

**Report to determine the number of shares to be issued by  
Suraj Industries Ltd to discharge the consideration payable  
for the acquisition of shares of Carya Chemicals Fertilizer  
Private Limited**

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**29<sup>th</sup> March 2025**

**Strictly Private & Confidential**



To  
The Board of Directors  
Suraj Industries Ltd  
Plot No 2, Phase - III, Sansarpur Terrace,  
Kangra , Himachal Pradesh, 173212

Ref. No.: CPV/RV/2024-25/036

Sub- Report to determine the number of shares to be issued by Suraj Industries Ltd to discharge the consideration payable for the acquisition of shares of Carya Chemicals Fertilizer Private Limited in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable Laws.

Dear Sir,

We have been appointed as valuers of Suraj Industries Ltd (**here-in-after referred as "SIL"**) to assist in determination of the fair value of Equity Shares of **"SIL"** and **"Carya Chemicals Fertilizer Private Limited"** (**here-in-after referred as "CCFPL"**) in accordance with Regulation 166A read with Regulation 164 of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018, a preferential issue, in which allotment of more than 5% of the post-issue fully diluted share capital of an issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and should be considered for determining the issue price. Accordingly, the Company has approached us to compute a valuation and other applicable Laws.

The Company is listed on the BSE Ltd. (BSE) and frequently traded on BSE.

*"We understand that a transaction is contemplated whereby SIL are contemplating issuing the Equity shares for acquisition of CCFPL for a fixed agreed consideration."*

In this regard to the Proposed Transaction, the management of SIL requires a report to determine the number of shares to be issued by SIL to discharge the consideration payable for the acquisition of shares of CCFPL.

Based on our valuation analysis of the equity shares of **SIL** and **CCFPL** subject to the notes and comments provided herein, we hereby certify that the value per equity share of the Company is **as follows**:

Particulars	Value Per Equity Share (INR)
SIL	74.04/
CCFPL	12.53/

**Based on our analysis SIL can issue ~8,802,197(Number of Equity Shares) for the consideration of CCFPL.**

The above valuation analysis is subject to the notes, comments and caveats provided herein and must be read in entirety.

Thanking you

Date: 29<sup>th</sup> March 2025

Place: New Delhi

For Corporate Professionals Valuation Services Private Limited  
Registered Valuer (IBBI)  
Registration No. IBBI/RV-E/02/2019/106

Authorized Signatory

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## PURPOSE OF VALUATION, SCOPE & LIMITATIONS

### a. PURPOSE OF VALUATION AND APPOINTING AUTHORITY

Based on the discussions held with the Management and Key Managerial Personnel (KMP's) of SIL, "We understand that a transaction is contemplated whereby SIL are contemplating issuing the Equity shares to CCFPL for a fixed agreed consideration. In this regard to the Proposed Transaction, the management of SIL requires to determine the number of shares to be issued by SIL to discharge the consideration payable for the acquisition of shares of CCFPL.

In terms of Regulation 166A read with Regulation 164 of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 ('SEBI (ICDR) Regulations'), a preferential issue, which may result in a change in control or allotment of more than 5% of the post issue fully diluted share capital of an issuer, to the allottee acting in concert, shall, besides the market price, require valuation from an independent registered valuer and should be considered for determining the issue price. Thus, we, being a Registered Valuer, have been engaged as per the engagement letter dated 25<sup>th</sup> March 2025, we are issuing this certificate for compliance with Chapter V of SEBI (ICDR) Regulations.

### b. IDENTITY OF CLIENT AND OTHER INTENDED USERS

**Suraj Industries Ltd**

Plot No 2, Phase - III, Sansarpur Terrace,  
Kangra , Himachal Pradesh, 173212

### c. IDENTITY OF VALUER AND OTHER EXPERTS

**Corporate Professionals Valuation Services Private Limited**

Registered Valuer (IBBI)

Registration No. IBBI/RV-E/02/2019/106

### d. BACKGROUND INFORMATION OF THE ASSET BEING VALUED

#### Suraj Industries Ltd (SIL)

Suraj Industries Ltd. (SIL), established in 1992, is a diversified Indian company. The company operates in two main business segments: the Bottling & packaging of alcoholic beverages, and the trading of edible oils, Soybean Oil, Rice flakes, Malt, Empty Glass bottles. SIL is a key player in the liquor sector, involved in the processing and bottling of Rajasthan Made Liquor (RML) and in Liquor Business Processing and Bottling of Rajasthan Made Liquor (RML) for M/s Rajasthan State Ganganagar Sugar Mills Limited (RSGSM), a Government of Rajasthan undertaking having exclusive wholesale rights for Country Liquor and RML in the State of Rajasthan and also manufacturing and sell Country Liquor in its own brand, further strengthening its foothold in the liquor industry. The company's diversified portfolio provides a stable revenue base, contributing to its resilience in varying market conditions



**Carya Chemicals Fertilizer Private Limited (CCFPL)**

The main objects of Carya Chemicals & Fertilizer Private Limited incorporated in 2013, include the business by purchase or otherwise or to establish works for the business of brewers, distilleries and manufactures of and merchant and dealers in beer, wine, spirits, aerated waters and liquor of every description such as Indian made foreign liquor, country liquor, potable liquors whether intoxicated or not and carry on the business of bottling of Indian Made Foreign Liquor, Country Liquor, potable liquor, beer, wine, spirits, aerated waters and liquors of every description whether intoxicated or not.

Carya Chemicals & Fertilizers Private Limited ("CCFPL") is setting up at RIICO Industrial Area, Guwadi & Majhari, Block Shahbad, Dist. Baran, Rajasthan -

- a) Bottling Plant with a capacity of 48 lakh cases per annum for manufacture of Indian Made Foreign Liquor, Country Liquor & Rajasthan Made Liquor.
- b) Grain based Distillery with a capacity of 125 KL per day for manufacture of Extra Neutral Alcohol with power Co-generation.

The Bottling Plant is at an advanced stage of completion and is likely to be commissioned in the month of April 2025. The civil works for the Distillery Project has also commenced and foundation work for the plant & machinery has also begun. The Distillery Unit is likely to be commissioned by March 2026.

**e. SCOPE OF WORK**

- **Date of Appointment:** 25<sup>th</sup> March 2025 as per Engagement Letter
- **Valuation Date** – Based on 31<sup>st</sup> December 2024 financials.
- **Date of Report:** 29<sup>th</sup> March 2025
- **Base of value:** Fair value
- **Valuation Currency:** INR

**f. PROCEDURES ADOPTED AND VALUATION STANDARDS FOLLOWED**

We have performed this valuation in accordance with the internationally accepted valuation standards and customary valuation practices in India for such purposes.

**g. NATURE AND SOURCES OF INFORMATION USED OR RELIED UPON**

We have reviewed the following documents including but not limited to:

- Discussions with the KMPs of SIL.
- Limited Review Profit and Loss statement for period ended 31<sup>st</sup> December 2024 of SIL
- Limited Review Balance Sheet as on 31<sup>st</sup> December 2024 of SIL
- Management Certified future projections of the Company for the period beginning 1st January 2025 and ending 31<sup>st</sup> March 2030 of SIL
- Provisional Profit and Loss statement for period ended 31<sup>st</sup> December 2024 of CCFPL.
- Provisional Balance Sheet as on 31<sup>st</sup> December 2024 of CCFPL.
- Management Certified future projections of the Company for the period beginning 1st January 2025 and ending 31<sup>st</sup> March 2033 of CCFPL.
- Capitaline Database and other information in public domain; and.
- Management Representations.



**h. EXTENT OF INVESTIGATION UNDERTAKEN**

We have taken due care in performing valuation procedures and have also applied appropriate discount rates considering the riskiness of the business plan. However, we would like to expressly state that though we have reviewed the financial data for the limited purpose of valuation assessment, we have not performed an Audit and have relied upon the historical financials. (P&L Account and Balance Sheet) as prepared and submitted to us by the management of SIL. The management of SIL has represented to us that it has taken due care in the preparation of such financial statements.





## VALUATION METHODOLOGIES AND VALUE CONCLUSION

There are three approaches to Valuation namely Income, Asset and Market Approaches.

Approach	Valuation Methodologies	Basis of Consideration
Asset	Net Asset Value (NAV) Method	<p>The Asset based method views the business as a set of assets and liabilities that are used as building blocks of a business value. The difference in the value of these assets and liabilities on a Book Value basis or Realizable Value basis or Replacement Cost basis is the business value. However, this methodology recognizes historical cost of net assets only without recognizing its present earnings, comparative financial performance of its peers and their enterprise values etc. Therefore, in general Net Asset Value only reflects the minimum proxy value of the company.</p> <p><b>In the case of SIL, the Company is engaged in the bottling and packaging of alcoholic beverages, trading edible oils, and manufacturing cement, lime, and plaster activities therefore its and operating under Going Concern assumption, hence we have not opted this method.</b></p> <p><b>In the case of CCFPL, the company is engaged in agriculture sector, specializing in the production and distribution of high-quality fertilizers and operating under Going Concern assumption, hence we have not opted this method.</b></p>
Market	Comparable Companies Multiples (CCM) Method	<p>This methodology uses the valuation ratio of a publicly traded company and applies that ratio to the company being valued. The valuation ratio typically expresses the valuation as a function of a measure of financial performance or Book Value (e.g., Revenue, EBITDA, EBIT, Earnings per Share or Book Value). A key benefit of Comparable Company Market Multiple analysis is that the methodology is based on the current market stock price. The current stock price is generally viewed as one of the best valuation metrics because it is based on observable inputs.</p> <p><b>In the case of SIL, we have not opted this method as this company is a listed entity, its market or industry impact would be better captured by 90 Trading-10 Trading days method.</b></p> <p><b>In the case of CCFPL, there are very few listed peers available, which does not provide an accurate or comprehensive representation of the true value of the industry. Therefore, we believe it is more appropriate to exclude this method, as it may not reflect a fair and accurate assessment of the company's performance within the broader industry context.</b></p>
	90 Trading-10 Trading Days	<p>The Company's shares are listed on BSE Ltd. To determine the equity value in accordance with Regulation 33 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, which references Regulation 164 of SEBI ICDR Regulation, 2018, the following criteria are considered for frequently traded shares:</p> <p>The equity shares' price for preferential issue should not be less than the higher of:</p> <ul style="list-style-type: none"> <li>• The 90 trading days volume weighted average price (VWAP) of the related equity shares quoted on the recognized stock exchange preceding the relevant date.</li> <li>• The 10 trading days volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date.</li> </ul>



		<p>This method takes the impact of price fluctuation in reference to market and industry. <b>We have considered this methodology in SIL.</b></p> <p><b>And we have avoided this method, as CCFPL shares are not listed.</b></p>
Income	Discounted Free Cash Flow (DFCF) Method	<p>The DCF method expresses the present value of the business as a function of its future cash earnings capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. The value of the firm is arrived at by estimating the Free Cash Flows (FCF) to Firm and discounting the same with Weighted Average cost of capital (WACC). The DCF method is considered to be the most appropriate basis for determining the earning capability of a business. In the DCF approach, the appraiser estimates the cash flows of any business after all operating expenses, taxes, and necessary investments in working capital and Capex are being met.</p> <p><b>We have considered this methodology for calculation of the equity value of the both the companies ("SIL" and "CCFPL") based on its cash flows. After considering its business plan, we have calculated the Enterprise value and thereby derived the Equity value after adjusting its debts, cash and cash equivalents and surplus assets as on the date of valuation.</b></p>





**Computation of Fair Value of SIL:*****Market Approach: 90 Trading-10 Trading Days***

Particular	Details
Total Value of the Shares trading of 90 TD	59,320,459.00
Total No. of shares Traded in 90 TD	801,171
<b>90 TD VWAP</b>	<b>74.04</b>
Total Value of the Shares trading of 10 TD	5,644,481.00
Total of No. of Shares Traded in 10 TD	92,640
<b>10 TD VWAP</b>	<b>60.93</b>
<b>Maximum Price</b>	<b>74.04</b>



**Income Approach****Method of Valuation****Discounted Cash Flow Analysis (DCF) WORKING:**

Discounted Cash Flow Analysis- Suraj Industries Ltd							
WACC :	9.07%	Amount In INR Million					
GROWTH RATE :	5.00%						
FY	2025 (3 Months)	2026	2027	2028	2029	2030	Terminal
<b>PARTICULARS</b>							
Revenue from Operations	58.00	289.20	303.66	318.84	334.79	351.52	
Other Income	4.30	1.00	1.05	1.10	1.16	1.22	
PBT (Excluding Other Income)	4.18	3.20	4.05	4.94	5.87	6.85	
Less : Direct Taxes Paid					0.35	1.72	
<b>PAT (Excluding Other Income)</b>	<b>4.18</b>	<b>3.20</b>	<b>4.05</b>	<b>4.94</b>	<b>5.51</b>	<b>5.12</b>	
Add : Depreciation & Amortization	3.17	12.70	12.70	12.70	12.70	12.70	
Less :Capital Expenditure (Including ROU Assets)	-	-	-	-	-	-	
Add : Interest including Lease Interest (Post Tax)	0.73	1.00	1.00	1.00	0.94	0.75	
Less: Non Cash Working Capital	-	1.33	1.11	1.11	1.11	1.11	
<b>Free Cash Flows</b>	<b>8.08</b>	<b>15.58</b>	<b>16.64</b>	<b>17.53</b>	<b>18.04</b>	<b>17.46</b>	<b>105.84</b>
Discounting Factor (Mid year Discounting)	0.99	0.94	0.86	0.79	0.72	0.66	0.66
<b>Present value of Cash flow</b>	<b>7.99</b>	<b>14.59</b>	<b>14.29</b>	<b>13.80</b>	<b>13.03</b>	<b>11.56</b>	<b>70.08</b>
<b>Enterprise Value</b>	<b>145.36</b>						
Add: Cash as on 31.12.2024	13.20						
Add: Investments as on 31.12.2024	782.62						
ADD:Loans	174.45						
Less: Debt as on 31.12.2024	25.49						
Less: Lease Liabilities as on 31.12.2024	5.85						
<b>Equity Value</b>	<b>1,084.29</b>						
No of shares as on 31.12.2024	15,832,835						
<b>Value per Equity Share (INR)</b>	<b>68.48</b>						

**Note:**

For the purpose of valuation of equity shares in this transaction through DCF methodology, we have relied upon the projections provided by the management for the period beginning January 01,2025, and ending March 31, 2030, duly supplemented by its Terminal Value based on the Gordon Model and extrapolating the adjusted free cash flows for last year at an annual growth rate of 5% to perpetuity.





## DFCF Assumptions:

Particulars		Notes
Risk free rate (Rf) as on 31.12.2024	6.76%	Considered of long-term Indian government bond rate
Market Rate of Return	15.13%	BSE Sensex return on long term basis
Industry Beta... ( $\beta$ )	0.30	We have taken the company's Beta value (B) as 0.30 since the Company's shares are listed on BSE Stock Exchange.
Additional Company Specific (Including Small Company) Risk Premium (Unsystematic risk) (CSRP)	0%	We have given 0% additional risk premium looking into company profile, financial structure, and ROI the investor will look into while investing in this type of company. This is also dependent upon the level of aggressiveness of the future cash flows and the present scenario of the country and company environment in which it is operating.
Cost of Equity (Ke)	9.23%	As per Modified CAPM model i.e. $[K_e = R_f + \beta(R_m - R_f) + CSRP]$
Cost of Debt	7.83%	As represented by the management
Equity portion in capital structure	95.22%	We have considered Debt-Equity ratio based on last available financials.
WACC	9.07%	$WACC = (K_e * \% \text{ Equity in Capital Structure}) + (\text{Cost of Debt} * \% \text{ Debt in Capital Structure} * (1 - \text{Tax Rate}))$
Growth Rate	5.00%	As the perpetuity growth rate assumes that the company will continue its historic business and generate Free Cash Flows at a steady state forever. Since terminal value constitutes a major proportion of the entire value of the business, we while deciding the terminal growth rate have given emphasis to economic factors & financial factors like Inflation of the Country, GDP growth of the Country, Projected Financials, Historical Financial Position, Organic & Inorganic growth strategies of the Company, investment opportunity etc. Accordingly, for perpetuity, we have considered 5% growth rate.

## Computation of Fair Value

Fair Value of Suraj Industries Ltd				
				All Amount in INR
Approach Applied	Methodology Applied	Weight	Equity Value per Share	Weighted Average Equity Value per Share
Market	90D-10D Trading Days	100%	74.04	74.04
Income	Discounted Cash Flow	0%	68.48	-
Weighted Average Equity Value per Share				74.04

Based on our analysis of the Company and subject to our comments and caveats as further detailed in this report, we have arrived at the value per equity share of the Company as INR 74.04/.





**Fair Value computation of Carya Chemicals Fertilizer Private Limited:****Income Approach****Method of Valuation****Discounted Cash Flow Analysis (DCF) WORKING:****Discounted Cash Flow Analysis- Carya Chemicals Fertilizer Private Limited**

WACC:	17.61%	Amount in INR Million								
GROWTH RATE:	5.00%									
FY	2025 (3 Months)	2026	2027	2028	2029	2030	2031	2032	2033	Terminal
<b>PARTICULARS</b>										
Revenue from Operations	0.00	1,632.96	3,482.96	3,866.94	4,181.89	4,496.78	4,587.96	4,672.02	4,679.21	
Other Income	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
PBT (Excluding Other Income)	-0.63	106.81	309.83	342.65	418.53	496.20	533.40	565.35	586.09	
Less : Direct Taxes Paid	0.00	26.32	77.98	86.24	105.34	124.88	134.25	142.29	147.51	
<b>PAT (Excluding Other Income)</b>	<b>-0.63</b>	<b>80.49</b>	<b>231.85</b>	<b>256.41</b>	<b>313.19</b>	<b>371.32</b>	<b>399.16</b>	<b>423.06</b>	<b>438.58</b>	
Add : Depreciation & Amortization	0.34	28.28	147.44	147.44	147.44	147.44	147.44	147.44	147.44	
Less :Capital Expenditure (Including ROU Assets)	311.20	1,184.53	-	-	-	-	-	-	-	
Add : Interest including Lease Interest (Post Tax)	-	35.98	135.22	126.57	110.99	95.40	74.34	59.37	38.35	
Less: Non Cash Working Capital	-	255.12	223.08	47.70	39.83	39.85	20.60	19.80	1.01	
<b>Free Cash Flows</b>	<b>(311.50)</b>	<b>(1,294.90)</b>	<b>291.44</b>	<b>482.73</b>	<b>531.80</b>	<b>574.31</b>	<b>600.34</b>	<b>610.07</b>	<b>623.35</b>	<b>3,735.10</b>
Discounting Factor (Mid year Discounting)	0.98	0.89	0.75	0.64	0.54	0.46	0.39	0.33	0.28	0.28
<b>Present value of Cash flow</b>	<b>(305.24)</b>	<b>(1,146.61)</b>	<b>219.43</b>	<b>309.04</b>	<b>289.49</b>	<b>265.83</b>	<b>236.28</b>	<b>204.16</b>	<b>177.38</b>	<b>1,062.84</b>
<b>Enterprise Value</b>	<b>1,312.59</b>									
Add: Cash as on 31.12.2024	1.38									
Less: Debt as on 31.12.2024	662.24									
<b>Equity Value</b>	<b>651.73</b>									
No of shares as on 31.12.2024	52,000,000									
<b>Value per Equity Share (INR)</b>	<b>12.53</b>									



## DFCF Assumptions:

Particulars		Notes
Risk free rate (Rf) as on 31.12.2024	6.76%	Considered of long-term Indian government bond rate
Market Rate of Return	15.13%	BSE Sensex return on long term basis
Industry Beta... ( $\beta$ )	1.43	We have taken the company's Beta value (B) as 1.43 we have taken Levered beta of listed peer in the industry, relevered by the debt-to-equity ratio of CCFPL, since the Company's shares are not listed
Additional Company Specific (Including Small Company) Risk Premium (Unsystematic risk) (CSRP)	12%	We have given an 12% additional risk premium looking into company profile, financial structure, and ROI the investor will look into while investing in this type of company. This is also dependent upon the level of aggressiveness of the future cash flows and the present scenario of the country and company environment in which it is operating.
Cost of Equity (Ke)	30.70%	As per Modified CAPM model i.e. $[K_e = R_f + \beta(R_m - R_f) + CSRP]$
Cost of Debt	9.85%	As represented by the management
Equity portion in capital structure	43.87%	We have considered the Valuation date Debt-Equity ratio.
WACC	17.61%	$WACC = (K_e * \% \text{ Equity in Capital Structure}) + (\text{Cost of Debt} * \% \text{ Debt in Capital Structure} * (1 - \text{Tax Rate}))$
Growth Rate	5.00%	As the perpetuity growth rate assumes that the company will continue its historic business and generate Free Cash Flows at a steady state forever. Since terminal value constitutes a major proportion of the entire value of the business, we while deciding the terminal growth rate have given emphasis to economic factors & financial factors like Inflation of the Country, GDP growth of the Country, Projected Financials, Historical Financial Position, Organic & Inorganic growth strategies of the Company, investment opportunity etc. Accordingly, for perpetuity, we have considered 5% growth rate.

Based on our analysis of the Company and subject to our caveats as further detailed in this report, the fair value determined at INR 651.73 Million and the fair value per share is INR 12.53/- based on 31<sup>st</sup> December 2024 financials.





**CAVEATS**

- This Valuation Report has been issued on the specific request of “SIL” for determining the value of the Equity Share of the SIL & CCFPL in accordance with the SEBI (ICDR) Regulations. This Report is prepared exclusively for the above-stated purpose and must not be copied, disclosed, circulated, or referred to in correspondence or discussion with any other party. Neither this report nor its content may be used for any other purpose without our prior written consent.
- No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- In Accordance with the customary approach adopted in the Valuation exercise, we have summarized the Valuation Analysis of equity shares of the SIL & CCFPL based on the information as was provided to us by the management of the SIL both written, verbal, and other publicly available information. We do not assume any responsibility for the accuracy or reliability of such documents on which we have relied in forming our opinion.
- This Report does not investigate the business/commercial reasons behind the transaction nor the likely benefits arising out of the same. In addition, we express no opinion or recommendation, and the shareholders are expected to exercise their own discretion.
- We have no present or planned future interest in the Company and the fee for this Valuation analysis is not contingent upon the values reported herein. The Valuation Analysis contained herein is not intended to represent the value at any time other than the date that is specifically stated in this Report.
- The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- In no circumstances shall the liability of a valuer, its partners, directors, or employees, relating to the services provided in connection with the engagement set out in this Valuation report shall exceed the amount paid to such valuer in respect of the fees charged by it for these services.
- Our valuation report should not be construed as investment advice; specifically, we do not express any opinion on the suitability of or otherwise of entering into the proposed transactions.

