

Private & Confidential

# Fair Valuation Report

**Ramco Systems Limited**

**Valuation Date – December 21, 2022**

**ramco**

**CA ROSHAN NILESH VAISHNAV**

**REGISTERED VALUER**

IBBI/RV/06/2019/11653

This Valuation Report is submitted by CA Roshan Nilesh Vaishnav, Registered Valuer – Securities and Financial Asset (Asset Class), for the purpose as mentioned therein and shall not be used for any other purpose whatsoever.



Date: December 22, 2022

Private & Confidential

To,  
The Board of Directors,  
Ramco Systems Limited,  
47, P S K Nagar,  
Rajapalayam,  
Tamil Nadu-626108

Dear Sir(s)/Madam(s)

Subject: Valuation Report to determine the equity shares of Ramco Systems Limited as on December 21, 2022

Ramco Systems Limited ('RSL', 'you', 'your', 'the Company'), incorporated on February 19, 1997, is engaged in the business of providing multi-tenant cloud and mobile-based enterprise software in the area of global payroll, ERP, logistics and M&E MRO for Aviation. The equity shares of RSL are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') ('BSE' and 'NSE' are together known as, 'the Stock Exchanges').

I understand that RSL proposes to issue equity shares of the Company on a preferential basis ('the Transaction'). As stated in Regulation 166A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022 ('SEBI Regulations') in connection with the Transaction, the management of the Company is required to determine the Fair Value of the equity shares of RSL by a Registered valuer, registered under the Insolvency Bankruptcy Board of India and obtain a Valuation Report, for the above-mentioned purpose as on December 21, 2022 ('Valuation Date').

RSL has through an engagement letter dated December 2, 2022 ('Engagement Letter') appointed Roshan Nilesh Vaishnav, Chartered Accountant bearing IBBI Registration Number – IBBI/RV/06/2019/11653 and ICAI RVO Membership Number – ICAIRVO/06/RV-P00014/2019-2020, registered under the Insolvency Bankruptcy Board of India read with Companies (Registered Valuers & Valuation) Rules, 2017 ('the Valuer', 'the Registered Valuer', 'I', 'me', 'my') to determine the Fair Value of the equity shares of RSL in accordance with the SEBI Regulations, as on the Valuation Date and issue a valuation report for this purpose.

My Valuation Report ('Report') is to be read in conjunction with the scope and purpose of the Report, the sources of information and the assumptions, exclusions, limitations, and the disclaimers, as detailed hereinafter.



This letter should be read in conjunction with the Report.

Should you require any further information or explanations, please contact the undersigned.

Thanking you,



CA Roshan Nilesh Vaishnav

Registered Valuer - Securities or Financial Assets

ICAI RVO Membership Number - ICAIRVO/06/RV-P00014/2019-2020

IBBI Reg Number - IBBI/RV/06/2019/11653

UDIN: 22136335BFWWHT3555



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## 1. ABBREVIATIONS

| Abbreviations | Meaning  |
|---------------|--|
| BSE           | BSE Limited  |
| CCM           | Comparable Company Method                                    |
| CIN           | Corporate Identity Number                                    |
| Cr            | Crores   |
| EBITDA        | Earnings before Interest, Tax, Depreciation and Amortization |
| ERP           | Equity Risk Premium  |
| FY            | Financial Year   |
| ICAI          | Institute of Chartered Accountant of India                   |
| ICAI RVO      | ICAI Registered Valuers Organisation                         |
| INR / Rs      | Indian Rupee   |
| IVS           | Indian Valuation Standards                                   |
| Mn            | Million  |
| NSE           | National Stock Exchange of India Limited                     |
| PAT           | Profit after Tax   |
| RSL           | Ramco Systems Limited  |
| SEBI          | Securities and Exchange Board of India                       |
| WACC          | Weighted Average Cost of Capital                             |



## 2. EXECUTIVE SUMMARY

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### 2.1. Details of the Company

2.1.1. Ramco Systems Limited, incorporated on February 19, 1997, is engaged in the business of providing multi-tenant cloud and mobile-based enterprise software in the area of global payroll, ERP, logistics and M&E MRO for Aviation. The equity shares of RSL are listed on the Stock Exchanges.

### 2.2. Scope, Purpose and Usage of Valuation

2.2.1. The scope of my services as per the Engagement Letter dated December 2, 2022 is to carry out a valuation of the equity shares of RSL, as on December 21, 2022, as required under Regulation 166A of the SEBI Regulations, using the methodology prescribed under the Indian Valuation Standards ('IVS') issued by Institute of Chartered Accountants of India, and issue a Valuation Report, to be used by the Board of Directors of the Company, as well as to represent to regulatory authorities in connection with the proposed preferential issuance by RSL, pursuant to the extant provisions of the SEBI Regulations.

### 2.3. Summary of the Valuation

| Valuation Approach | RSL |
|--------------------|-----|
| Income Approach    | ×   |
| Market Approach    | ✓   |
| Cost Approach      | ×   |

2.3.1. I have carried out the valuation of equity shares of RSL using the Market Price Method under the Market Approach.

2.3.2. On the basis of my valuation analysis and methodologies adopted and mentioned in greater detail in my Report herein, I estimate that the Fair Value of the equity shares of Ramco Systems Limited, as on December 21, 2022, is **INR 273.20** under Regulation 166A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022. My valuation working and summary have been provided in the **Annexure [A - B]** to this Report.

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### 3. SOURCES OF INFORMATION

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I have relied on the following information provided by the Company for the preparation of this Report:

- 3.1 Brief history, present activities, business profile and group structure of the Company;
- 3.2 Audited financial statements of RSL as on March 31, 2020, March 31, 2021, and March 31, 2022;
- 3.3 Unaudited financial statements of RSL as on September 30, 2022;
- 3.4 Written Representations received from the management dated December 21, 2022;
- 3.5 Publicly available data of the Company such as shareholding pattern, historical trading pricing on the Stock Exchanges;
- 3.6 Such other information, explanations and representations as required and which have been provided by the management of the Company and considered relevant for purpose of preparing this Report.

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#### 4. SCOPE, USAGE AND PURPOSE OF THE REPORT

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- 4.1 I have been appointed by the Company through an Engagement Letter to assist in determining the Fair Value of the equity shares of RSL, as on December 21, 2022 as required under the extant provisions in Regulation 166A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022.
- 4.2 My Valuation Report is to be read in conjunction with the scope and purpose of the Report, the sources of information and the assumptions, exclusions, limitations, and the disclaimers, as detailed hereinafter. The valuation presented in this Report is specific to this Valuation Date
- 4.3 For the purpose of arriving at the valuation of equity shares of RSL, I have considered the valuation base as 'Fair Value' and the premise of value as 'Going Concern.' Any change in the valuation base or premise could have a significant impact on the valuation analysis, and consequently, this Report.
- 4.4 This Report is my deliverable to this engagement. This Report shall be used by the Board of Directors of RSL as well as to represent to SEBI, in connection with the proposed Transaction.
- 4.5 It is to be noted that I am registered under ICAI Registered Valuers Organisation ('ICAIRVO'), bearing number ICAIRVO/06/RV-P00014/2019-2020 as a registered valuer under the Securities and Financial Assets category, which has recommended its members to follow the Indian Valuation Standards ('IVS') issued by the Institute of Chartered Accountants of India ('ICAI') by way of press release dated May 25, 2018 and effective from July 1, 2018 for undertaking valuations. Accordingly, I have considered the IVS as issued by ICAI in carrying out this valuation exercise.

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## 5. OVERVIEW OF THE COMPANY

5.1 RSL ('CIN: L72300TN1997PLC037550'), incorporated on February 19, 1997, is engaged in the business of providing multi-tenant cloud and mobile-based enterprise software in the area of global payroll, ERP, logistics and M&E MRO for Aviation. The equity shares of RSL are listed on the Stock Exchanges.

5.2 The shareholding pattern of RSL as on September 30, 2022 is as under:

Equity Shares of INR 10/-

| No. | Name of the Shareholder     | No. of Shares     | Shareholding (%) |
|-----|-----------------------------|-------------------|------------------|
| 1   | Promoter and promoter group | 16,724,849        | 54.27            |
| 2   | Public holdings             | 14,090,871        | 45.73            |
|     | <b>Total</b>                | <b>30,815,720</b> | <b>100.00</b>    |

Source: Management Representation

5.3 A brief financial summary of RSL as on March 31, 2021, March 31, 2022, and September 30, 2022, is as under:

Balance Sheet of RSL:

| Particulars  | (INR in Mn)                 |                             |                                      |
|--|-----------------------------|-----------------------------|--------------------------------------|
|  | March 31, 2021<br>(Audited) | March 31, 2022<br>(Audited) | September 30,<br>2022<br>(Unaudited) |
| <b>Non-current assets</b>                          |                             |                             |                                      |
| Property, plant and equipment                      | 193.78                      | 205.26                      | 208.88                               |
| Right-of-use assets                                | 579.20                      | 496.62                      | 516.23                               |
| Intangible assets                                  | 2,625.38                    | 2,859.42                    | 2,626.35                             |
| Intangible assets under development                | -                           | -                           | 533.03                               |
| Investment in associate                            | 15.35                       | 16.38                       | 16.38                                |
| Financial assets                                   | 1,368.44                    | 977.54                      | 795.07                               |
| Tax assets (net)                                   | 75.70                       | 61.30                       | 102.04                               |
| Deferred tax assets (net)                          | -                           | 31.03                       | 56.08                                |
| Other non-current assets                           | 7.49                        | 13.71                       | 10.07                                |
| <b>Total Non-Current Assets</b>                    | <b>4,865.34</b>             | <b>4,661.26</b>             | <b>4,864.13</b>                      |
| <b>Current assets</b>                              |                             |                             |                                      |
| Trade receivables                                  | 1,820.18                    | 1,666.61                    | 1,637.79                             |
| Cash and cash equivalents                          | 153.32                      | 128.06                      | 123.05                               |
| Bank balances other than cash and cash equivalents | -                           | -                           | 130.29                               |
| Other financial assets                             | 1,004.35                    | 748.65                      | 622.02                               |



| Particulars  | March 31, 2021<br>(Audited) | March 31, 2022<br>(Audited) | September 30,<br>2022<br>(Unaudited) |
|--|-----------------------------|-----------------------------|--------------------------------------|
| Tax assets (net)   | 141.26                      | 136.22                      | 133.26                               |
| Other current assets                                       | 1,426.78                    | 1,404.90                    | 1,430.90                             |
| <b>Total Current Assets</b>                                | <b>4,545.89</b>             | <b>4,084.44</b>             | <b>4,077.31</b>                      |
| <b>Total Assets</b>  | <b>9,411.23</b>             | <b>8,745.70</b>             | <b>8,941.44</b>                      |
| <b>Equity</b>  |                             |                             |                                      |
| Equity share capital                                       | 307.49                      | 308.49                      | 308.51                               |
| Other equity   | 6,210.99                    | 5,497.69                    | 4,606.21                             |
| <b>Equity attributable to equity holders of the parent</b> | <b>6,518.48</b>             | <b>5,806.18</b>             | <b>4,914.72</b>                      |
| Non-controlling interests                                  | 29.97                       | 34.26                       | 32.68                                |
| <b>Total Equity</b>  | <b>6,548.45</b>             | <b>5,840.44</b>             | <b>4,947.40</b>                      |
| <b>Liabilities</b>   |                             |                             |                                      |
| <b>Non-current liabilities</b>                             |                             |                             |                                      |
| Lease liabilities  | 521.18                      | 442.93                      | 447.29                               |
| Trade payables   | 46.91                       | 47.47                       | 45.63                                |
| Deferred tax liabilities (net)                             | 50.29                       | -                           | -                                    |
| Provisions   | 234.14                      | 254.45                      | 268.89                               |
| Other non-current liabilities                              | 110.05                      | 22.51                       | 19.52                                |
| <b>Total Non-Current Liabilities</b>                       | <b>962.57</b>               | <b>767.36</b>               | <b>781.33</b>                        |
| <b>Current liabilities</b>                                 |                             |                             |                                      |
| Borrowings   | -                           | -                           | 830.00                               |
| Lease liabilities  | 107.04                      | 112.99                      | 131.99                               |
| Trade payables   | 563.59                      | 692.47                      | 800.95                               |
| Other financial liabilities                                | 33.62                       | 20.69                       | 37.08                                |
| Provisions   | 18.62                       | 22.41                       | 23.32                                |
| Liabilities for current tax                                | 39.54                       | 38.56                       | 45.83                                |
| Other current liabilities                                  | 1,137.80                    | 1,250.78                    | 1,343.54                             |
| <b>Total Current Liabilities</b>                           | <b>1,900.21</b>             | <b>2,137.90</b>             | <b>3,212.71</b>                      |
| <b>Total liabilities</b>                                   | <b>2,862.78</b>             | <b>2,905.26</b>             | <b>3,994.04</b>                      |
| <b>Total Equity and Liabilities</b>                        | <b>9,411.23</b>             | <b>8,745.70</b>             | <b>8,941.44</b>                      |

Source: Audited Financials and Company Quarterly Filing on the Stock Exchanges

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## Profit and Loss Statement of RSL:

(INR in Mn)

| Particulars  | March 31, 2021<br>(Audited) | March 31, 2022<br>(Audited) | September 30,<br>2022<br>(Unaudited) |
|--|-----------------------------|-----------------------------|--------------------------------------|
| Revenue from operations  | 6,263.06                    | 5,311.02                    | 2,385.07                             |
| Other income   | 145.65                      | 92.75                       | 22.16                                |
| <b>Total Income</b>  | <b>6,408.71</b>             | <b>5,403.77</b>             | <b>2,407.23</b>                      |
| Purchase of stock-in-trade   | 60.25                       | 9.43                        | 6.47                                 |
| Employee benefits expense  | 2,761.57                    | 2,958.74                    | 1,667.21                             |
| Finance costs  | 88.25                       | 54.19                       | 37.64                                |
| Depreciation and amortisation expense                              | 691.46                      | 753.18                      | 396.91                               |
| Other expenses   | 1,728.31                    | 2,362.34                    | 1,421.78                             |
| <b>Total Expenses</b>  | <b>5,329.84</b>             | <b>6,137.88</b>             | <b>3,530.01</b>                      |
| <b>Profit/(Loss) before share of Profit/(Loss) of an associate</b> | <b>1,078.87</b>             | <b>(734.11)</b>             | <b>(1,122.78)</b>                    |
| Share of Profit/(Loss) of an associate                             | 0.35                        | 1.04                        | -                                    |
| <b>Profit/(Loss) before tax</b>                                    | <b>1,079.22</b>             | <b>(733.07)</b>             | <b>(1,122.78)</b>                    |
| Current tax  | 187.28                      | 72.93                       | 10.35                                |
| Deferred tax (includes MAT credit)                                 | 324.96                      | (76.70)                     | (21.55)                              |
| <b>Total tax expenses</b>  | <b>512.24</b>               | <b>(3.77)</b>               | <b>(11.20)</b>                       |
| <b>Profit/(Loss)</b>   | <b>566.98</b>               | <b>(729.30)</b>             | <b>(1,111.58)</b>                    |

Source: Audited Financials and Company Quarterly Filling on the Stock Exchanges

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## 6. RELEVANT REGULATORY GUIDANCE

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- 6.1 In order to comply with the provisions of Regulation 166A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, the valuation of the equity shares of RSL is required to be carried out by an independent registered valuer when a preferential issue results in change in control of more than 5%. The relevant extracts of the regulatory guidance are as under:

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 provision*

*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*

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## 7. PROCEDURE FOR THE VALUATION

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I have performed the following procedures to carry out this valuation analysis of the equity shares:

- 7.1 Requested and was provided the data as per my requisition list including current financial details, shareholding details and details of the proposed transaction etc;
- 7.2 Discussed with the management of the Company, the structure, details of the proposed issue of the equity shares;
- 7.3 Selected valuation methodology as considered appropriate for the purpose of my valuation;
- 7.4 Obtained necessary data from the public domain, as considered relevant for my valuation analysis;
- 7.5 Determined the Fair Value of the equity shares of RSL.

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## 8. METHODOLOGY OF THE VALUATION

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8.1 In order to arrive at the fair value of the Company, there are three traditional approaches which can be considered:

### 8.1.1 Market approach:

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

### 8.1.2 Income approach:

Income approach is a valuation approach that converts maintainable or future amounts such as cash flows or income and expenses, to a single current (discounted or capitalized) amount. The fair value measurement is determined based on the value indicated by current market expectations about those future amounts.

### 8.1.3 Cost approach:

The Cost approach seeks to determine the business value based on the value of its assets.

8.2 In arriving at the value of the equity shares of RSL, I have considered it appropriate to use the Market Approach for the valuation of RSL. I have used the Market Price Method under the Market Approach to arrive at the fair value of RSL as the equity shares are listed on the Stock Exchanges and frequently traded.

8.3 I have not used the Comparable Company Method ('CCM') under the Market Approach as this method provides an indication of value by comparing the underlying Company's financials with the traded multiples of listed peers / comparables. Since the Earnings before Interest, Tax, Depreciation and Amortization ('EBITDA') and the Profit after Tax ('PAT') of RSL are negative, CCM cannot be used to arrive at an indication of the fair value of RSL.

8.4 I have not used the Income Approach to Valuation as RSL is a listed company and the business projections have not been made available.

8.5 I have computed the Net Asset Value ('NAV') of the RSL under the Cost Approach, which is based on the historic representation of the cost incurred by the company.

8.6 As the value computed under the Market Approach is higher than the value computed under the Cost Approach, I have considered the value computed under the Market Approach, in line with the regulatory guidance given under Rule 166A of the SEBI Regulations.

8.7 My valuation working and summary have been provided in the **Annexure [A-B]** to this Report.



## 8.8 MARKET PRICE METHOD

- 8.8.1. This method evaluates the value on the basis of prices quoted on the stock exchange(s). Average of quoted price is considered as indicative of the value perception of the company by investors operating under free market conditions. The average of such market prices could be taken on a simple or weighted average basis taking into consideration the value and the volumes of the transactions taken place on the stock exchange.
- 8.8.2. This method is important as the secondary equity market is not only a reflection of the fair value of the company, but also of the other market information to know the perception of the market prevailing during the span of time for which the price of the share is evaluated.
- 8.8.3. Under this method of valuation, computation is carried based on the volume – weighted average market price of shares of a company for a period of 90 trading days as well as 10 trading days preceding from the date for which the valuation is to be arrived at. After arriving at volume-weighted average price of 90 trading days as well as 10 trading days, the higher of two prices which have been computed in said manner is taken into consideration.
- 8.8.4. Volume – weighted average market price means the product of the number of equity shares traded on a stock exchange and the closing price of equity shares divided by the total number of equity shares traded on the stock exchange.
- 8.8.5. The equity shares of RSL are listed on the Stock Exchanges and have been frequently traded. We have applied the Market Price method as described above to determine the Fair Value of RSL based on the historical trading price on NSE. We have calculated the Volume Weighted Price of RSL for the last 90 trading days from the Valuation Date i.e. August 11, 2022 to December 21, 2022 and last 10 trading days from Valuation Date i.e. December 8, 2022 to December 21, 2022. The higher of the two Volume Weighted Price is considered to arrive at the Fair Value of RSL.

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## 9. BASIS FOR THE DETERMINATION OF THE FAIR VALUE

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- 9.1 The valuation of the equity shares of RSL has been arrived at based on the methodology explained hereinabove, various qualitative factors relevant to the business, business dynamics and growth potential of the business and taking into consideration the information, key underlying assumptions and limitations as articulated hereinabove.
- 9.2 In the ultimate analysis, the valuation will have to be arrived at by the exercise of judicious discretion and judgments taking into account all the relevant factors. There will always be several factors, such as the quality of management, present and prospective competition, market sentiment and other factors, which are not evident from financial information, but which influence the worth of a business. This concept is also recognized in judicial decisions.

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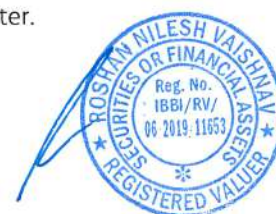




## 10. ASSUMPTIONS, DISCLAIMERS, EXCLUSIONS, LIMITATIONS AND QUALIFICATIONS

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- 10.1. This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. This Report is restricted for the purpose indicated in the Engagement Letter but does not preclude the management of the Company to provide a copy of this Report to third-party advisors whose review would be consistent with the intended use. I do not take any responsibility for any unauthorized use of this Report.
- 10.2. I owe responsibility only under the terms of the Engagement Letter. I 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 I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the management of the Company or their directors, employees or agents of the Company.
- 10.3. In the course of the valuation, I was provided with both written and verbal information, which I have evaluated 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. I have also been provided with extracts of certain agreements and am not privy to the entire agreement or all the clauses mentioned therein. I have also relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, I assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis.
- 10.4. The valuation of RSL, has been performed based on the last available financial statements provided by the management of the Company as of the Valuation Date. As implied by the financial statements, of RSL, are assumed to have those legal rights to the assets and be subject to those claims represented by the liabilities presented in the financial statements. As informed by the management of the Company, there are no contingent liabilities which are expected to devolve or contingent assets with RSL, and there are no surplus assets in RSL, as of the date of this Report beyond those as are captured in this Report. Accordingly, I assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the Company.
- 10.5. This Report and the results herein are specific to the purpose of valuation agreed as per the terms of the Engagement Letter, are specific to the date of this Report and are necessarily based on the prevailing financial and economic conditions as well as the written and oral information, as made available by the management of the Company as on date of this Report. Events occurring after this date may affect this Report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this Report.
- 10.6. I have not reviewed the legal compliance required for the proposed transaction, except to the extent necessary for the purpose of this Report, nor provided any accounting, tax, or legal advice to the Companies, neither am I required to do so, in terms of the Engagement Letter.



- 10.7. I have not carried out a revaluation of any assets of the Company, nor physically verified any assets of the Company, neither am I required to in terms of the Engagement Letter.
- 10.8. This Report does not constitute a fairness opinion, solvency opinion, or an investment recommendation and is not to be construed as such either for making or divesting investment.
- 10.9. I am independent of the Company and hold no specific interest in the Company or any of the assets of the Company, nor do I have any conflict of interest with the Company.
- 10.10. The fee for this Report is not contingent upon the result of the valuation arrived therein.
- 10.11. I am aware that based on the opinion of the value expressed in this Report, I may be required to give testimony or attend judicial proceedings with regard to the valuation, although it is out of scope of the assignment. In such an event, the party seeking the evidence in the proceedings shall bear the full cost and the fees of the judicial proceedings, and the tendering of evidence before such authority, if any, will be as per the applicable laws.

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## 11. CONCLUSION

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On the basis of my valuation analysis and methodologies adopted and mentioned in greater detail in my Report herein, I estimate that the Fair Value of the equity shares of Ramco Systems Limited, as on December 21, 2022, is **INR 273.20 per equity share** under Regulation 166A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022. My valuation working and summary have been provided in the **Annexure [A - B]** to this Report.

Thanking you,



CA Roshan Nilesh Vaishnav

Registered Valuer – Securities or Financial Assets

ICAI RVO Membership Number – ICAIRVO/06/RV-P00014/2019-2020

IBBI Reg Number - IBBI/RV/06/2019/11653

UDIN: 22136335BFWWHT3555



Date: December 22, 2022

Place: Ahmedabad

## Annexure A

## Market Price Method

## Ramco Systems Limited

Valuation Working As On Date:

21-Dec-22

INR

| Sr. No. | Date      | Close Price | Shares       | Turnover       |
|---------|-----------|-------------|--------------|----------------|
| 1       | 21-Dec-22 | 261.60      | 112,611.00   | 30,086,819.45  |
| 2       | 20-Dec-22 | 270.10      | 368,652.00   | 97,923,311.75  |
| 3       | 19-Dec-22 | 253.55      | 59,482.00    | 15,255,726.20  |
| 4       | 16-Dec-22 | 261.35      | 40,577.00    | 10,684,763.70  |
| 5       | 15-Dec-22 | 266.30      | 73,804.00    | 20,079,423.25  |
| 6       | 14-Dec-22 | 273.35      | 125,764.00   | 34,234,979.90  |
| 7       | 13-Dec-22 | 263.20      | 29,504.00    | 7,833,259.45   |
| 8       | 12-Dec-22 | 265.55      | 28,924.00    | 7,665,725.30   |
| 9       | 9-Dec-22  | 262.70      | 42,210.00    | 11,227,101.65  |
| 10      | 8-Dec-22  | 265.40      | 91,308.00    | 24,550,525.90  |
| 11      | 7-Dec-22  | 260.85      | 40,055.00    | 10,587,546.15  |
| 12      | 6-Dec-22  | 266.60      | 46,127.00    | 12,452,339.25  |
| 13      | 5-Dec-22  | 271.05      | 35,624.00    | 9,701,952.30   |
| 14      | 2-Dec-22  | 272.75      | 112,249.00   | 30,979,860.65  |
| 15      | 1-Dec-22  | 277.20      | 578,919.00   | 161,662,713.55 |
| 16      | 30-Nov-22 | 262.30      | 112,358.00   | 29,390,639.05  |
| 17      | 29-Nov-22 | 266.75      | 203,332.00   | 55,451,247.20  |
| 18      | 28-Nov-22 | 278.65      | 1,191,357.00 | 324,383,485.50 |
| 19      | 25-Nov-22 | 239.75      | 36,863.00    | 8,858,610.70   |
| 20      | 24-Nov-22 | 238.65      | 55,490.00    | 13,409,688.25  |
| 21      | 23-Nov-22 | 240.00      | 127,445.00   | 30,540,472.65  |
| 22      | 22-Nov-22 | 226.85      | 19,969.00    | 4,536,833.60   |
| 23      | 21-Nov-22 | 227.10      | 26,829.00    | 6,122,526.40   |
| 24      | 18-Nov-22 | 228.65      | 42,115.00    | 9,733,491.85   |
| 25      | 17-Nov-22 | 233.40      | 31,510.00    | 7,406,226.50   |
| 26      | 16-Nov-22 | 236.75      | 30,321.00    | 7,201,556.80   |
| 27      | 15-Nov-22 | 235.75      | 32,028.00    | 7,569,949.70   |
| 28      | 14-Nov-22 | 237.00      | 34,636.00    | 8,231,710.60   |
| 29      | 11-Nov-22 | 239.80      | 78,562.00    | 19,064,965.65  |
| 30      | 10-Nov-22 | 236.75      | 34,015.00    | 8,118,552.65   |
| 31      | 9-Nov-22  | 241.40      | 108,307.00   | 26,349,281.00  |
| 32      | 7-Nov-22  | 251.90      | 250,587.00   | 61,719,685.70  |
| 33      | 4-Nov-22  | 249.50      | 39,604.00    | 9,825,507.45   |
| 34      | 3-Nov-22  | 243.90      | 65,490.00    | 16,162,211.45  |
| 35      | 2-Nov-22  | 250.90      | 32,630.00    | 8,243,165.65   |
| 36      | 1-Nov-22  | 253.55      | 49,334.00    | 12,425,237.10  |
| 37      | 31-Oct-22 | 245.50      | 79,441.00    | 19,681,531.90  |
| 38      | 28-Oct-22 | 251.80      | 39,806.00    | 10,040,132.55  |
| 39      | 27-Oct-22 | 254.05      | 34,690.00    | 8,902,751.30   |
| 40      | 25-Oct-22 | 260.30      | 27,091.00    | 7,045,397.60   |
| 41      | 24-Oct-22 | 256.85      | 10,951.00    | 2,811,483.10   |
| 42      | 21-Oct-22 | 253.50      | 53,322.00    | 13,747,493.35  |
| 43      | 20-Oct-22 | 256.50      | 82,954.00    | 21,395,525.20  |
| 44      | 19-Oct-22 | 255.95      | 30,467.00    | 7,868,859.35   |
| 45      | 18-Oct-22 | 256.45      | 47,708.00    | 12,218,842.85  |
| 46      | 17-Oct-22 | 255.40      | 43,322.00    | 11,106,742.10  |
| 47      | 14-Oct-22 | 258.15      | 63,816.00    | 16,742,281.85  |
| 48      | 13-Oct-22 | 257.80      | 26,513.00    | 6,858,545.10   |
| 49      | 12-Oct-22 | 260.65      | 35,440.00    | 9,251,691.30   |
| 50      | 11-Oct-22 | 262.00      | 28,298.00    | 7,503,238.80   |



| Sr. No. | Date      | Close Price | Shares     | Turnover       |
|---------|-----------|-------------|------------|----------------|
| 51      | 10-Oct-22 | 267.35      | 42,603.00  | 11,299,625.00  |
| 52      | 7-Oct-22  | 267.55      | 75,271.00  | 20,064,750.00  |
| 53      | 6-Oct-22  | 263.85      | 91,370.00  | 24,346,033.85  |
| 54      | 4-Oct-22  | 261.95      | 59,022.00  | 15,589,670.95  |
| 55      | 3-Oct-22  | 256.75      | 58,938.00  | 15,311,654.65  |
| 56      | 30-Sep-22 | 263.00      | 30,935.00  | 8,063,355.90   |
| 57      | 29-Sep-22 | 260.55      | 27,508.00  | 7,227,960.30   |
| 58      | 28-Sep-22 | 259.65      | 34,332.00  | 8,988,492.80   |
| 59      | 27-Sep-22 | 263.55      | 60,534.00  | 15,996,862.65  |
| 60      | 26-Sep-22 | 261.15      | 73,690.00  | 19,433,858.85  |
| 61      | 23-Sep-22 | 271.75      | 88,725.00  | 24,562,472.55  |
| 62      | 22-Sep-22 | 282.35      | 121,220.00 | 33,886,978.25  |
| 63      | 21-Sep-22 | 273.30      | 68,052.00  | 18,832,571.00  |
| 64      | 20-Sep-22 | 279.15      | 51,064.00  | 14,311,485.50  |
| 65      | 19-Sep-22 | 275.65      | 77,117.00  | 21,283,257.20  |
| 66      | 16-Sep-22 | 274.00      | 84,251.00  | 23,350,142.70  |
| 67      | 15-Sep-22 | 282.20      | 147,273.00 | 41,986,612.05  |
| 68      | 14-Sep-22 | 290.65      | 122,229.00 | 35,822,177.55  |
| 69      | 13-Sep-22 | 299.75      | 159,347.00 | 48,136,639.45  |
| 70      | 12-Sep-22 | 297.20      | 151,006.00 | 45,280,226.50  |
| 71      | 9-Sep-22  | 294.40      | 75,011.00  | 22,165,688.70  |
| 72      | 8-Sep-22  | 298.85      | 130,580.00 | 39,378,630.00  |
| 73      | 7-Sep-22  | 297.25      | 113,993.00 | 33,866,559.85  |
| 74      | 6-Sep-22  | 293.70      | 96,912.00  | 28,558,838.40  |
| 75      | 5-Sep-22  | 296.10      | 146,092.00 | 43,806,856.15  |
| 76      | 2-Sep-22  | 294.25      | 503,886.00 | 152,881,586.80 |
| 77      | 1-Sep-22  | 292.65      | 64,643.00  | 18,801,617.30  |
| 78      | 30-Aug-22 | 292.40      | 86,051.00  | 25,215,905.30  |
| 79      | 29-Aug-22 | 288.85      | 231,706.00 | 67,063,221.75  |
| 80      | 26-Aug-22 | 284.95      | 97,790.00  | 27,890,919.75  |
| 81      | 25-Aug-22 | 281.85      | 132,223.00 | 37,566,344.00  |
| 82      | 24-Aug-22 | 280.15      | 102,057.00 | 28,423,368.50  |
| 83      | 23-Aug-22 | 271.70      | 166,363.00 | 45,448,349.70  |
| 84      | 22-Aug-22 | 269.40      | 53,302.00  | 14,493,678.00  |
| 85      | 19-Aug-22 | 278.65      | 90,729.00  | 25,375,968.00  |
| 86      | 18-Aug-22 | 279.15      | 253,904.00 | 70,826,657.95  |
| 87      | 17-Aug-22 | 266.60      | 102,753.00 | 27,270,418.35  |
| 88      | 16-Aug-22 | 262.35      | 112,929.00 | 29,816,891.40  |
| 89      | 12-Aug-22 | 268.60      | 65,249.00  | 17,678,493.05  |
| 90      | 11-Aug-22 | 273.15      | 54,717.00  | 15,003,507.40  |

#### Preferential Allotment Guidelines Pricing

NSE

|  |               |
|--|---------------|
| i) Weighted Average Price of the relevant 90 Trading Days  | 273.20        |
| ii) Weighted Average Price of the relevant 10 Trading Days | 266.79        |
| <b>Higher of 90 Trading Days and 10 Trading Days price</b> | <b>273.20</b> |

#### Weighted Average Price of the relevant 90 Trading Days

NSE

|  |               |
|--|---------------|
| Total Trading Turnover for the past 90 Trading Days  | 2,540,153,938 |
| Total Shares Traded for the past 90 Trading Days     | 9,297,788     |
| 90 Trading Days Volume Weighted Average Market Price | 273.20        |

#### Weighted Average Price of the relevant 10 Trading Days

NSE

|  |             |
|--|-------------|
| Total Trading Turnover for the past 10 Trading Days  | 259,541,637 |
| Total Shares Traded for the past 10 Trading Days     | 972,836     |
| 10 Trading Days Volume Weighted Average Market Price | 266.79      |

Source: <https://www.nseindia.com/get-quotes/equity?symbol=RAMCOSYS> and Valuer's Analysis



Annexure B

Net Asset Value (NAV Working) Computation:

Ramco Systems Limited

Valuation Working As On Date: 30-Sep-22

INR in 10,000,000

| Particulars                              | Amount        |
|--|---------------|
| Equity Share Capital                     | 30.85         |
| Free Reserves & Surplus                  | 460.62        |
| <b>Book Net Worth</b>                    | <b>491.47</b> |
| Less Book Value of Investments           | (3.14)        |
| Add: Fair Value of Investments (Note: 1) | 1.19          |
| <b>Adjusted Net Worth</b>                | <b>489.53</b> |
| Total Equity Shares                      | 30,815,720    |
| <b>Equity Value Per Share (INR)</b>      | <b>158.86</b> |

Note 1

| Particulars   | No of Shares | Book Value of Investments | Fair Value of Investments |
|---|--------------|---------------------------|---------------------------|
| SmartMegh Solutions Private Limited                   | 2,335.00     | 1.50                      | 0.00                      |
| CityWorks (Pty.) Ltd., South Africa (Group-Associate) | 600.00       | 1.64                      | 1.19                      |
| <b>Total</b>  |              | <b>3.14</b>               | <b>1.19</b>               |

Source: Valuer's Analysis and Management Representation

