

**Valuation Report of Shares of  
Kisan Mouldings Limited**

**CIN - L17120MH1989PLC054305**

**Valuation Date: February 13, 2024**

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## **COMPANY OVERVIEW**

Kisan Mouldings Limited ("Company") is an entity incorporated on November 20, 1989 under Ministry of Corporate Affairs (MCA). The Registered office of the Company is Tex Centre K Wing 3rd Floor 26-A Chandivili Road Near HDFC Bank Andheri E, Mumbai, Maharashtra, India, 400072.

The Company is a BSE (Bombay Stock Exchange) Listed Public Limited Entity having Authorised Share Capital of Rs. 350,000,000 and Paid-up Share Capital of Rs. 338,630,650. The Current Status of the Company as per MCA Records is - Active.

Following are the Directors of the Company:

Sr. No.	Name of Directors	DIN
1	Rishav Sanjeev Aggarwal	05155607
2	Sanjeev Amarnath Aggarwal	00064076
3	Sunil Agarwal	10068195
4	Muktesh Kumar Jain	03340682
5	Bhavika Yash Ghuntla	10084723

The Company is one of India's largest plastics companies having maximum processing capacity of 90,000 metric tonnes of polymer. It manufactures widest and cost-effective range of PVC products. It has shaped its niche in the field of pipes and fittings for Water Management, Irrigation, Water Distribution and Sewage Disposal Systems. The Company has been manufacturing and marketing its products under the brand names 'Kisan' & 'KML Classic' and is known for its commitment to quality and service.



## **VALUATION OF SHARES**

### **1. Scope and Background for Valuation**

We have been appointed by the Company on February 13, 2024 to estimate the fair value of shares of the Company as on February 13, 2024. Accordingly, the Company only is the intended user of this report. The purpose of valuation is to comply with the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for further issue of shares through preferential allotment.

### **2. Disclosure of Interest**

The valuer is a registered individual valuer and does not have any sort of interest in the company. Further, the valuer is not having any type of conflicts with any party, related to the above securities.

### **3. Disclaimers and Limitations**

- i. This report has been prepared solely for limited purpose as mentioned above and should not be relied upon for any other purpose and without appreciation of the limitations under which the valuation has been carried out. We do not assume any responsibility or liability to any third party to whom the report is disclosed or otherwise made available. Consequently, users are cautioned that this valuation Report may not be appropriate for the purposes other than as described above.



- ii. The valuation may be based on the company's unaudited records and future projections prepared by the management.
- iii. The valuer does not give any representation or warranty (express or implied) in relation to the accuracy, reasonableness and/or completeness of the information contained in this document. No responsibility or liability is accepted for any direct, indirect or consequential loss or damage suffered by any person arising there from and the same is expressly disclaimed.
- iv. As per the management, there is no contingent or any other liability which has arisen either as on or after the date of valuation which are likely to affect materially the state of the balances of accounts as on that date.
- v. For the purpose of this assignment we have relied upon and accepted the information and representations made available to us by the management of the Company and our conclusions are dependent on such information being complete and accurate in all material aspects.
- vi. Although we have ensured the appropriateness of the estimates and assumptions, we were neither required nor have we independently verified, or carried out a due diligence of the management's information and future projections (wherever applicable) submitted to us for the purpose of this valuation. Valuation is based on estimates of future financial performance or opinions that represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price





will be offered or accepted. Actual results achieved during the period covered will vary from these estimates and these variations may be material. We express no opinion as to how closely the actual results will correspond to the results projected.

- vii. In furnishing this report, we reserve the right to amend or replace the report at any time. Our engagement will be governed by and construed in accordance with Laws of India. All disputes hereunder will be subject to final & binding arbitration in New Delhi, India in accordance with Arbitration & Conciliation Act, 1996 as amended.
- viii. The Company or user of this report has verified the factual accuracy of the contents of the report. In case of any discrepancy, the same must be brought to the notice of undersigned within 5 days of issuance of this report.

#### **4. Bases, Premise, Approach and Method of Valuation**

##### **Bases of Valuation**

Fair Value of shares of the Company.

##### **Valuation Premise**

The valuation has been conducted on the premise of Going Concern Value.

Going concern value

It is the value of a business enterprise that is expected to continue to operate in the future.

The intangible elements of Going Concern Value result from factors such as having a



trained work force, an operational plant, the necessary licenses, marketing systems, and procedures in place etc.

Valuation by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions. There can therefore be no standard formulae to establish an indisputable value, although certain formulae are helpful in assessing reasonableness.

The Fair Value of shares has been computed by considering compliance with the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

### **Definition of Fair Value**

Valuation Standards 2018 issued by The Institute of Chartered Accountants of India defines Fair Value as:

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. Fair value is the price in an orderly transaction in the principal (or most advantageous) market at the valuation date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value is usually synonymous to market value except in certain circumstances where characteristics of an asset translate into a special asset value for the party(ies) involved.



### **Price**

Fair value assumes that the price is negotiated in a free market (which may be domestic or international). Fair value reflects characteristics of an asset which are available to market participants in general and do not consider advantages/ disadvantages which are available/applicable only to particular participant(s).

The price in the principal (or most advantageous) market used to measure the fair value of the asset shall not be adjusted for transaction costs. To this end, a market in which the volume and level of activities is high, or one in which the realisation from an asset is maximum, is considered.

### **Orderly transaction**

Orderly transaction is 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 a forced transaction. The length of exposure time will vary according to the type of asset and market conditions.

### **Market participants**

Market participants are willing buyers and willing sellers in the principal (or most advantageous) market for the asset or liability that have all of the following characteristics:

(a) 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 terms;



(b) 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;

(c) they are able to enter into a transaction for the asset or liability; and

(d) 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.

### **Valuation Approaches**

#### **Market Approach**

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

The following are some of the instances where a valuer applies the market approach:

(a) where the asset to be valued or a comparable or identical asset is traded in the active market;

(b) there is a recent, orderly transaction in the asset to be valued; or

(c) there are recent comparable orderly transactions in identical or comparable asset(s) and information for the same is available and reliable.

#### **Cost Approach**

Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).



In certain situations, historical cost of the asset may be considered by the valuer where it has been prescribed by the applicable regulations/law/guidelines or is appropriate considering the nature of the asset.

Examples of situations where a valuer applies the cost approach are:

- (a) an asset can be quickly recreated with substantially the same utility as the asset to be valued;
- (b) in case where liquidation value is to be determined; or
- (c) income approach and/or market approach cannot be used

The following are the two most commonly used valuation methods under the Cost approach:

- (a) Replacement Cost Method; and
- (b) Reproduction Cost Method.

### **Income Approach**

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

This approach involves discounting future amounts (cash flows/income/cost savings) to a single present value. The following are some of the instances where a valuer applies the income approach:

- (a) where the asset does not have any market comparable or comparable transaction;
- (b) where the asset has fewer relevant market comparable; or



(c) where the asset is an income producing asset for which the future cash flows are available and can reasonably be projected.

Some of the common valuation methods under income approach are as follows:

- (a) Discounted Cash Flow (DCF) Method;
- (b) Relief from Royalty (RFR) Method;
- (c) Multi-Period Excess Earnings Method (MEEM);
- (d) With and Without Method (WWM);
- (e) Comparable Companies Multiple Method and;
- (f) Option pricing models such as Black-Scholes-Merton formula or binomial (lattice) model.

A valuer can make use of one or more of the processes or methods available for each approach. The appropriateness of a valuation approach for determining the value of an asset would depend on valuation bases and premises. In addition, some of the key factors that a valuer shall consider while determining the appropriateness of a specific valuation approach and method are:

- (a) nature of asset to be valued;
- (b) availability of adequate inputs or information and its reliability;
- (c) strengths and weakness of each valuation approach and method; and
- (d) valuation approach/method considered by market participants.

### **Method Adopted**

The Company being a listed company, we have considered the valuation regulations applicable to preferential issue of Equity Shares as defined in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the





requirements of the Articles of Association of the Company and the provisions of the Companies (Share Capital and Debentures) Rules, 2014 (as amended).

SEBI Regulations for requirement of Valuation:

**Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, As amended**

The relevant regulations are reproduced as under:

***Regulation 164 (1) - Pricing of frequently traded shares***

*If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:*

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

*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.*

***Regulation 166A(1) - Other conditions for pricing***

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



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

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

Accordingly Fair Value of Equity Shares has been determined as **higher** of the following:

- 1) Value as per Regulation 164 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- 2) Value as determined by independent registered valuer which shall be the Weighted average of Net Asset Method (Cost Approach) and Comparable Companies Multiple Method (Income Approach). Discounted Cash Flow Method has not been used considering future cash flow projections were not available and could not be reliably estimated.

Compliance with International Valuation Standards and Valuation Standards issued by The Institute of Chartered Accountants of India has been ensured while preparing this report.

## **5. Source of Information**

For the purpose of valuation, we have relied on the following information made available to us by the management:

- i. Financial Statements as on March 31, 2023;



- ii. Data as made available for public by Ministry of Company Affairs (MCA) through its website;
- iii. Data as made available for public by Bombay Stock Exchange (BSE) through its website;
- iv. Other relevant details regarding the Companies such as their history, their promoters, past and present activities, other relevant information and data including information in the public domain;
- v. Such other information and explanations as we required and which have been provided by the management.

## **6. Valuation of Shares**

### **As per Regulation 164 of SEBI, ICDR**

- i) the 90 trading days volume weighted average price of the equity shares quoted on BSE preceding the valuation date i.e. Rs. 15.60 (Refer Annexure 1)
- ii) the 10 trading days volume weighted average price of the equity shares quoted on BSE preceding the valuation date i.e. Rs. 17.82 (Refer Annexure 1)

**Accordingly, Value of the equity share as per Regulation 164 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as on valuation date has been considered as Rs. 17.82 per equity share.**

### **Value as determined by independent registered valuer**

**Net Asset Value Method** - We have considered the latest available provisional balance sheet of the Company as on 30 September 2023 and have computed net worth per equity shares of the Company. Our calculations are given below:



*Kisan Mouldings Limited*  
*Valuation of Shares as on February 13, 2024*

Particulars	Amount (Rs. In Lakhs)
<b>Non Current Assets</b>	<b>14,217.39</b>
Property, Plant & Equipments	9,912.84
Capital Work in Progress	13.69
Intangible Assets	1.16
Financial Assets	96.14
Non Current Tax Assets (Net)	234.70
Deferred Tax Assets (Net)	3,818.61
Other Non Current Assets	140.25
<b>Current Assets</b>	<b>14,476.98</b>
Inventories	6,298.06
Trade Receivable	5,661.18
Cash and Cash equivalents	98.11
Other Bank Balances	152.07
Loans	51.79
Other Financial Assets	596.18
Other Current Assets	337.73
Assets Classified As Held for Sale	1,281.86
<b>Total Book Value of Assets (A)</b>	<b>28,694.37</b>
<b>Non Current Liabilities</b>	<b>639.68</b>
Long Term Borrowings	244.67
Long Term Provisions	322.92
Other Financial Liabilities	72.09
<b>Current Liabilities</b>	<b>35,896.97</b>
Short Term Borrowings	19,869.68
Trade and Other Payables	5,533.82
Other Financial Liabilities	5,837.65
Other Current Liabilities	1,158.22
Short Term Provisions	3,497.60
<b>Total Book Value of External Liabilities (B)</b>	<b>36,536.65</b>
<b>Net Asset Value (A-B)</b>	<b>(7,842.28)</b>
<b>Number of Equity Shares Outstanding (No. in Lakhs)</b>	<b>338.63</b>
<b>Equity Value Per Share (In Rs.)</b>	<b>(23.16)</b>

Since Fair Value per share cannot be negative in a "Limited" company, we have considered the value per equity share under Net Asset Method (Cost Approach) to be NIL.



Comparable Companies Multiple Method - Under this approach, we have computed fair value per equity share using EV to EBITDA Multiple. The EV to EBITDA multiple has been considered based on average of multiples of following leading peer companies that are listed on BSE Limited:

Leading Companies	EV to EBITDA
Supreme Industries Limited	25.35
Astral Limited	42.56
Finolex Industries Ltd	26.66
Jain Irrigation Systems Ltd	9.07
Prince Pipes & Fittings Ltd	22.89
<b>Average EV to EBITDA Ratio</b>	<b>25.31</b>

Source – [www.moneycontrol.com](http://www.moneycontrol.com)

Computation of fair value using EV to EBITDA multiple:

S.no.	Particulars	Unit	Value
1	EBITDA for the year ended 31 Mar 2023	Rs. in Lakhs	-1,906.52
2	EV to EBITDA multiple	X	25.31
3	<b>Enterprise Value (1) * (2)</b>	<b>Rs. in Lakhs</b>	<b>(48,246.40)</b>
4	Less: Debt	Rs. in Lakhs	(20,114.35)
5	Add: Cash and Cash Equivalents	Rs. in Lakhs	250.18
6	<b>Net Equity Value (3) - (4) + (5)</b>	<b>Rs. in Lakhs</b>	<b>(68,110.57)</b>
7	No. of Equity Shares	Lakhs	338.63
	<b>Value per Equity Share (6) / (7) Rs.</b>		<b>(201.14)</b>

Since EBITDA is negative during the year ended 31 March 2023, value per equity share is also negative. Further, EBITDA and PBT is negative even for the period ended 31 December 2023. Since Fair Value per share cannot be negative in a “Limited” company, value of the equity share using Income Approach as on valuation date has been considered as **NIL**.





**Weighted Average Value of Shares:**

Valuation Method	Approach	Value	Weight	Value * Weight
Net Asset Method	Cost Approach	-	0.50	-
Comparable Companies Multiple Method	Income Approach	-	0.50	-
Value per Share as determined by independent registered valuer				-

Therefore, Value per share as determined by independent registered valuer (Weighted average of Cost Approach and Income Approach) has been considered as NIL.

## 7. Value Conclusion

Valuation Method	Value	
Value as per Regulation 164 of SEBI, ICDR	A	17.82
Value as determined by independent registered valuer	B	-
<b>Higher of A and B</b>		<b>17.82</b>

To the best of our knowledge and understanding, and relying upon the information and assumptions as mentioned above the value per equity share of the Company works out to be Rs. 17.82 (Rupees Seventeen and paise Eighty Two only) per equity share as on February 13, 2024.



Ankush Garg  
Independent Registered Valuer  
Securities or Financial Assets  
IBBI Reg. No.: IBBI/RV/02/2018/10010  
VRN: IOV/2023-2024/6052  
UDIN: 24514204BKASLB8506  
Date: February 13, 2024  
Place: New Delhi



**Annexure 1****Volume Weighted Average Price for 90 Trading Days**

Day No.	Date	WAP	No. of Shares	Total Turnover
1	12-Feb-24	22.77	69,355	1,579,213
2	09-Feb-24	21.69	128,245	2,781,634
3	08-Feb-24	20.66	39,072	807,227
4	07-Feb-24	19.68	74,126	1,458,799
5	06-Feb-24	18.75	195,700	3,669,375
6	05-Feb-24	17.86	61,913	1,105,766
7	02-Feb-24	17.01	123,872	2,107,062
8	01-Feb-24	16.12	479,154	7,724,962
9	31-Jan-24	15.43	21,794	336,281
10	30-Jan-24	14.69	98,675	1,449,631
11	29-Jan-24	14.11	104,736	1,477,472
12	25-Jan-24	13.98	28,905	404,195
13	24-Jan-24	14.03	30,523	428,202
14	23-Jan-24	13.95	12,415	173,201
15	20-Jan-24	14.06	23,081	324,533
16	19-Jan-24	13.93	8,718	121,447
17	18-Jan-24	13.90	31,158	433,040
18	17-Jan-24	13.92	32,575	453,541
19	16-Jan-24	14.00	31,700	443,915
20	15-Jan-24	14.38	141,888	2,041,004
21	12-Jan-24	14.52	55,087	799,965
22	11-Jan-24	14.03	20,138	282,462
23	10-Jan-24	14.16	29,326	415,343
24	09-Jan-24	14.21	77,963	1,108,094
25	08-Jan-24	13.82	22,204	306,830
26	05-Jan-24	13.40	69,629	932,701
27	04-Jan-24	12.95	73,641	953,815
28	03-Jan-24	13.27	23,519	312,147
29	02-Jan-24	13.79	20,967	289,205
30	01-Jan-24	13.54	33,123	448,485
31	29-Dec-23	12.89	14,254	183,668
32	28-Dec-23	12.86	85,637	1,100,963
33	27-Dec-23	13.19	17,526	231,091
34	26-Dec-23	13.17	5,734	75,500
35	22-Dec-23	13.24	9,813	129,887
36	21-Dec-23	13.05	21,018	274,213
37	20-Dec-23	13.26	32,371	429,233



*Kisan Mouldings Limited**Valuation of Shares as on February 13, 2024*

38	19-Dec-23	13.16	8,568	112,736
39	18-Dec-23	13.24	29,665	392,804
40	15-Dec-23	13.25	21,896	290,151
41	14-Dec-23	13.33	5,519	73,558
42	13-Dec-23	13.48	30,779	414,946
43	12-Dec-23	13.41	25,459	341,295
44	11-Dec-23	13.15	13,928	183,157
45	08-Dec-23	13.36	8,972	119,869
46	07-Dec-23	13.67	17,648	241,217
47	06-Dec-23	13.37	31,338	418,850
48	05-Dec-23	13.63	8,329	113,524
49	04-Dec-23	13.84	2,587	35,800
50	01-Dec-23	13.71	11,096	152,162
51	30-Nov-23	13.75	22,303	306,658
52	29-Nov-23	14.00	8,128	113,792
53	28-Nov-23	13.81	37,267	514,657
54	24-Nov-23	14.12	31,671	447,348
55	23-Nov-23	14.39	54,737	787,481
56	22-Nov-23	14.65	28,492	417,407
57	21-Nov-23	14.18	120,052	1,702,547
58	20-Nov-23	14.70	66,058	970,846
59	17-Nov-23	15.14	160,692	2,433,505
60	16-Nov-23	14.44	27,496	397,042
61	15-Nov-23	13.76	14,474	199,162
62	13-Nov-23	13.11	20,025	262,527
63	12-Nov-23	12.34	1,452	17,924
64	10-Nov-23	11.90	8,771	104,374
65	09-Nov-23	12.14	8,806	106,904
66	08-Nov-23	12.38	20,951	259,373
67	07-Nov-23	12.63	6,695	84,557
68	06-Nov-23	12.88	5,994	77,202
69	03-Nov-23	13.14	17,539	230,462
70	02-Nov-23	13.40	7,653	102,550
71	01-Nov-23	13.67	4,826	65,975
72	31-Oct-23	13.94	17,451	243,266
73	30-Oct-23	14.22	44,363	630,927
74	27-Oct-23	14.37	60,796	873,827
75	26-Oct-23	14.50	246	3,567
76	25-Oct-23	14.79	29,641	438,390
77	23-Oct-23	15.09	13,665	206,204
78	20-Oct-23	15.39	118,365	1,821,637
79	19-Oct-23	15.70	6,945	109,036
80	18-Oct-23	16.02	14,668	234,981



*Kisan Mouldings Limited**Valuation of Shares as on February 13, 2024*

81	17-Oct-23	15.86	179,574	2,847,597
82	16-Oct-23	16.09	7,002	112,662
83	13-Oct-23	16.41	10,759	176,555
84	12-Oct-23	16.74	8,111	135,778
85	11-Oct-23	17.08	7,495	128,014
86	10-Oct-23	17.42	16,329	284,451
87	09-Oct-23	17.77	84,860	1,507,962
88	06-Oct-23	18.13	22,928	415,684
89	05-Oct-23	17.78	102,418	1,820,992
90	04-Oct-23	17.44	38,874	677,962
<b>Total</b>			<b>4,023,911</b>	<b>62,755,956</b>

Volume Weighted Average Price for 90 Trading Days	
Traded Turnover	62,755,956
No. of shares traded	4,023,911
Volume Weighted average price for 90 trading days	15.60

**Volume Weighted Average Price for 10 Trading Days**

Day No.	Date	WAP	No. of Shares	Total Turnover
1	12-Feb-24	22.77	69,355	1,579,213
2	09-Feb-24	21.69	128,245	2,781,634
3	08-Feb-24	20.66	39,072	807,227
4	07-Feb-24	19.68	74,126	1,458,799
5	06-Feb-24	18.75	195,700	3,669,375
6	05-Feb-24	17.86	61,913	1,105,766
7	02-Feb-24	17.01	123,872	2,107,062
8	01-Feb-24	16.12	479,154	7,724,962
9	31-Jan-24	15.43	21,794	336,281
10	30-Jan-24	14.69	98,675	1,449,631
<b>Total</b>			<b>1,291,906</b>	<b>23,019,950</b>

Volume Weighted Average Price for 10 Trading Days	
Traded Turnover	23,019,950
No. of shares traded	1,291,906
Volume Weighted average price for 10 trading days	17.82

