

GAURAV JAIN

IBBI REGISTERED VALUER (SFA)

Regn No. IBBI/RV/06/2021/13914

Ref: RV GAURAV JAIN

IBBI R. No.: IBBI/RV/06/2021/13914

August 16, 2023

To,

Board of Directors,

Prime Fresh Limited

102, Sanskar – 2, Polytechnic Road,
Near Ketav Petrol Pump, Ambawadi,
Ahmedabad – 380 015.

Dear Sir,

Subject – Report on the Fair Value of equity shares of Prime Fresh Limited (“Company” or “PFL”) for preferential allotment of securities of the Company in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”).

We have been asked by the Company to ascertain the fair value of the equity shares of the Company having a face value of Rs. 10/- each and the same has been arrived at as per regulation of SEBI ICDR Regulations as the shares frequently traded as on the date of this letter and taking into consideration book value (Net Asset Value), comparable trading multiple and such other parameters as are customary for valuation of shares of the Company.

Hence, this report is being provided solely for the captioned purpose only, based on the information as deemed necessary by us and provided by the Company.

Based on our analysis, as described in this valuation report, the estimate of value of Prime Fresh Limited as of August 14, 2023, was **Rs. 220.5 per share** for equity shares.

A detailed working of the valuation can be found in **Annexures** of this report. We have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of this report.



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A. Background information of the asset being Valued

Prime Fresh Limited (CIN: L51109GJ2007PLC050404), incorporated on March 30, 2007, operates as an integrated Agri value chain enterprise in India, specializing in the post-harvest management of perishable food items, particularly fruits and vegetables. Formerly known as Prime Customer Services Ltd., it transitioned to Prime Fresh Ltd. (PFL) and is a prominent player in the organized fruits and vegetable supply chain. PFL is listed on the BSE SME IPO platform. The company operates through two distinct models: service provision and establishing fruit and vegetable chains.

PFL has established an extensive network encompassing farmers, aggregators, cold storage, pack houses, transportation services, and other supply chain partners across India. This network includes over 100,000 farmers, 75+ Agriculture Markets, and 2400+ Trade Partners. PFL holds several certifications including ISO 9000, ISO 22000, GLOBAL G.A.P, SMETA, SEDEX, HACCP, BRC, FSSAI, APEDA, and AGMARK, highlighting its commitment to quality and standards.

In the service segment, PFL offers efficient warehousing and manpower services to corporate entities, aiding them in maintaining business standards and speed. The company operates a packhouse and storage unit in Ahmedabad for storing various fruits, vegetables, and processed materials.

B. Purpose of the valuation and appointing authority

We are given to understand that the Company intends to issue equity shares on a preferential basis to meet its funding requirement. In this regard, PFL has engaged us to carry out a valuation of equity shares of the Company as per requirements of Sub-regulation 1 of regulation 166A r.w. Sub-Regulation 1 of Regulation 164 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation, 2018, on the relevant date being August 14, 2023.

C. Identity of the Registered Valuer

Name of the Valuer	RV Gaurav Jain
IBBI Registration Number	IBBI/RV/06/2021/13914

D. Use of work of Expert

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

E. Disclosure of valuer's interest or conflict, if any

We hereby confirm and explicitly declare that we are independent valuers and do not have any interest, direct or indirect, in the underlying securities being valued.

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

Date of appointment	August 07, 2023
Valuation date	August 14, 2023
Date of valuation report	August 16, 2023

G. Inspections and / or investigations undertaken

We have not carried out any inspection or independent verification of the information provided. We have relied on the publicly available information, the board approved audited financial statements, and other financial and non-financial information made available to us as well as the representations made to us in the course of this engagement.

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

In the course of our valuation analysis, we have relied on various financial and non-financial information obtained from the company and from various public, financial and industry sources. We have relied on all information provided by the Company which has been duly approved by the concerned authority to which it pertains to. Our 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 our valuation include, inter alia:

1. Company specific information

- Brief history, present activities and business profile etc.;
- Memorandum of Association and Article of Association;
- Audited financial statements for the year ended FY2020-21, FY2021-22, FY2022-23;
- Written representations made by the Company in course of the valuation exercise;
- Trading history data of equity shares of PFL for the one year from relevant date;
- Other related information from various sources;

2. Publicly available information

External databases subscribed to the valuer.

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

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I. Valuation Methods / Parameters adopted

1. Net Asset Value (NAV)
2. Price Earning Capacity Value (PECV)
3. Market Value (As per SEBI Regulations)

1. Net Asset Value (NAV)

The Net Asset Value method represents the value with reference to historical cost of assets owned by the company and the attached liabilities on particular date. Net assets will be calculated starting from the total assets of the company and deducting there from all debts, borrowing and liabilities, including current and likely contingent liability and preference capital if any. In other words, it should represent the true net worth of business after providing for all outside present and potential liabilities. In the case of companies, the net assets value calculated from the assets side of the balance sheet in the above manner will be crossed checked with equity share capital plus free reserves and surplus, less likely contingent liabilities.

Refer **Annexures** for the detailed working of Net Asset Value.

2. Price Earning Capacity Value (PECV)

The PECV method focuses on the post income generated by the Company as well as the future earning capability of the business enterprise. The PECV method requires the determination parameters, which are relevant to the Company whose shares are being valued. These are (i) the 'future maintainable profits', (ii) the 'appropriate income tax rate' and (iii) the 'expected rate of return'. The value is determined by capitalizing the future maintainable profits (net of tax) by the expected rate of return.

The crux of estimating the profit-earning capacity value lies in the assessment of the future maintainable earnings of the business. While the past trends in profits and profitability would serve as a guide, it should not be overlooked that valuation is for the future and that is the future maintainable stream of earnings that is of greater signification in the process of valuation. All relevant factors that have a bearing on the future maintainable earnings of the business must, therefore, be given due consideration.

Refer **Annexures** for the detailed working of PECV method.

3. Market Value

The equity shares of the Company are listed on the BSE SME platform of BSE Limited (BSE) for a period of more than 90 trading days as on the relevant date i.e., Monday, August 14, 2023, and are frequently traded in accordance with SEBI ICDR Regulations.

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The price computed above is in consonance with Regulation 166A of Securities and Exchange Board of India (ICD) (Amendment) Regulations, 2022 vide Notification No. SEBI/LAD-NRO/GN/2022/63 dated 14th January, 2022, which mandates that preferential issue of equity shares which may result in a change in control or allotment or more than five percent, shall confirm to the pricing provisions of preferential issue specified under Regulation 164 of the ICDR Regulations.

In terms of the applicable provisions of SEBI (ICD) (Amendment) Regulations, 2022, the price at which equity shares shall be allotted shall not be 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.

In this regard the Articles of Association of the Company do not categorically mention the pricing of preferential issue. The Company, hence, needs a fair valuation report on valuation of equity shares of Company for computation of the price for preferential issue of equity shares to the Allotees, in compliance with the provisions of regulation 164(1) of the SEBI ICDR Regulations.

Calculation of Minimum Issue Price as prescribed under Regulation 164 (1) of SEBI (ICDR) Regulation 2018

Frequently Traded Shares: The equity shares as considered as Frequently traded shares under the provisions of Section 164(5) of SEBI (ICDR) Regulations, 2018

- A. The 90 Trading Days Volume Weighted Average Price of the related equity shares quoted on the Recognized Stock Exchange (BSE) preceding the relevant Date: (i.e, from 03-04-2023 to 11-08-2023).

$$\frac{TO1+TO2+.....TO90}{Q1+ Q2+..... Q90} =$$

$$Q1+ Q2+..... Q90 =$$

- B. The 10 Trading Days Volume Weighted Average Price of the related equity shares quoted on the Recognized Stock Exchange (BSE) preceding the relevant Date: (i.e., from 31-07-2023 to 11-08-2023).

$$\frac{TO1+TO2+.....TO10}{Q1+ Q2+..... Q10} =$$

$$Q1+ Q2+..... Q10 =$$

Where, Ton = Total turnover in the scrip on 'nth' trading day

Qn = Number of shares of the scrip traded on 'nth' trading day

Refer **Annexures** for the detailed working of Market Price Method.

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J. Valuation Analysis

In terms of first proviso to the Sub-regulation 1 of regulation 166A r.w Sub-regulation 1 of Regulation 166A and Sub-Regulation 1 of Regulation 164 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and by using the Valuation Parameters, the following is the Valuation Analysis of equity shares of the Company.

Sr No	Valuation Parameters	Value per equity share (in Rupees) (A)	Weights (B)	Weighted (in Rupees) (A) * (B)
1	Net Asset Value (NAV)	24.5	33%	8.1
2	Price Earning Capacity Value (PECV)	39.9	33%	13.2
3	Market Value	220.5	33%	72.8
	Total			94.1

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

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

D. Conclusion

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion and judgment taking into account all the relevant factors. Valuation is an art, not an exact science. There will always be factors which are not evident from the face of the balance sheets, but which strongly influence the value of an asset, and that is where the valuer's judgment plays a part. The determination of value is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual professional judgment. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single fair value. While we have provided our recommendation of fair value based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the fair value of equity shares of the Company. The final responsibility for the determination of the price at which the issue of equity shares shall take place will be with the Company who should take into account other factors such as their own assessment.



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In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined in this report, we conclude as under:

Sr. No	Particulars	Equity value per share (Rs.)
1	Market Price Method based on relevant formula prescribed under Regulation 164 (1) of the SEBI ICDR Regulations	94.1
2	Floor price in terms of first proviso to the sub-regulation 1 of Regulation 166A of the SEBI ICDR Regulations	220.5
	Higher of the above	220.5

In the light of the above and on consideration of all the relevant factors and circumstances as discussed and referred to in this Report, in our opinion, in terms of the Regulations, the equity Value per equity share of Rs. 10 each fully paid up of the Company is **Rs. 220.5 per equity share** on a Fair Value basis as at the Valuation Date of August 14, 2023.

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

The 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 purposes indicated in the engagement letter. The report should not be copied or reproduced without obtaining any prior written approval for any purpose other than the purpose for which it is prepared.
2. In the course of the valuation, we were provided with both written and verbal information. We have, however, evaluated the information provided to us 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. Our 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.



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4. 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. Accordingly, we express no audit opinion or any other form of assurance on this information.
5. We 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. We 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 us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We 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. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on the part of the companies, their directors, employee or agents.
7. We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, 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. 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.
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. We owe responsibility to only to the authority/client that has appointed us under the terms of the engagement letter. We 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 we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on the 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

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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.

11. We are independent of the client/company and have no current or expected interest in the Company or its assets. The fee paid for our services in no way influenced the results of our analysis.
12. Our 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 our prior written approval for any purpose other than the purpose for which it is prepared.

Date: August 16, 2023

Place: Delhi


Gaurav Jain
IBBI-Registered Valuer
Securities and Financial Assets
Reg No: - IBBI/RV/06/2021/13914
UDIN: 23512348BQUQXK9538



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Annexure-A – Net Asset Value Method

Particulars	March 31, 2023
<u>Non-Current Assets</u>	
PPE	7.8
Capital Work in Progress	0.0
Intangible Assets under Development	0.5
Non-Current Investments	5.2
Other Non - Current Assets	4.1
Deferred Tax Assets (Net)	0.2
Total non-current assets	17.8
<u>Current Assets</u>	
Inventories	40.9
Trade receivables	262.4
Cash and Cash Equivalents	28.4
Short term loans and advances	52.7
Other Current Assets	0.1
Total current assets	384.5
<u>Current Liabilities & Provision</u>	
Short-term Borrowings	46.2
Trade Payables	32.4
Other current liabilities	3.5
Other Provisions	12.5
Total current liabilities & provision	94.6
Net Current Assets	289.9
<u>Non - Current Liabilities and Provisions</u>	
Long Term Borrowings	1.0
Non-Current Provisions	-
Total non-current liabilities	1.0
Net Assets value	306.7
No. of shares (Nos.)	1,25,22,948
Book Value per share (INR)	24.5

Note – Based on the discussions with the Management, we have considered the financial statements as of March 31, 2023, for the Net Asset Value calculation purposes since we were not provided with the financial statements as of August 14, 2023



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Annexure-B

Price Earning Capacity Value (PECV) method

Financial Year	Profit After Tax (PAT) [Rs. in millions]
FY21	22.8
FY22	33.4
FY23	51.3
Average profit after tax	35.8
Capitalization Rate (%)	7.17%
PECV (Average Profit After Tax / Capitalization Rate)	499.6
Number of equity shares (Nos.)	1,25,22,948
Equity value per share (Rs.)	39.9



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Annexure-C Calculation of 90 Trading Days

Trading Days	Date	No. of Shares	Turnover (Rs.)				
1	11-Aug-23	4,500	10,05,975	37	12-Jun-23	750	1,65,075
2	10-Aug-23	750	1,67,850	38	09-Jun-23	750	1,74,000
3	09-Aug-23	2,250	5,05,500	39	06-Jun-23	1,500	3,31,200
4	07-Aug-23	10,500	23,53,837	40	05-Jun-23	1,500	3,42,750
5	04-Aug-23	750	1,66,350	41	02-Jun-23	750	1,70,100
6	02-Aug-23	12,750	27,58,087	42	31-May-23	2,250	5,10,375
7	01-Aug-23	21,750	47,65,087	43	26-May-23	750	1,68,750
8	31-Jul-23	8,250	18,38,250	44	25-May-23	5,250	11,87,512
9	28-Jul-23	4,500	10,12,500	45	24-May-23	750	1,63,500
10	27-Jul-23	9,000	20,18,325	46	23-May-23	7,500	16,20,712
11	24-Jul-23	14,250	31,99,200	47	22-May-23	1,500	3,09,412
12	21-Jul-23	24,750	55,27,125	48	19-May-23	21,750	44,75,587
13	20-Jul-23	1,500	3,30,075	49	18-May-23	6,750	13,73,700
14	19-Jul-23	28,500	61,72,687	50	17-May-23	1,500	3,04,275
15	18-Jul-23	3,750	7,90,200	51	16-May-23	8,250	16,84,875
16	17-Jul-23	6,750	14,16,525	52	15-May-23	8,250	16,76,662
17	14-Jul-23	1,500	3,21,412	53	12-May-23	9,750	19,79,737
18	12-Jul-23	2,250	4,77,000	54	11-May-23	8,250	16,81,987
19	11-Jul-23	750	1,63,875	55	10-May-23	4,500	9,22,125
20	10-Jul-23	5,250	11,23,762	56	09-May-23	5,250	10,83,675
21	07-Jul-23	6,750	14,61,675	57	08-May-23	6,000	12,51,000
22	06-Jul-23	4,500	9,82,762	58	05-May-23	10,500	21,86,100
23	05-Jul-23	3,000	6,51,637	59	04-May-23	750	1,60,687
24	04-Jul-23	6,750	14,90,475	60	02-May-23	6,000	12,40,612
25	03-Jul-23	9,000	19,40,250	61	28-Apr-23	750	1,61,250
26	30-Jun-23	14,250	29,81,025	62	26-Apr-23	3,000	6,30,600
27	28-Jun-23	5,250	11,31,600	63	25-Apr-23	750	1,55,550
28	27-Jun-23	750	1,68,712	64	21-Apr-23	11,250	23,26,462
29	23-Jun-23	1,500	3,30,000	65	19-Apr-23	9,750	20,30,025
30	22-Jun-23	3,750	8,11,462	66	18-Apr-23	3,000	6,21,975
31	21-Jun-23	6,750	14,32,462	67	17-Apr-23	1,500	3,10,500
32	20-Jun-23	4,500	9,54,937	68	11-Apr-23	5,250	10,81,500
33	19-Jun-23	4,500	9,43,875	69	10-Apr-23	750	1,56,000
34	16-Jun-23	4,500	9,52,012	70	06-Apr-23	7,500	15,56,287
35	15-Jun-23	11,250	23,24,475	71	05-Apr-23	12,000	25,01,662
36	13-Jun-23	750	1,62,375	72	03-Apr-23	750	1,61,250
				Total		4,29,000	9,16,90,825
				Volume Weighted Average Price per Equity Share (Rs.)			213.73



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Calculation of 10 Trading Days

Trading Days	Date	No. of Shares	Turnover (Rs.)
1	11-Aug-23	4,500	10,05,975
2	10-Aug-23	750	1,67,850
3	09-Aug-23	2,250	5,05,500
4	07-Aug-23	10,500	23,53,837
5	04-Aug-23	750	1,66,350
6	02-Aug-23	12,750	27,58,087
7	01-Aug-23	21,750	47,65,087
8	31-Jul-23	8,250	18,38,250
Total		61,500	1,35,60,936
Volume Weighted Average Price per Equity Share (Rs.)			220.50

Summary of Market Price Method

Particulars	90 Trading Days	10 Trading Days	
Valuation Date	14-Aug-23	14-Aug-23	Higher of both
Cut Off Date	03-Apr-23	31-Jul-23	
Total Turnover (Rs.)	9,16,90,825	1,35,60,936	
Total Volume (No. of Equity Shares)	4,29,000	61,500	
Volume Weighted Average Price per Equity Share (Rs.)	213.73	220.50	220.50

