividend to preference shareholders, principal repayment and additional funds raised from lenders/preference shareholders are considered.

2. Discount Rate

Discount Rate is the return expected by a market participant from a particular investment and shall reflect not only the time value of money but also the risk inherent in the asset being valued as well as the risk inherent in achieving the future cash flows. In discounting,

- FCFF : the appropriate discount rate is the weighted average cost of capital, which results in the enterprise value of the Company.
- FCFE : the appropriate discount rate is the cost of equity, which results in the equity value of the Company.

3. Terminal value

It represents the present value at the end of explicit forecast period of all subsequent cash flows to the end of the life of the asset or into perpetuity if the asset has an indefinite life. The different methods for estimating the terminal value are

a. Gordon (Constant) Growth Model
b. Variable Growth Model
c. Exit Multiple

Asset Approach - Net Asset Value Method (NAV)

The net asset value method is an asset-based approach to valuation where the value of the business is based on the difference between the fair market value of the assets and liabilities of the business. This method is a sound method for estimating the value of a non-operating business, such as real estate company, or a business that is continuing to generate losses, or which is expected to be liquidated. Net Asset Value Method is also considered appropriate, where the future cash flows / commercial operations of the valued company cannot be reasonably ascertained.

VALUATION WORKING

Valuation of the Company via the Discounted Cash Flow Method ('DCF')

The above three approaches are the internationally accepted valuation approaches and used globally for valuations. After considering all the approaches, we have decided to use DCF method for the purposes of valuation of shares, considering it to be the most rationale method.

The Discounted Cash Flow method is an income-based approach that is based on the concept that the estimated value of a business is the present value of its discretely projected future cash flows, plus the present value of the company's terminal value. This method is suitable in situations where future cash flows are expected to change from year-to-year, and where such year-to-year changes are reasonably predictable. This is an appropriate method to value the Company due to the projected growth in.

We have been provided with the projected financial statement of the company for 4 years ending 31 March 2029 by the management, which we have considered for our analysis. These include projected income statement and projected balance sheet. Accordingly, the projected free cash flows to Firm (''FCFF") based on these financial statements is as set out in **Annexure A**.

Determination of Discounting Factor

An important element of valuation using DCF is the selection of discount rate that reflects the expected rate of return (adjusted for risks associated with the investment) to prospective investors in similar investment opportunities. The Weighted Average Cost of Capital ("WACC"), which reflects the opportunity cost to providers of capital, weighted by their relative contribution to the total capital of the company, is used as the best indicator of the relevant discount rate. The WACC is defined as the weighted combination of the Cost of Equity Capital and the Cost of Debt Capital.

Determination of WACC

As discussed above, WACC is defined as the weighted combination of the Cost of Equity Capital and the Cost of Debt Capital.

WACC = Ke*E/ (D+E) + Kd*D/ (D+E) where,

Ke = Cost of equity

Kd = Cost of debt

D= Debt Funds

E= Equity Shareholders Funds

Accordingly, the key variables of the WACC are explained below:

Determination of Cost of Equity

For the estimation of the cost of equity, the Capital Asset Pricing Model ("CAPM") is applied. According to the CAPM, cost of equity consists of a risk-free interest rate and risk premium. The risk premium is calculated by multiplying the market risk premium by the beta-factor, an entity specific measure of the systematic risk of an equity investment in an entity.

Cost of Equity = Rf + (Rm – Rf)*ß + CSRP

Rf	: Risk free rate of return
Rm	: Return on diversified market portfolio
Rm - Rf	: Market risk premium
ß	: Systematic risk factor associated with the industry i.e., Beta.
CSRP	: Company Specific Risk Premium

Equity risk premium

This premium is estimated based on consideration of realized returns over a risk-free rate as represented by 10-year government bonds and equity risk premium estimates. We have considered the CAGR of Sensex from 31 March 2005 till 31 March 2025 to calculate market return which works out to be 13.03% and accordingly the equity risk premium has been arrived at 6.45%.

Determination of Risk-Free Rate and Market Risk Premium

Rf has been taken at 6.58% being yield to maturity ('YTM') on long-term risk-free central government securities based on yield of 10-Year Indian Government Bond as on date of valuation. Basis the above, Rm - Rf (Market risk premium) has been calculated at 6.45% for the company.

Determination of Beta

Beta is a measure of volatility, or systematic risk of the return on a particular security to the return on a market portfolio. It is understandable that the Company is engaged in the business activities of Highway Maintenance, so we have considered beta of sector, which are comparable to the Company in terms of nature of services, products & business model. Accordingly, having regard to the comparable companies' data available as per Prof Ashwath Damodaran website and generally accepted valuation principles, we have considered the Beta of 0.64 for MIL.

Company Specific Risk Premium (CSRP)

The CSRP is the risk premium associated with the level of unsystematic risk inherent in a particular private company. It is a subjective adjustment made by the valuation analyst based on the knowledge and understanding gathered about the company during the valuation process. Ke has been considered after adding company specific risk premium of 3.00%. The additional risk premium added to the cost of equity on account of following:

- Uncertainty in achieving expected levels of growth
- Ability to penetrate into an existing market with dominant players
- Competitive business environment

Accordingly, Cost of Equity has been computed as follows:

PARTICULARS	ABBREVIATION	DATA	SOURCES/REMARKS
Sensex Return	RM	13.03%	Based on Sensex History
Riskfree Rate	RF	6.58%	Based on Government bonds
Risk Premium	RM-RF	6.45%	Sensex return minus risk free rate
Beta	ß	0.64	Based on comparable company data as per Prof Ashwath Damodaran
Cost of equity	Ke	10.73%	Risk free rate + (beta * (market return - risk free rate))
Company Specific Risk Premium	CSRP	3.00%	Based on operational and business specific risk factors and macro economic uncertainity
ADJUSTED COST OF EQUITY	**KE**	**13.73%**	

Based on the above parameters, the cost of equity has been calculated at **13.73%**. Ke as determined above is taken into account to determine the free cash flows arising to the company from the explicit forecast period.

Determination of Average cost of debt funds

The cost of debt is the minimum rate of return that a lender expects on his investment after tax adjustment as the interest paid on debt is tax-deductible expenses. It is calculated as per formula as given below:

Kd = Interest Rate (1- Tax Rate)

It is the minimum rate of return that a lender expects on his investment and is generally equal to the coupon rate of interest. In the case of MIL pre-tax cost of debt has been assumed to be is **9%** as per management assumption.

Based on the financial projections and our discussions with the management, I understand that MIL will use debt funds in its capital structure; and post-tax average cost of debt funds for MIL is approx. **6.73%** The same has been considered for the purposes of valuation.

Determination of Weighted Average Cost of Capital

WACC = Ke*E/ (D+E) + Kd*D/ (D+E)

D= Debt Funds

E= Equity Shareholders Funds

Particulars	Cost	Weight	Weighted Cost
Equity	13.73%	70.00%	9.61%
Debt	6.73%	30.00%	2.02%
Total		**100%**	**11.63%**

Based on the above parameters, the weighted average cost of capital has been calculated at **11.63%**. Ke being 9.61% as determined above and Kd i.e. Cost of Debt being 2.02% is adjusted cost of debt after tax shield (tax rate = 25.168%) is taken into account to determine the free cash flows arising to the company from the explicit forecast period.

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 investment required for the business as well as the estimated growth rate of the industry and economy.

- For the terminal period we have assumed a terminal growth rate of 3% for the company beyond the projection period after considering company performance, operating outlook, industry wide scenario and overall economy outlook and discussions with the management of the company.
- EBITDA margins for last year of the explicit forecast period (FY 2029) is assumed to be sustainable over perpetuity and accordingly the same operating performance adjusted with terminal period growth rate has been considered for the terminal period.
- Tax rate for the terminal period is assumed at marginal tax rate of 25.168% .

Illiquidity Discount

Illiquid refers to the state of a stock, bond, or other assets that cannot easily and readily be sold or exchanged for cash without a substantial loss in value. Illiquid assets may be hard to sell quickly because there is low trading activity or being unquoted/unlisted, indicated by a lack of ready and willing investors or speculators to purchase or sell the asset. As a result, illiquid assets tend to have lower value than liquid assets.

After the explicit value is determined, we have considered illiquidity discount of 10% on a reasonable basis that unlisted share price has to be discounted as compared to listed shares.

CONCLUSION

In light of the above and based on our study and analytical review procedures, and subject to the limitations expressed within this report, the fair value of MIL , as per DCF method, has been determined at **INR 565/**- per equity share.
Please refer Annexure A for detailed calculations.

The Board of Directors of MIL may consider issuing Equity Share of face value of **INR 10/-** at a premium of **INR 555/-** per equity Share as it is considered fair value in accordance with this valuation report.
This report has been issued on specific request of the Company and should be used only for regulatory compliance purpose only. The values so arrived at are subject to the matters enumerated in 'Scope of Work, Caveats, Limitations and Disclaimers and information provided to us and should be viewed in the light thereof.

SUMIT DHADDA
Registered Valuer- SFA
IBBI Reg. No.: IBBI/RV/14/2018/10160
UDIN:
Date: 18 April 2025
Place: Jaipur

ANNEXURE A – DCF WORKINGS (1/2)

Discounted Cash Flow Valuation of MIL as per DCF method of Income Approach :

ANNEXURE A – DCF WORKINGS (2/2)

Fair valuation of MIL as per DCF method of Income Approach :

ANNEXURE B- CAVEATS, LIMITATIONS AND DISCLAIMERS

This report is subject to the following assumptions and limiting conditions

❖ Restrictions on use of Valuation Report

a) This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose.

b) Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter.

c) This restriction does not preclude the client from providing a copy of the report to third party advisors whose review would be consistent with the intended use.

d) I do not take any responsibility for the unauthorized use of this report.

❖ Responsibility of RV

a) I owe responsibility only to the authority that has appointed me under the terms of the engagement letter.

b) 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.

c) In no event I shall be liable for any loss, damage, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or wilful default on part of the client or companies , their directors, employees or agents.

❖ Accuracy of Information

a) While our work has involved an analysis of financial information and accounting records , our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records.

b) Accordingly, I express no audit opinion or any other form of assurance on this information.

❖ No Responsibility to the Actual Price of the subject asset if sold or transferred/ exchanged

a) The actual market price achieved may be higher or lower than our estimate of value (or range of value) depending upon the circumstances of the transaction (eg: the competitive bidding environment), the nature of the business (eg : the purchaser’s perception of potential synergies.

b) The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved.

c) Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place.

❖ Achievability of the forecast results

a) I do not provide assurance on the achievability of the results forecast by the management / owners as events and circumstances don’t occur as expected, difference between actual and expected results may be material.
b) 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.

❖ Post Valuation Date Events

a) 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 later variations in value due to factors that are unforeseen at the valuation date.
b) Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.

❖ Range of Value Estimate

a) The valuation of companies and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement .
b) Although every scientific method has been employed in systematically arriving at the value , there is no indisputable single value and the estimate of the value is normally expressed as falling within a likely range.

❖ No procedure performed to corroborate information taken from reliable external sources

a) We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable .
b) 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.
c) 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.

❖ Compliance with relevant laws

a) The report assumes that the company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner.
b) Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us

❖ Reliance on the representation of the owners/ clients , their management and other third parties

a) The client/ owner and its management/ representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge.
b) 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- vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report.
c) I 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, employee or agents
d) 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.

❖ Multiple factors affecting the Valuation Report

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

❖ Future services including but not limited to Testimony or attendance in courts/ tribunals/ authorities for the opinion of value in the Valuation Report

a) I/We are fully aware that based on the opinion of value expressed in this report, I/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.
b) 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 tendering evidence before such authority shall be under the applicable laws.