September 2022

Arvind Internet Limited

Report on Fair Valuation of Equity Shares

Strictly private and confidential

N S KUMAR & CO.
Chartered Accountants

N S KUMAR & CO.
Chartered Accountants
N5-1003, Hills and Dales Ph 3, NIBM Annexe, Pune - 411060.
Mob.: +91 9921515656 | niranjan@nskumar.com | www.nskumar.com

26 September 2022

To,
The Board of Directors,
Arvind Internet Limited,
Final Plot No. 10, Arvind Limited Premises,
Naroda Road, Ahmedabad,
Gujarat – 380 025.

Subject: Report on determination of Fair Value of equity shares of Arvind Internet Limited

Dear Sir,

We refer to the engagement letter dated 13 June 2022 and discussions undertaken with the Management of Arvind Internet Limited (hereinafter referred to as 'AIL' or 'the Company' or the 'Client'), wherein the Management of AIL (hereinafter referred to as 'the Management') has requested N S Kumar & Co., Chartered Accountant ('NSK' or 'we' or 'us') to determine the fair value of equity shares of AIL ('Valuation') as at 31 August 2022 ('Valuation Date'), on a 'going concern' premise, pursuant to the RBI Guidelines (as defined hereinunder), in connection with the proposed transfer of equity shares of the Company to non-resident person/(s).

Please find enclosed the report (comprising 21 pages) detailing our recommendation of fair value of the Company, the methodologies employed, and the assumptions used in our analysis.

This report sets out our scope of work, background, source of information, procedures performed by us, key value considerations and our opinion on the value analysis of the equity shares of the Company.

Yours sincerely,

Niranjan Kumar

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N S KUMAR & CO. PUNE NSK Chartered Accountants

Company Background, Scope and Purpose of this Report (1/2)

Company Background - AIL:

Arvind Internet Limited, a wholly owned subsidiary of Arvind Limited, provides software-as-a-service that has been adopted by over 30 leading brands in India. AIL is engaged in the business of Omnichannel enablement under the brand 'Omuni'. It enables brands to power their primary portals and enable omni-channel services, such as click-and-collect, 2-hour delivery from store, return-to-store etc. The in-store technology delivers features like save-the-sale and endless aisle, thereby increasing store productivity and sell-through. AIL also provides services such as training, CRM, and logistics which helps brands in their omni-channel transformation journey. AIL has recently acquired the Omuni Undertaking of Arvind Limited ('AL') against a preferential allotment of its own equity shares for a lumpsum consideration of INR 1523.0 million.

Scope and Purpose:

We have been informed by the Management of that a foreign owned or controlled company is intending to purchase the equity shares of AIL from the existing resident shareholders by way of a private arrangement (hereinafter referred to as the 'Proposed Transaction').

Since a non-resident is acquiring shares in an unlisted Indian company from resident shareholders by a private arrangement, the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 notified vide Notification No. FEMA395/2019-RB dated 17 October 2019 read with Foreign Exchange Management (Non-debt Instruments) Rules, 2019 by the Reserve Bank of India as amended from time to time(referred to as 'RBI Guidelines'), mandate that the price at which shares should be purchased from a person resident in India shall not be less than the value determined using internationally accepted pricing methodology for valuation on an arm's length basis duly certified by a Chartered Accountant.

In connection with the afore mentioned proposed transfer of equity shares of the Company, the Management has appointed NSK to carry out fair value of equity shares of the Company as at Valuation Date, in accordance with the RBI Guidelines.

As requested by the Management, we have conducted the valuation of equity shares of the Company in accordance with the provisions of the aforesaid RBI Guidelines.

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Company Background, Scope and Purpose of this Report (2/2)

The scope of our service is to conduct a valuation exercise to determine the fair value of equity shares of AIL using internationally accepted valuation methodologies as may be applicable to the subject case and report on the same in accordance with generally accepted professional standards including ICAI Valuation Standards, 2018 issued by the Institute of Chartered Accountants of India (ICAI).

This report is our deliverable for the said engagement and is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality and in conjunction with the relevant documents referred to therein.

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Sources of Information

In connection with preparation of this report, we have used and relied on the following sources of information:

A. Company specific information:

Information provided by the Management which includes,

- Audited financial statements for the financial year ('FY') 31 March 2021 ('FY21') and 31 March 2022 ('FY22') for AIL;
- Management certified provisional financial statement of AIL for 5 months period ended 31 August 2022;
- Shareholding pattern of AIL as at the Valuation Date;
- Projected income statement, working capital and capital expenditure requirement of the Company from 1 September 2022 ('7 months ended FY23') to 31 March 2028 ('FY28') (including key underlying assumptions), which the Management believes to be their best estimate of the expected performance of the Company ('Management Projections');
- Discussions and correspondences with the Management to inter-alia understand the historical and expected future performance of the Company, business understanding, key value drivers, and competitive scenario affecting AIL.
- Other information and documents considered relevant for the purpose of this engagement.

B. Industry and economy information:

- Information available in public domain and databases; and
- Such other information and documents as provided by the Management for the purposes of this engagement.

Besides the above listing, there may be other information provided by the Management which may not have been perused by us in detail, if not considered relevant for our defined scope.

We have also obtained such other analysis, review, explanations and information considered reasonably necessary for our exercise from the Management.

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Procedures Adopted

Procedures used in our analysis included such substantive steps as we considered necessary under the circumstances, including, but not necessarily limited to the following:

- Discussion with the Management to inter-alia:
  - Understand the business and fundamental factors that affect the business of AIL including their earning generating capability including strength, weakness, opportunity and threat analysis;
  - Understand historical financial performance, current state of affairs, future financial estimates/ plans of the Company;
- Analysis of information shared by the Management;
- Considered the Management certified provisional financial statement of AIL for 5 months period ended 31 August 2022;
- Considered the audited financial statements of AIL for FY21 and FY22;
- Considered the Management Projections;
- Selection of appropriate valuation methodology/ (ies) after deliberations and consideration to the sector in which AIL operates and analysis of business operations, the stage of Omuni in its lifecycle, etc;
- Such other analyses, reviews and inquiries, as we considered necessary;

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Financial Overview:

Snapshot of the audited financial statements for FY21 and FY22 and unaudited provisional financial statements for the period ended 31 August 2022 of AIL is set out below:

Historical Balance Sheet

INR million

Particulars as at	31-Mar-21	31-Mar-22	31-Aug-22
	Audited	Audited	Provisional
Shareholders' Funds			
Share capital	330.6	330.6	1,853.6
Reserves & surplus	(218.7)	(218.9)	(273.1)
Liabilities			
Lease liabilities	-	-	69.3
Trade payables	1.2	1.2	85.6
Provisions	-	-	5.3
Borrowings	2.6	2.6	-
Other current liabilities	0.0	-	33.1
Total equity & liabilities	**115.7**	**115.5**	**1,773.8**
Non-Current Assets			
Property, plant and equipment	-	-	9.9
Intangible assets	-	-	1,533.7
Right-of-use assets	-	-	66.3
Investments	115.0	115.0	-
Non-current financial assets	-	-	12.6
Current Assets			
Inventories	-	-	0.3
Cash & cash equivalents	0.5	0.3	3.6
Trade recievables	-	-	57.9
Short term loans	-	-	71.9
Other current assets	0.2	0.2	17.6
Total assets	**115.7**	**115.5**	**1,773.8**

Source: Audited financial statement for FY21 and FY22 and provisional financial statement for 5 months period ended August 31, 2022, as provided by the Management

Historical Income Statement

INR million

Particulars	31-Mar-21	31-Mar-22	31-Aug-22
Nos. of months	12	12	5
	Audited	Audited	Provisional
Revenue from operations	-	-	52.5
Other incomes	-	-	1.3
Total revenue from operations	**-**	**-**	**53.8**
Less: Expenses			
Cost of Goods Sold	-	-	(0.0)
Employee benefits expense	-	-	(46.3)
Depreciation and amortization expense	-	-	(17.8)
Other expenses	(0.3)	(0.0)	(42.7)
Earnings before interest and tax	**(0.3)**	**(0.0)**	**(53.0)**
Finance cost	(0.4)	(0.2)	(1.1)
Profit before tax	**(0.6)**	**(0.2)**	**(54.1)**
Tax expense	-	-	-
Profit after tax	**(0.6)**	**(0.2)**	**(54.1)**

Source: Audited financial statement for FY21 and FY22 and provisional financial statement for 5 months period ended August 31, 2022, as provided by the Management

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Valuation Approach & Methodology (1/6)

Basis and Premise of Valuation:

Valuation of equity shares of AIL as on the Valuation Date is carried out in accordance with ICAI Valuation Standards ('ICAI VS'), considering 'fair value' base and 'going concern' premise. Any change in the Valuation base, or the Valuation premise could have a significant impact on the Valuation outcome of the Company.

Basis of Valuation

It means the indication of the type of value being used in an engagement. Fair Value as per ICAI VS is defined as under:
'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.'

Premise of Value:

Premise of Value refers to the conditions and circumstances how an asset is deployed. Valuation of the Companies is carried out on a 'Going Concern Value' and 'as-is-where-is' premise which is defined under ICAI VS as under:

'Going concern value 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, systems, and procedures in place, etc.'

'As-is-where-is basis will consider the existing use of the assets which may or may not be its highest and best use'

Any change in the Valuation base, or the Valuation premise could have a significant impact on the Valuation outcome of the Company.

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Intended Users:

This Report including (for the avoidance of doubt) the information contained in it is absolutely confidential and intended only for the sole use and information of the Board of Directors of the Company in connection with the Proposed Transaction. Without limiting the foregoing, we understand that the Client may be required to submit this Report to or share this Report with Ministry of Corporate Affairs / Registrar of Companies (ROC) in connection with the Proposed Transaction, pursuant to the Companies Act, 2013 (together, 'Permitted Recipients'). NSK accepts no responsibility or liability to any other party (including Permitted Recipients), in connection with this Report. It is clarified that reference to this Report in any document and / or filing or possession of this report by any party, shall not be deemed to be an acceptance by NSK of any responsibility or liability to any person / party other than the Client. NSK accepts no duty, obligation, liability or responsibility to any party, other than the Company with respect to the services and/ or this report.

It is pertinent to note that the valuation of any business/company or its assets is inherently imprecise and is subject to various uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions considering inter-alia dependency and financial assistance from existing shareholders and general business and economic conditions, many of which are beyond the control of the company. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the business, and other factors which generally influence the valuation of the company, its business and assets.

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 purpose, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

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The RBI guidelines allow usage of any internationally accepted pricing methodology to determine the price of equity shares of an unlisted company in India. The following are commonly used and accepted methods for determining the value of equity shares of a company:

1. Asset Approach - Net Asset Value method
2. Market Approach:
   a) Market Price method
   b) Comparable Companies Market Multiple method
3. Income Approach - Discounted Cash Flow method

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 purpose, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

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 dominate 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.

Valuation of AIL is carried out on an 'going concern' premise. The historical net asset value of the business may not be representative of their earning potential. Further, self-generated key intangibles such as technology, customer relationship, brand/ trademark, distribution network may not be reflected in their historical net asset value. Accordingly, Asset Approach has not been adopted for the Valuation of AIL.

2. 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.

2a. Market Price Method

Under this method, the market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

Since the equity shares of AIL are not listed on any stock exchange, we have not used this method to arrive at the equity value of the AIL.

2b. Comparable Companies' Multiple ('CCM')/ Comparable Transactions' Multiple ('CTM') Method

Under CCM, the value of the shares / business of a company is estimated by applying the derived market multiple based on market quotations of comparable public / listed companies, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company / business (based on past and / or projected working results) after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. These valuations are based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Based on our analysis and discussion with the Management, we understand that there are no comparable listed companies which operates in similar line of business and have business model as that of AIL, we have therefore not used CCM Method to value the equity shares of AIL.

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Under CTM, the value of shares/ business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

Based on our analysis and discussion with the Management, we understand that there are no recent comparable transactions, data of which is available in public domain, involving companies of similar nature and having a similar operating/ financial metrics as that of AIL, we have therefore not used CTM method to value the equity shares of AIL.

3. Income Approach- Discounted Cash Flows ('DCF') Method

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 capitalized) amount.

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. The terminal value represents the total value of the available cash flow for all periods subsequent to the horizon period. The terminal value of the business at the end of the horizon period is estimated, discounted to its present value equivalent, and added to the present value of the available cash flow to estimate the value of the business.

Such DCF analysis involves determining the following:

- **Estimating future free cash flows:** Free cash flows are the cash flows expected to be generated by the company/ asset that are available to the providers of the company's capital - both debt and equity.
- **Appropriate discount rate to be applied to cash flows i.e., the cost of capital:** This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

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Valuation Approach & Methodology (6/6)

Valuation of the AIL has been carried out adopting Income approach (Discounted cash flow method) as approach to Valuation. Under the DCF method the projected free cash flows to the firm for the horizon period are discounted at the weighted average cost of capital. Terminal value of the business at the end of the horizon period is estimated based on an appropriate perpetual growth rate considering inter-alia long-term inflation and other business-related factors. The sum of the discounted value of such free cash flows for the horizon period and terminal value is the enterprise value. Adjustments for debt and debt-like items, cash and cash equivalents, post balance sheet events and contingent liability (if any) adjusted for probability of devolvement is considered to determine the equity value.

The Management has provided the Management Projections, which the Management believes to be their best estimates as to the future operating performance of AIL. Considering the aforementioned, DCF method has been adopted for Valuation of AIL.

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Discounted Cash Flow ('DCF') method:

Valuation of equity shares has been carried out using Income Approach (Discounted cash flow method) based on the Management Projections and have relied on the audited financial statements for FY21 and FY22 and unaudited provisional financial statements for the period ended 31 August 2022.

The discounted cash flow model uses the following formula for arriving at the Enterprise Value:

Enterprise Value = Present value of free cash flows to firm for the explicit period + present value of cash flows for terminal period

The free cash flows are discounted by the Weighted average cost of capital ('WACC'), which is considered an appropriate discount factor. The WACC represents the returns required by the investors of equity as well as lenders to the business. The returns expected would depend on the perceived level of risk associated with the business of the company and the Industry in which the company operates. WACC is arrived at by using the Capital Asset Pricing Model ('CAPM').

Following adjustments to the Enterprise Value is considered to arrive at the Equity Value of the Company:

- Outstanding debt and debt-like items as at Valuation Date; and
- Surplus assets as at Valuation Date;

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Valuation Recommendations (2/4)

Calculation of discounted cashflows using DCF Method as at the Valuation Date is set out below:

Assumptions	
WACC	20.5%

Discounted Cash Flow Method — INR million

Particulars	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	Terminal
Period in months	7	12	12	12	12	12	Year
Revenues	**157.1**	**850.1**	**1,368.1**	**1,867.1**	**2,399.3**	**2,883.6**	**3,027.8**
EBITDA	**(111.2)**	**39.7**	**178.5**	**347.4**	**524.1**	**648.0**	**680.4**
EBITDA margins (%)	*-70.8%*	*4.7%*	*13.0%*	*18.6%*	*21.8%*	*22.5%*	*22.5%*
Less: Depreciation	(56.8)	(104.7)	(112.2)	(115.9)	(116.6)	(117.3)	(31.5)
EBIT	**(168.0)**	**(65.0)**	**66.2**	**231.5**	**407.5**	**530.7**	**648.9**
Less: Income Taxes @25.17%	-	-	-	-	-	(104.5)	(163.3)
EBIT after tax on EBIT	**(168.0)**	**(65.0)**	**66.2**	**231.5**	**407.5**	**426.2**	**485.6**
Add: Depreciation	56.8	104.7	112.2	115.9	116.6	117.3	31.5
Less: Capital expenditure	(26.5)	(26.8)	(30.0)	(30.0)	(30.0)	(30.0)	(31.5)
Add/ (Less): (increase)/decrease in working capital	3.0	(74.2)	(59.7)	(61.1)	(65.1)	(55.1)	(14.7)
Free cash flows to firm ("FCFF")	**(134.7)**	**(61.2)**	**88.7**	**256.3**	**429.0**	**458.4**	**470.9**
Time to midpoint	3.5	13.0	25.0	37.0	49.0	61.0	
PV factor (@ 20.5%)	0.95	0.82	0.68	0.56	0.47	0.39	
Discounted Cash Flow	**(127.6)**	**(50.0)**	**60.2**	**144.2**	**200.3**	**177.7**	

Particulars	INR million
Present Value of explicit period	404.8
Add: Present Value of perpetuity (refer note 1)	1,177.3
Add: Present Value of unutilised tax benefit at the end of explicit period	19.2
Enterprise value of AIL	**1,601.3**
Less: Debt & debt-like (refer note 2)	(85.4)
Add: Surplus assets (refer note 3)	74.1
Equity value of AIL as at Valuation Date	**1,590.1**

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Valuation Recommendations (3/4)

Note 1: Calculation of Present value of perpetuity

Particulars	INR million
FCFF of Terminal Year (A)	470.9
WACC (B)	20.5%
Terminal Growth Rate (C)*	5.0%
Value of perpetuity D = (A / B-C)	**3,038.0**
Discount factor for FY27 (E)	0.39
Present Value of perpetuity (D*E)	**1,177.3**

**Terminal growth rate has been estimated considering inter-alia sustainable estimated long term inflation and other factors.*

Note 2: Debt and debt-like

Particulars	INR million
Payable to Arvind Limited	16.1
Lease Liabilities	69.3
Debt and debt-like	**85.4**

Note 3: Surplus Assets

Particulars	INR million
Balances in bank	3.6
Advances to related parties	70.5
Surplus Assets	**74.1**

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Valuation Conclusion

Based on the analysis of the business plan and other data/information provided by the Management as well as the current market analysis and subject to scope, limitations, assumptions specified, the fair equity value of AIL on going concern as at Valuation Date is **INR 1,590.1 million (One thousand five hundred and ninety point one million).**

N S KUMAR & CO
Chartered Accountants
FRN: 139792W

N.S KUMAR & CO. PUNE M.No. 121635 Firm Reg. No. 139792W CHARTERED ACCOUNTANTS

Niranjan Kumar
Proprietor
Membership No.: 121635
UDIN: 22121635AVFGUE4967

Date: 26 September 2022
Place: Pune

NSK has carried out analysis of the financial and other information provided by/ on behalf of the management and other pertinent information available either in public domain or subscribed databases. Such information has been relied upon by NSK for the Valuation of AIL. The key information points have been listed in Sources of Information.

Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement and exercise of judicious discretion taking into account all relevant factors. There is, therefore, no indisputable single value. While we normally express our assessment as falling within a likely range, as per requirement of this Engagement, we are providing a single value. While we have provided our opinion on valuation based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion.

Our valuation is inter-alia based on the market, financial and other information provided by the Management. In accordance with the terms of our engagement letter and in accordance with the customary approach adopted in valuation exercises, our valuation procedures does not constitute an audit or review in accordance with the auditing standards applicable in India, accounting / financial / commercial / legal / tax / environmental due diligence or forensic / investigation services and does not include verification or validation work. Accordingly, we do not express an opinion or offer any form of assurance regarding the financial and other information provided by the Management. We have relied upon the Management to provide us with financial and other pertinent information that give a true and fair view of the financial performance and financial position of AIL and its underlying investments in various companies as on the Valuation Date and which may be reasonably expected to have an impact on valuation. The Management had indicated to us that they have understood that any omissions, inaccuracies or misstatements in the information provided to us, it may materially affect our valuation analysis/ conclusion.

While the information available in public domain and subscribed databases (including industry and statistical information) was obtained from sources we believe are reliable, NSK makes no representation as to the accuracy or completeness thereof, and we have relied upon such public information without further verification.

The value achieved, in case of a transaction, may be different than our Valuation depending upon the circumstances and timing of the transaction, if any. The final transaction price is something on which the parties themselves have to agree. Our report (the “Report”) and the opinion/ valuation analysis contained herein is not and should not be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities or as providing management services or carrying out management functions. It is understood that this analysis does not represent a fairness opinion.

The Report assumes that the AIL and its underlying entities comply/ have complied fully with relevant laws and regulations applicable unless otherwise stated and will be managed in a competent and responsible manner. Further, except 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 litigation and other contingent liabilities that are not recorded in the audited / unaudited balance sheet. We have made no investigation of, and assume no responsibility for the title to assets or liabilities. Our conclusion of value assumes that the title to the assets and liabilities reflected in the financial statements as on the Valuation Date remain intact as on the date of this Report. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts.

A Valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. NSK is under no obligation to update, revise or reaffirm the Valuation for events or transactions relating to AIL or changes in the market and economy trends and valuation parameters occurring subsequent to the Valuation Date.

Our valuation is primarily from a business perspective and does not take into account various legal and other corporate structures beyond the limited information provided to us by the Management. The Valuation recommendation is not intended to represent the value at any time other than the date that is specifically stated in the Report.

Our services are not designed to and are not likely to reveal fraud or misrepresentation by the Management or by external parties. Accordingly, we cannot accept responsibility for detecting fraud or misrepresentation by the Management or any other person. While performing this assignment, we have assumed the genuineness of all signatures and the authenticity of all documents and/ or copies of documents shown to us. We have also relied upon the veracity of the representations made, and the information provided to us by/ on behalf of the Management. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Client, their directors, employees or agents. In no circumstances shall the liability of NSK, its directors or employees, relating to the services provided in connection with the engagement set out in this Report will exceed the amount paid to NSK in respect of the fees charged by it for these services.

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Scope Limitations, Assumptions, Qualifications, Exclusions and Disclaimers (3/3)

Our Report can be used by the Client only for the purpose, as indicated in this Report, for which we have been appointed and cannot be used or relied by the Client for any other purpose or by any other party for any purpose whatsoever. We are not responsible for the unauthorized use of this Report. We are not responsible to any other person for any decision of such person based on this Report. Any person intending to provide finance / invest / divest in the shares / business of AIL or its other group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person (other than the Client) choose to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to NSK. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this report or any part thereof, except for the purpose as set out earlier in this report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement specifically pronounced in the report to do so. We shall not assume any responsibility to any third party to whom the Report is disclosed or otherwise made available. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom the Report is disclosed or otherwise made available.

Our Valuation is carried out basis the understanding provided by the Management that no event has occurred/ nor is reasonably expected in near to medium term that may materially impact the ability of AIL and its Operating Companies to continue as a 'going concern'. Accordingly, as discussed with the Management, our Valuation is based on a "going concern" premise and liquidation preference has not been considered.

This Report forms an integral whole and cannot be split in parts. The outcome of the valuation can only lead to proper conclusions if the Report as a whole is taken into account.

The fee for our services is not contingent upon the results/ value conclusion of the engagement. This Report is subject to laws of India.

A draft of this report was shared with the Management for confirmation of facts and other Management representations

Exhibit I – Weighted Average Cost of Capital ('WACC')

Particulars as at cut off date	Assumptions	Remarks
Cost of Equity (Ke)		
Risk Free Rate (Rfr)	7.3%	Average yield of 10 year zero coupon Indian Government bond (Source: Investing.com)
Equity Risk Premium (Rp)	7.0%	NK Consensus equity risk premium
Levered Beta	0.95	Considering average unlevered beta of comparable companies in the Saas industry globally; re-levered using Target debt-equity
Company Specific Risk Premium (CSRP)	6.5%	Refer note below
Cost of Equity (Ke)	**20.5%**	
Cost of Debt (Kd)		
Pre-Tax - Cost of Debt (Kd)	11.0%	Effective cost of debt for AIL
Effective tax rate (t)	25.17%	Maximum marginal rate of tax
Post Tax - Cost of Debt (Kd)	8.2%	
Debt : Equity	-	Target debt/equity ratio
WACC (Rounded)	**20.5%**	

Note: Company specific risk premium is considering inter-alia historical performance, planned expansion, projections achievability and implementation risk, sensitivity analysis and other relevant factors.

N S KUMAR & CO.
PUNE
NSK
Chartered Accountants