

Date: 23rd January 2023

The Board of Directors  
STAMPEDE CAPITAL LIMITED  
Kura Towers, 10th Floor,  
D. No.1-11-254&1-11-255 S.P. Road,  
Begumpet, Hyderabad 500016,  
Telangana

Dear Sirs,

**Sub: valuation of equity shares of Stampede Capital Limited**

Stampede Capital Limited ("SCL" or "the Company") intends to issue equity shares to its proposed investors.

In this regard, Rambabu Gadiparthi, Registered Valuer with IBBI Registration No. IBBI/RV/06/2019/11111 ('Rambabu' or 'Independent Valuer') has been appointed to determine fair value of equity shares of SCL for compliance with Regulation 164 and 165 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended up to date ('SEBI ICDR Regulations') ('Valuation Purpose').

The Report date, as confirmed to us by the Management of SCL ('the Management'), for the purpose of Calculation of the price per share under the SEBI ICDR Regulations for issuance of equity shares is 21 January 2023 (Valuation Date). The Valuation Date as informed to us by the Management for computation of equity value per share of SCL is 23rd January 2023 ('Report Date').

This Report is structured under the following broad heads:

- Background
- Information sources
- Valuation Standards followed and Procedure adopted for Valuation
- Valuation Methodology
- Valuation
- Disclaimer
- Statement of Assumptions and Limiting Conditions



## BACKGROUND

### Stampede Capital Limited

Stampede Capital Limited, (CIN: L67120TG1995PLC020170) is a public limited company incorporated on 28/04/1995 and having its registered office at KURA Towers, 10th Floor, D. No.1-11-254&1-11-255 S.P. Road, Begumpet, Hyderabad Telangana 500016, India.

The company is into equity trading and distribution of financial products.

The shareholding pattern of SCL as of 31.12.2022 is as under:

Particulars	No. of shares	% Shareholding
Promoter & Promoter Group	5,37,69,899	18.78%
Public	23,24,94,101	81.22%
Total	<b>28,62,64,000</b>	<b>100%</b>

### INFORMATION SOURCES

We have relied on the following sources of information and documents as provided to us by the management of SCL ('the management') and available in public domain:

- Audited Financials as on 31<sup>st</sup> March 2022;
- Shareholding Pattern as on 31<sup>st</sup> December 2022;
- Estimated and provisional financials for the period from FY 2022-23 to FY 2027-2028.
- Other relevant publicly available data;
- Our regular discussions with management representatives of SCL;

### VALUATION STANDARDS FOLLOWED AND PROCEDURES ADOPTED FOR VALUATION

- We have performed the valuation analysis, to the extent possible, in accordance with International Valuation Standards.
- In connection with this exercise, we have adopted the following procedures to carry out the valuation analysis:
  - Requested and received relevant data from the Management
  - Discussions with the Management on understanding of the business



of the Company

- o Obtained and analysed data available in public domain, as considered relevant by us
- o Obtained and analysed market prices and other data involving equity shares of SCL and of comparable companies, as applicable and relevant
- o Selection of valuation approach and valuation methodology/ (res), in accordance with IVS, as considered appropriate and relevant by us
- o Determination of value per equity share of SCL, as relevant
- o Preparation and issuance of this valuation report.

## VALUATION APPROACHES AND METHODOLOGIES

- For the purpose of valuation, it is necessary to select an appropriate basis of valuation amongst the various valuation techniques. It is universally recognized that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. The application of any particular method of valuation depends upon various factors including the size of company, nature of its business and purpose of valuation. Further, the concept of valuation is all about the price at which a transaction takes place i.e., the price at which seller is willing to sell and buyer is willing to buy. Accordingly, a fair and reasonable approach for valuing the shares of the company is to use a combination of relevant and applicable valuation methods.
- IVS 301 read with IVS 103 specifies that generally the following three approaches for valuation of business / business ownership interest are used:
  - o Cost Approach
  - o Market Approach
  - o Income Approach

### Cost Approach – Net Asset Value (NAV) method

- The value under cost approach is determined based on the underlying value of the assets which could be on book value basis, replacement cost basis or on the basis of realizable value. Under NAV method, total value of the business is based either on net asset value or realizable value or replacement cost basis. NAV methodology is most applicable for the business where the value lies in the underlying assets and not the ongoing operations of the business. NAV method does not capture the future earning capacity of the business.

Given the nature and specifics of the business, we have considered the Net Asset Value method.



Particulars	Amount (Rs in Lakhs)
Equity share capital	2,862.64
Other Equity	(3615.56)
Total Book Value	(752.92)
Total No of Shares	286,264,000
NAV per Share	(0.26)

### **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. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts

The following are some of the instances where a valuer may apply the income approach:

- (a) Where the asset does not have any market comparable or comparable transaction;
- (b) Where the asset has fewer relevant market comparable; or
- (c) Where *the asset is an income-producing asset for which the future cash flows are available and can reasonably be projected*

The income approach *should* be applied and afforded *significant weight* under the following circumstances:

- (a) The income-producing ability of the *asset* is the critical element affecting value from a *participant* perspective, and/or
- (b) *Reasonable projections of the amount and timing of future income are available for the subject asset*, but there are few if any, relevant market comparable.

The management has provided us the projected financial statements for future years. We have considered that it is to be prudent and reasonable to adopt Discounted Cash Flow (DCF) Method under Income Approach for ascertaining the indicative value of the business as the asset



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 valuation under the DCF method depends upon the projections of the future cash flows and the selection of the appropriate discount factor. The DCF methodology is considered to be the most appropriate basis for determining the future earning capability of a business.

Calculation of value under the DCF method involves estimation of future cash flows from the total projects undertaken by the company till their completion and discounting those cash flows using appropriate discounting factor.

$$\text{Value of the Business} = \sum_{t=1}^{t=n} \frac{\text{Expected cash flow}}{(1+r)^t} + \frac{\text{Terminal value}}{(1+r)^n}$$

### ESTIMATION OF FREE CASH FLOWS

As indicated above, the future economic benefit, on which financial analysts and business valuer's most frequently focus, is "Net free cash flow", which is defined as follows:

	Net income	XXXX
<i>Add:</i>	Non-cash charges	XXXX
<i>Less:</i>	Non - operating Income	XXXX
<i>Less:</i>	Expenditure incurred on / for capital projects / capital purposes	XXXX
<i>Add/Less:</i>	Changes in working capital	XXXX
<i>Add/Less:</i>	Changes in the balance of Long-term debt	XXXX
	Net cash inflow / (outflow) available	<u>XXXX</u>



In light of the above, we developed an indication of the value based on a forecast of the entity's net cash flows. This forecast is made to reflect the probable net cash flows for the next five years.

### ESTIMATION OF CONTINUATION VALUE

Under the going concern premise, the cash flows are expected to be derived by the business company beyond an explicit period and will grow at a constant rate forever. Based on this premise the terminal (continuation) value of the business can be estimated as

$$TV = \frac{FCF_{t+1}}{(r-g)}$$

### ESTIMATION OF DISCOUNTING RATE (KE)

As Service company we considered the cost of equity (ke) at the rate of 16.59% and since the company is Listed company, we have considered additional risk premium of 0%.

**Therefore, Cost of Equity as per CAPM Model is = 15.74%**

### GROWTH RATE (G) FOR TERMINAL PERIOD

While estimating the terminal value, the estimated growth rate of the business shall be reduced from the cost of equity (ke). This is required because of the fact that the future growth will offset the risk involved the cash flows. We have considered a moderate growth rate of 2% for terminal period.



<b>STAMPEDE CAPITAL LIMITED</b>	
<b>Ascertainment of Value Per Share</b>	
<b>Particulars</b>	<b>(Rs in Lakhs )</b>
Primary Value	349.28
Terminal Value	4,256.06
<b>Enterprise Value as on 21.01.2023</b>	<b>4,605.34</b>
Add: Surplus cash/ cash equivalent	89.68
Less: Unsecured Loans	1,671.54
Add: Equity value in subsidiary as on 31.03.2022	19.10
Less: Equity value pertains to DVR shareholders	608.51
<b>Adjusted Value of Equity</b>	<b>2,434.06</b>
<b>No of Equity Shares</b>	<b>2,290.11</b>
<b>Value per Equity Share</b>	<b>1.06</b>

**Market Approach – Market Price method**

- Under the Market Price method, the market price of an equity shares as quoted on a recognized 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 frequently traded. Generally, market value is reflective of the investors' perception about the actual worth of the company. We understand that the shares are infrequently traded in NSE & BSE Limited.
- In the instant case as per the trade data obtained from NSE for the period 04th February 2022 to 20th January 2023, there has been trading of 1,52,01,725 shares which is less than 10%. In view of same as per Regulation 165 of SEBI ICDR Regulations 2018, the shares of the Company are infrequently traded. For calculation of market value, we have considered the period 04th February 2022 to 20th January 2023. Based on the volume of the shared traded in exchanges, we have considered data from NSE for calculation purpose. The computation is shown below:



Month	Sum of Total Traded Quantity
Feb'22	1382033
Mar'22	584872
Apr'22	467999
May'22	523463
Jun'22	237454
Jul'22	2306788
Aug'22	408024
Sep'22	5265011
Oct'22	326313
Nov'22	897623
Dec'22	2461985
Jan'23	340160
<b>Grand Total</b>	<b>1,52,01,725</b>
Total Equity Shares	22,90,11,200
240 Trading days percentage	6.64%

<b>Total Turnover at NSE during - 04-02-2022 to 20-01-2023(A)</b>	<b>1,11,07,365.55</b>
<b>No. of shares traded during 04-02-2022 to 20-01-2023(B)</b>	<b>1,52,01,725.00</b>
<b>Weighted Average Price(A/B)</b>	<b>0.73</b>

In terms of Regulation 166A of the SEBI ICDR Regulations,

166A. (1) Any preferential issue, which may result in a change in control or allotment of more than five per cent of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price:

Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable:





Provided further that if any proposed preferential issue is likely to result in a change in control of the issuer, the valuation report from the registered valuer shall also cover guidance on control premium, which shall be computed over and above the price determined in terms of the first proviso:

Provided further that the valuation report from the registered valuer shall be published on the website of the issuer and a reference of the same shall be made in the notice calling the general meeting of shareholders.

(2) Any preferential issue, which may result in a change in control of the issuer, shall only be made pursuant to a reasoned recommendation from a committee of independent directors of the issuer after considering all the aspects relating to the preferential issue including pricing, and the voting pattern of the said committee's meeting shall be disclosed in the notice calling the general meeting of shareholders.

Regulation 165 of ICDR Regulations shall continue to apply in case of infrequently traded shares:

The pricing in case of infrequently traded shares as per regulation 165 of the ICDR Regulation is determined by the issuer taking into account valuation parameters such as book value, comparable trading multiples, and other such customary parameters for valuation, and such valuation is required to be certified by independent Registered valuer.

Since, SCL is a listed company and equity shares of SCL are traded on BSE & NSE Limited over a reasonable period but are infrequently traded, therefore we have considered Net Asset Value method and Market Price Method to determine the value of equity shares of SCL.

we have been informed by the Management that the report date as per the SEBI ICDR Regulations, for the purpose of calculation of the price per share of SCL for the proposed preferential issue of shares is 21.01.2023. Since the latest financial data available is till September 30th, 2022. Therefore we have considered the same for our valuation purposes.



## Valuation

These valuation conclusions must be read along with accompanying assumptions, caveats, limits and disclaimers mentioned elsewhere in this report.

As per our assessment, the Fair Value of the company as per three approaches is as follows:

Value per share as per Market Price Method	INR 0.73
Value per share as NAV Method	INR (0.26)
Value as per DCF method	INR 1.06

Calculation of Fair Value			
Valuation Method	Value (In INR)	Weights	Value x Weight
Market Value	0.73	0.33	0.240
NAV	(0.26)	0.33	-0.085
DCF	1.06	0.33	0.35
<b>Weighted Average Price</b>			<b>0.50</b>
<b>Fair Value**</b>			<b>1.00</b>

\*\* Sec 53 of the Companies Act,2013 imposes **Prohibition on issue of shares at discount, hence shares must be issued at par.**

The fair value of the equity share of a company is determined on the basis of the average of the values determined by the Market Price method and NAV method. I have arrived at the Fair Value of the shares.



## DISCLAIMER

This Valuation Report has been issued on the specific request of M/stampede Capital Limited. In the course of forming our opinion we have relied upon the financials and other documents, which have been provided to us by the managements of the entity. I do not assume any responsibility for the accuracy or reliability of such documents on which I have relied up on in forming our opinion.

Although every effort has been made by us to verify and corroborate each document and to ensure that no inaccurate or misleading data, information or statement appears in this document, we wish to make it clear that the information and data appearing herein are the responsibility of the contributors. Accordingly, I do not accept any responsibility what so ever for the consequences of any such inaccurate or misleading information or data, or statement. I am not liable for any direct, indirect, incidental, consequential or punitive damages arising out of information through anyone's access to this document or use of the information and statements contained herein.

The valuation of the business is based on various assumptions relating to the operations of its businesses. Any change in these assumptions could have an impact on its valuation. We have not made an appraisal or independent valuation of any of the assets or liabilities of the entity and have not conducted an audit or due diligence. I have no present or prospective/contemplated financial or other interest in the business or property that is the subject of this report, and I have no personal financial or other interest or bias with respect to the property or the parties involved. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

I specifically disclaim any and all liability arising from any of the contents of this Report of ours, including but not limited to, reliance placed by any person on any content of this report.

Place: *Hyderabad*

Date: 23-01-2023.



*[Signature]*  
**RAMBABU GADIPARTHI**

**REGISTERED VALUER**

**IBBI/RV/06/2019/11111**

**UDIN:23223345BGWIWR1635**

## STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

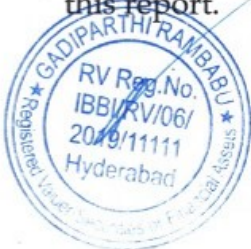
The primary assumptions and limiting conditions pertaining to the value estimate conclusion(s) stated in the detailed Valuation report are summarized below. Other assumptions are cited elsewhere in the report.

- 1) The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation i.e., 21.01.2023.
- 2) My compensation for completing this assignment is fee-based and is not contingent upon the development or reporting of a predetermined or direction in that favors the cause of the client, the outcome of the valuation, the amount of the opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 3) We have performed a valuation engagement and present our detailed report in conformity with the **"Indian Valuation Standards" (IVS)** issued by the **Institute of Chartered Accountants of India (ICAI)**. IVS sets out that the objective of a valuation engagement is "to express an unambiguous opinion as to the of a business, business ownership interest, security or intangible asset which opinion is supported by all procedures that the appraiser deems to be relevant to the valuation." Also, according to the Standard in a valuation engagement the valuer can apply valuation approaches or methods deemed in the analyst's professional judgment to be appropriate under the circumstances. In a valuation engagement the conclusion is expressed as either a single amount or a range
- 4) I have not made an appraisal or independent valuation of any of the assets or liabilities of the Company and have not conducted an audit or due diligence.
- 5) Financial statements and other related information provided by M/s. STAMPEDE CAPITAL LIMITED or their representatives, in the course of this engagement, have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. I have not audited,



reviewed, or compiled the financial information provided to us and accordingly, we express no audit opinion or any other form of assurance on this information.

- 6) Public information and industry and statistical information have been obtained from sources we believe to be reliable. However, we make no representation as to the accuracy or completeness of such information and have performed no procedures to corroborate the information.
- 7) The valuation report and the conclusion of value arrived at therein are for the exclusive use of our client for the sole and specific purposes as noted therein. They may not be used for any other purpose or by any other party for any purpose. Furthermore, the valuation report and conclusion of value are not intended by the author and should not be construed by the reader to be investment advice in any manner what so ever. The conclusion of value represents the considered opinion of us based on information furnished to us by M/s. STAMPEDE CAPITAL LIMITED.
- 8) Future services regarding the subject matter of this report, including but not limited to testimony or attendance in court, shall not be required of Rambabu Gadiparthi, Registered Valuer unless previous arrangements have been made in writing.
- 9) I have conducted interviews with the current managements of M/s. STAMPEDE CAPITAL LIMITED concerning the past, present, and prospective operating results of the company in the process of validation of information and assumptions made in respect of the financial information provided to us.
- 10) Except as noted, I have relied on the representations of the owners, management and other third parties concerning the value and useful condition of all equipment, real estate, investments used in the business, and any other assets including intangibles or liabilities, except as specifically stated to the contrary in this report.




- 11) The approaches and methodologies used in our work did not comprise an examination in accordance with generally accepted accounting principles, the objective of which is an expression of an opinion regarding the fair presentation of financial statements or other financial information, whether historical or prospective, presented in accordance with generally accepted accounting principles.
- 12) I express no opinion and accept no responsibility for the accuracy and completeness of the financial information or other data provided to us by others. I assume that the financial and other information provided to us is accurate and complete, and I have relied on this information in performing our valuation.
- 13) The valuation may not be used in conjunction with any other consideration or study. The value conclusions stated in the valuation report are based on the program of utilization described in the report and may not be separated into parts. The report was prepared solely for the purpose, function, and party so identified in the report.
- 14) Unless otherwise stated in the report, the valuation of the business has not considered or incorporated the potential economic gain or loss resulting from contingent assets, liabilities, or events existing as of the valuation date.
- 15) During the course of the valuation, I have considered information provided by company's managements and other parties. I believe these sources to be reliable, but no further responsibility is assumed for their accuracy.
- 16) I have no responsibility or obligation to update this report for events or circumstances occurring subsequent to the date of this report.
- 17) My valuation judgment, shown herein, pertains only to the subject business the stated value Approach, at the stated valuation date, and only for the stated valuation purpose.



- 18) The report assumes all required licenses, certificates of occupancy, consents, or legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or reviewed for any use on which the opinion contained in the report is based.
- 19) I have no financial interest or contemplated financial interest in the companies that are the subject of this report.

**Place: Hyderabad**  
**Date: 23-01-2023.**



  
**RAMBABU GADIPARTHI**  
**REGISTERED VALUER**  
**IBBI/RV/06/2019/11111**