



AJAYKUMAR SUKHADIYA

B.Com, FCA, CS, DISA, Registered Valuer (F&A)

Ref: 04/2024-25

May 03, 2024

To,
Board of Directors,
Sunita Tools Limited
Survey No. 66, Plot No. A, Valiv,
Sativali Road, Vasai East, Palghar,
Thane - 401 208.

Dear Sir,

Sub.: Report on Fair Value of Equity Shares for the purpose of Preferential Allotment of Equity Shares & Warrants in terms of SEBI (ICDR) Regulation, 2018

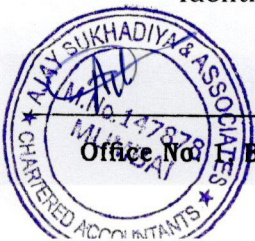
I have performed a valuation engagement in respect of "Sunita Tools Limited" (referred hereinafter as "STL" or "the Company") as on relevant date i.e. April 29, 2024. This valuation was performed on fair value base solely for the purpose of preferential allotment of equity shares & warrants in terms of Regulation 164 and 166A of SEBI (ICDR) Regulation, 2018.

The resulting estimate of value should not be used for any purpose or by any other party for any purpose other than the one identified above. I have estimated the fair value per equity share of the Company to be INR 215.87/- per share, however the minimum floor price as per of Regulation 164 of SEBI (ICDR) Regulation, 2018 is INR 324.97/- per share.

This conclusion is subject to the Statement of Assumptions and Limiting Conditions found in the later part of this report. A detailed working of the valuation can be found in later part of this report. I have no obligation to update this report or my conclusion of value for information that comes to my attention after the date of this report.

A. Background information of the asset being Valued

The Company was incorporated as Sunita Tools Private Limited on January 12, 1988 under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration number 045850. The status of the Company was changed to public limited and the name of our Company was changed to Sunita Tools Limited and a fresh certificate of incorporation consequent to conversion was issued on April 28, 2023 by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U29220MH1988PLC045850.





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The Company has been in the Engineering and Mould base Industry since over three decades providing one of its kind customized solutions to various industries with a vision to fulfill tomorrow's requirements today. Its products are a pre-requisite and act as food to the Manufacturing industries be it Automotive, Pharmaceutical, Electronics, Consumer Goods and most of the Manufacturing Sectors. Its products are mould base and machining parts which are industrial capital goods which undergoes stringent quality tests to meet industry standards before they are delivered to their clients. The details of Board of Directors of the Company are given below:

Sr. No.	Name of the Directors	Designation
1	Sanjay Kumar Pandey	Chairman & Whole Time Director
2	Satish Kumar Pandey	Managing Director
3	Ragini Pandey	Whole Time Director
4	Uma Pandey	Non-Executive Non-Independent Director
5	Nikhil Malpani	Non-Executive Independent Director
6	Diksha Maheshwari	Non-Executive Independent Director

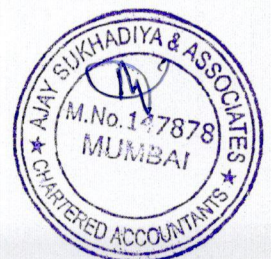
B. Purpose of the Valuation and appointing authority

I have been informed by the management that the company is in the process of preferential allotment of Equity Shares and Fully Convertible Warrants (into Equity Shares). Thus, a valuation report for the same is required under the Companies Act, 2013 read with rules made thereunder and Regulation 164 read with Regulation 166A of the Securities and Exchange Board of India (ICDR) Regulations, 2018.

The Audit Committee of STL has appointed Ajay Kumar Sukhadiya, Registered Valuer – Securities or Financial Assets ('Valuer', 'I', 'my' or 'me') to provide a valuation report for the fair value of Equity Shares of STL for the purpose referred above.

C. Identity of the Independent Registered Valuer

Name of the Valuer RV Ajay Kumar Sukhadiya
IBBI Registration Number IBBI/RV/06/2020/12814
ICAI RVO Reg. No. ICAIRVO/06/RV-P00327/2019-20
Address Office No. 03, 2nd Floor, Rajendra Park CHS Ltd., Station
Raod, Goregaon (W), Mumbai – 400 062.
Contact Email of RV ajaysukhadiya@yahoo.co.in





AJAYKUMAR SUKHADIYA

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D. Use of work of Expert

I have not used the work of any other experts in the valuation assignment.

E. Disclosure of Valuer's Interest or Conflict, if any

I hereby confirm and explicitly declare that I am Independent Registered Valuer and do not have any interest, direct or indirect, in the underlying securities being valued.

F. Date of appointment, valuation date and date of the valuation report

Date of appointment	April 29, 2024
Relevant date	April 29, 2024
Date of valuation report	May 03, 2024

G. Inspections and/or investigations undertaken

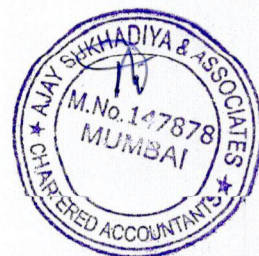
I have not carried out any inspection or independent verification of the information provided. I have relied on the publicly available information and other financial and non-financial information made available to me as well as the representations made to me in the course of this engagement.

H. Nature and sources of the information used or relied upon

In the course of my valuation analysis, I have relied on various financial and non-financial information obtained from the company and from various public, financial and industry sources. I have relied that all information provided by the company has been duly approved by the concerned authority to which it pertains to. My conclusion of value is dependent on such information being complete and accurate in all material respects. The principal sources of Information used in the course of my valuation include, inter alia:

1. Company specific information

- Brief history, present activities and business profile etc.;
- Memorandum of Association and Article of Association;
- Discussions with and other information provided by the company;
- Historical financial information provided by the company;
- List of directors of the Company as at Valuation Date;
- IPO Prospectus dated September 20, 2023
- Unaudited Financial Statement for the half year ended on September 30, 2023 and unaudited Financial Statement for the quarter ended on December 31, 2023.





AJAYKUMAR SUKHADIYA

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2. Publicly available information

Publicly available information and secondary information including information on websites like <https://www.bseindia.com>.

I have not independently verified the accuracy or timelines of the same and it is important to note that I have relied upon the information provided to me and referred to above. I have not endeavored to seek an independent confirmation of its reliability, accuracy or completeness beyond what is reasonably necessary and prudent in the circumstances. I have not performed any form of audit or verification of the information that I have relied upon. Accordingly, the Valuer accepts no responsibility for any errors in the information on which the valuation conclusions are based.

I. Procedures adopted in carrying out valuation and valuation standards followed

My analysis of value of the company, STL is based on the International Valuation Standards and the prescriptions laid down in Companies (Registered Valuer's and Valuation) Rules, 2017 as well as the requirements of the Securities and Exchange Board of India (ICDR) Regulation, 2018.

Some of the key procedures in carrying out the valuation engagement are:

- a. Understanding the nature and purpose of the transaction.
- b. Selection of the valuation approach and the corresponding valuation methodology. The standard valuation approaches and methodologies are as below:
 - 1) Asset Approach
 - 2) Income Approach
 - 3) Market Approach
- c. Performing the valuation engagement and arriving at the valuation conclusion

J. Valuation Methodology & Valuations

This valuation report is prepared on a fair value base. 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.

Amongst the valuation methodologies identified in the valuation standards, I have considered the "Net Asset Value" method under Asset Approach, Profit Earning Capacity Value (PECV) method under Income Approach and "Share Market Price" method under the Market Approach as the most appropriate methodology for the purpose of valuing the company.





AJAYKUMAR SUKHADIYA

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1) Asset Approach – Net Asset Value Method (NAV)

The asset-based value analysis technique is based on the value of the underlying net assets of the business, either on a book value basis, realizable value basis or replacement cost basis. This value analysis approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominates earnings capability. It is also used where the main strength of the business is its asset backing rather than its capacity or potential to earn profits.

Book value is considered important in terms of valuation because it represents a fair and accurate picture of a company's worth. The book value of equity share based on latest un-audited Balance Sheet i.e as on September 30, 2023 as available on the Stock Exchange platform along with considering the fresh shares allotment of 13.20.000 sharers via IPO on October 06, 2023 and the profit for the quarter ended December 31, 2023 is **INR 45.11/- per share** given as under:

Particular	Amount (In INR Lakhs)	
		Unaudited Financial
Paid up Capital		430.50
Reserves & Surplus		52.28
Networth as on Sep 30, 2023*		482.78
Fresh Capital Raised (Inc Premium) via IPO**		1,914.00
Profit for Oct-Dec 2023 ***		140.91
Total Networth as on Dec 31, 2023		2,537.69
No. of Equity Shares (In Lakhs)		56.25
Fair Value per Equity Shares (In INR)		45.11

* Based on un-audited Financial for Half Year ended Sep 30, 2023 as available on BSE portal.

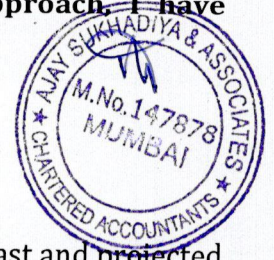
** Based on Prospectus dated September 20, 2023

*** Based on un-audited Financial for Quarter ended Dec 31, 2023 as available on BSE portal.

For the purpose of calculation of Fair Market Value via Asset Approach, I have considered the highest value from the above i.e INR 45.11/- per share.

2) Income Approach – Profit Earning Capacity Value (PECV)

This method of valuation presumes the continuity of business and uses the past and projected earnings to arrive at an estimate of future maintainable profits. For the purpose of the Profit Earning Capacity Value (PECV) of the shares, the commonly accepted approach is to capitalize average earnings, past and projected at an appropriate rate of capitalization, to arrive at a fair





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B.Com, FCA, CS, DISA, Registered Valuer (IBBI)

value per share. In the calculation of PECV, provision for taxation at the current statutory rate is normally considered because the crux of estimate the PECV lies in the assessment of the future maintainable profits of the business. It should not be overlooked that the valuation is for the future and that it is the future maintainable streams of earnings that is of greater significance in the process of valuation. The valuation working under Profit Earning Capacity Value (PECV) is given below:

Particulars	FY 2021-22*	FY 2022-23*	9 Months period ended Dec 31 2023**	Average
EPS (In INR)	2.06	8.59	7.14	5.93
The average industry P/E for the sector in which the Company Operates (Miscellaneous) Source: Capital Market, Volume XXXIX/25, Apr 29 - May 12, 2024				32.40
Fair Value per Equity Shares (In INR)				192.16

* Based on Prospectus dated September 20, 2023

** Based on un-audited financial for nine months period ended Dec 31, 2023 as available on BSE portal (not annualized)

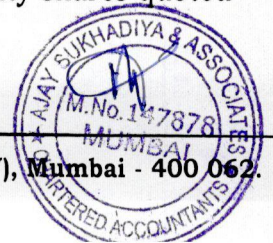
For the purpose of calculation of Fair Market Value via Income Approach, I have considered the value of INR 192.16/- per share.

3) Market Approach - Share Market Price

Under the Share Market Price method, a Valuer considers the traded price observed over a reasonable period while valuing assets which are traded in the active market. For this purpose, one considers the market where the trading volume of asset is the highest when such asset is traded in more than one active market. The valuation standards also prescribe that the Valuer should use average price of the asset over a reasonable period and use a weighted average or volume weighted average to reduce the impact of volatility or any one-time event in the asset. It is also important to note that as a listed company, pricing of the company for the purpose of preferential allotment of Equity Shares and Convertible Warrants is governed by the Pricing Regulations under Securities and Exchange Board of India (ICDR) Regulations, 2018.

In terms of Regulation 164 of SEBI (ICDR) Regulation, 2018, the price of the equity shares / warrants 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.





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As per information provided to me by the Company, the EGM is proposed to be happen on May 29, 2024. As per Regulation 161 of the ICDR Regulations, the "Relevant Date" for determination of the floor price of the Shares / Warrants to be issued in terms hereof, shall be the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue and where the relevant date falls on a weekend or a holiday, the day preceding the weekend or the holiday will be reckoned to be the relevant date. Accordingly, April 29, 2024 is considered as the Relevant Date.

As per Regulation 164(5) of the ICDR Regulations, the "Frequently traded shares" means the shares of the issuer, in which the traded turnover on any recognised 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. Accordingly, the shares of the Issuer Company in the case are considered as frequently traded shares.

The equity shares of STL are listed only on BSE Limited & hence for the purpose of Regulation 164 of SEBI (ICDR) Regulation, we have considered BSE Limited, as the recognized stock exchange. We have therefore considered the prices up-to a day prior to the relevant date i.e., price up-to April 26, 2024, to ensure that the price of STL shares being considered are not less than the minimum price arrived under the formula prescribed under the Regulation. The floor price of equity shares pursuant to preferential issue in terms of Regulation 164 of SEBI (ICDR) Regulation, 2018 is as hereunder:

PRICING OF EQUITY SHARES TO BE ISSUED ON PREFERENTIAL BASIS AS PER REGULATION 164 AND 166A OF SEBI (ICDR) REGULATION, 2018				
	Particular	Total No. of Traded Shares	Total Traded Value	Volume Weighted Average Price
A	90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date	25,33,000	66,49,70,450	262.52
B	10 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date	2,06,000	6,69,44,800	324.97
Minimum Price of Equity Shares (Higher of A and B above)				324.97

For the purpose of calculation of Fair Market Value via Market Approach, I have considered the value of INR 324.97/- per share.





AJAYKUMAR SUKHADIYA

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K. Valuation Methodology as per Article of Association of the Company:

The Company has provided me with the AOA of the company and on review of the same I have ascertained that the Articles of Association of the company does not specify any particular method to be followed for valuation in case of a preferential issue of equity share / warrants.

L. Conclusion

The current valuation has been carried out based on the discussed valuation methodologies explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, key underlying assumptions and limitations were given due consideration. I had given the equal weightage to Asset Approach as well as Income Approach whereas I had given the double weightage to the Market Approach, as this approach is the most recognized & acceptable approaches around the globe. Based on the valuation exercise carried out by me in terms of the methodology identified above, the relative value per share shall be the weightage fair value per share, as given below:

Particulars	Price per share (INR)	Weightage	Total
Asset Approach – Net Asset Value Method	45.11	1.00	45.11
Income Approach – Profit Earning Capacity Value	192.16	2.00	384.31
Market Approach – Share Market Price	324.97	2.00	649.95
<i>Total</i>		<i>5.00</i>	<i>1,079.37</i>
Fair Value per Equity Share (In INR)			215.87/-

On the above basis of the foregoing, the relative fair value of equity shares of Sunita Tools Limited is arrived at **INR 215.87/- per share**.

M. Restrictions on use of the valuation report, if any

This valuation report is meant for use for the limited purpose of issue of Equity Shares / Warrants on preferential basis as on the valuation date or on a date close to the valuation date. It should not be used for any other purpose and by any other persons. Further, the valuation report is based on the available financial information from the company and publicly available sources which I believe to be accurate. I accept no responsibility for any errors in the information on which the valuation conclusions are based.





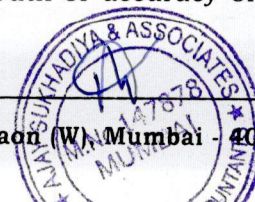
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N. Caveats, limitation and disclaimers to the extent they explain or elucidate the limitations faced by Valuer

My report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

1. This report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. The Company is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. The Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared.
2. In the course of the valuation, I was provided with both written and verbal information. I have however, evaluated the information provided to me by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. My conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company.
3. The valuation report is tempered by the exercise of judicious discretion by the RV, taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.
4. While my work has involved an analysis of financial information and accounting records, my engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, I express no audit opinion or any other form of assurance on this information.
5. I do not provide assurance on the achievability of the results forecast by the management as events and circumstances do not occur as expected; differences between actual and expected results may be material. 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.
6. The client and its management/representatives warranted to me that the information they supplied was complete, accurate and true and correct to the best of their knowledge. I have relied upon the representations of the owners/clients, their management and other third parties concerning the financial data except as specifically stated to the contrary in the report. I shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the companies, their directors, employee or agents.
7. I have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, I assume no liability for the truth or accuracy of any





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data, opinions or estimates furnished by others that have been used in this analysis. Where I 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.

8. 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. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.
9. I owe responsibility to only to the authority/client that has appointed me under the terms of the engagement letter. 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. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the client or companies, their directors, employees or agents.
10. The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the company will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to me.
11. I am independent of the client/company and have no current or expected interest in the Company or its assets. The fee paid for my services in no way influenced the results of my analysis.
12. My report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared.

Date: May 03, 2024

Place: Mumbai



Ajay Kumar Sukhadiya

CP No.: RV-P00327/2019-20

IBBI R. No.: IBBI/RV/06/2020/12814

UDIN: 24147878BKEYLD8475