

VALUATION REPORT
on
Fair value of Vougue Decor

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Valuation Analysis

We refer to our Engagement Letter dated 26th June 2024 confirming our appointment as independent valuers of the business of **Vougue Décor** (the “Partnership Firm”). The said appointment was made jointly by both the Parties being **Vougue Decor (Seller) and Gloirio Décor Private Limited (Purchasers)**. In the following paragraphs, we have summarized our valuation Analysis (the “Analysis”) of the business of the firm as informed by the partners of the Seller and detailed herein, together with the description of the methodologies used and limitation on our scope of work.

1 Context and Purpose

Based on discussion with the partners of Vougue Decor, we understand that the Firm’s Partners are evaluating the possibility of **Fair Value of the business of Partnership Firm**. In the context of these proposed transactions, the partner requires our assistance in determining the **Fair value of the business of the Firm** being **Vougue Decor**.

Proposed Transaction:

During the financial year 2024-25, partners of **Vougue Decor**, are considering transfer business of the firm as slump sale to identified Purchaser being **Gloirio Décor Priave Limited**. In this context, the partners of **Vougue Decor** has requested us to estimate the fair value of the partnership firm. - “Proposed Transaction” of **Vougue Decor**.

2 Conditions and major assumptions

Conditions:

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

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

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



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

Assumptions:

The opinion of value given in this report is based on information provided in part by the partners of the partnership firm and other sources as listed in the report. This information is assumed to be accurate and complete.

We have relied upon the representations contained in the public and other documents in our possession and any other assets or liabilities except as specifically stated to the contrary in this report.

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

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

We have been informed by the partners that there are no environmental or toxic contamination problems. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.



3 Background of the Partnership Firm

Vougue Decor was formed on May 16, 2018 having its registered office at 701, S.S.House, Nehru Road, Vile Parle East Mumbai 400057, Maharashtra, India. The partnership firm is into the business of trader, wholesaler, importer and distributor of interior wall cladding, interior decorative panels, its ancillary and related activities.

Further data of the Partnership Firm is as under:

Partnership Firm Name	Vougue Decor
Date of Incorporation	16 th May, 2018
Email Id	<u>prakashsrita@yahoo.com</u>
Registered Address	701, S. S. House, Plot No. 437, Nehru Road, Vile Parle (East), Mumbai - 400057, Maharashtra, India.
No of Partners	02

Details of Partners:

Name	Designation
PRATIK GUNVANTRAJ SINGHVI	Partner
PRAKASH SURESH RITA	Partner

4 Valuation Date

The Analysis of the Fair Value of the business of Vougue Decor has been carried out as on **30th June, 2024**.

5 Valuation Standards

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

6 Valuation Methodology and approach

Valuation methodology

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

In the instant case, we have considered Net Asset Value Method prescribed for Income Tax Purpose.

*We have conducted the valuation in accordance with the Net Asset Value method based on the Audited Financial statement of the partnership firm as on **30th June, 2024**.*

In relation to partnership firm, the balance-sheet of such partnership (including the notes annexed thereto and forming part of the accounts) as drawn up on the valuation date which has been audited by the auditor of the partnership firm appointed under the laws relating to income tax in force. As Audited financials as on valuation date was available as on 30th June, 2024. Accordingly, We have considered Audited Financial as on 30/06/2024.



Relevant date: Relevant date of valuation is considered as 30th June, 2024 being the date of Business Transfer.

Our choice of methodology and valuation has been arrived using usual and conventional methodologies adopted for purposes of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of similar nature.

Keeping in mind the context and purpose of the Report, we have used the Net Asset method to value business of the partnership firm.

Net Assets Method (Refer Annexure 1)

7 Source of Information

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

- Audited Financials as on 31st March 2024 of Vougue Decor.
- Audited Financials as on 30th June, 2024 of Vougue Decor
- Discussions with the Partners of Vougue Decor
- Background of the entire transaction
- Business Transfer Agreement

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

8 Caveats

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

Our review of the affairs of the partnership firm and their books and account does not constitute an audit in accordance with Auditing Standards. We have relied on explanations and information provided by the Partners of the partnership firm and accepted the information provided to us as accurate and complete in all respects. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided. Nothing has come to our attention to indicate that the information provided had material misstatements or would not afford reasonable grounds upon which to base the Report.

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

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

The Valuation Analysis contained herein represents the value only on the date that is specifically Stated in this Report. This Report is issued on the understanding that the Partners of the partnership



firm has drawn our attention to all matters of which they are aware, which have an impact on our Report up to the date of signature. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

We have no present or planned future interest in the partnership firm and the fee for this Report is not contingent upon the values reported herein.

Our Valuation analysis should not be construed as investment advice; specifically, we do not express any opinion on the Suitability or otherwise of entering into any transaction with the partnership firm.

9 Distribution of Report

The Analysis is confidential and this report has been prepared for **Vougue Decor and Gloirio Décor Private Limited**. Both the Parties can use, reproduce or circulate to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of valuer.



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10 Opinion on Fair Value of Partnership Firm

Based on our valuation exercise Fair Value of the partnership firm as on 30th June, 2024 is as under:

Method	Value	Weight	Product
NAV Method	35,21,56,123	100%	35,21,56,123
			35,21,56,123
Say, Fair Market Value of the partnership firm			35,21,56,123

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

Yours faithfully

Rajesh Mundra
25/08/2024



Rajesh Mundra
Chartered Accountants

M No: 132837

Registered Valuer - Securities or Financial Assets

(Registration No: IBBI/RV/02/2019/11738)

UDIN: 24132837BKGXVC5616

Date: 25th August, 2024

Place: Mumbai

11 Annexure 1

Net Assets Value

Calculation of Net Assets Value of the partnership firm in accordance the Income-Tax Act, 1961

Partnership Firm: Vougue Decor

Financials as on: 30.06.2024

Particulars	Note	INR
Book value of the assets in the Balance Sheet as on the valuation date	A	74,90,37,371
Less:		
Book value of liabilities in the Balance Sheet as on the valuation date		
(i) Unsecured Loan		37,42,42,696
(ii) Sundry Creditors		2,04,91,488
(iii) Taxes Payable		10,67,336
(iv) Provision for Expenses		10,79,728
Total	B	39,68,81,248
Net Asset Value	C=A-B	35,21,56,123
Say, FMV of the Firm		35,21,56,123

