

**Valuation Report**

**Of**

**W.S. INDUSTRIES (INDIA) LTD**

**CIN: L29142TN1961PLC004568**

**Prepared by:**

**SANKA HARI SURYA**

**(IBBI REGISTERED VALUER)**

**Registration No: IBBI/RV/07/2019/12576**

**Report Date: 30<sup>th</sup> April, 2022**

**Contact Details**

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**Date: 30<sup>th</sup> April, 2022**

To,  
The Board of Directors  
W.S. INDUSTRIES (INDIA) LTD  
108, Mount Poonamallee Road, Porur, Chennai, Tamil Nadu, 600116

Dear Sir/Madam,

**Subject: Valuation of Equity Shares of W.S. INDUSTRIES (INDIA) LTD (WSIIL)**

**I. Purpose:**

We have been engaged by W.S. Industries (India) Ltd. having Registered office at 108, Mount Poonamallee Road, Porur, Chennai, Tamil Nadu, 600116 for the purpose of valuation of equity shares of W.S. Industries (India) Ltd. (“**WSIIL**”/ “**Company**”).

WSIIL is evaluating the fair market value of equity shares for the proposed preferential issue of shares under the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR 2018). Since, the Board of the Directors proposed to issue more than 5% Equity Shares of the post issue share capital of the Company and there would be subsequent change in control in the Company, WSIIL requires Valuation of its shares for issuing shares in terms of the regulation 166A of SEBI ICDR 2018.

Accordingly, we are valuing the Equity Shares of the Company.

The information contained herein and our report is confidential. It is intended only for the sole use for WSIIL, and only in connection with the purpose mentioned above. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the purpose as aforesaid, can be done only with our prior permission in writing.

**II. About the Valuer:**

Mr. Sanka Hari Surya is an Independent valuer and he is registered with Insolvency and Bankruptcy Board of India (“IBBI”) with Registration No.: IBBI/RV/07/2019/12576 for the purpose of carrying out the said valuation of equity shares.

**III. Background/Information about WSIIL**

W.S. Industries (India) Ltd. (“WSIIL”/ “Company”) was based at Tamil Nadu and Incorporated on 23<sup>rd</sup> August, 1961. The Registered office of the Company is situated at 108, Mount Poonamallee Road, Porur, Chennai, Tamil Nadu, 600116.

The Company is presently listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and trading in the shares are suspended on NSE due to GSM-IV. The share is also classified under GSM-4 in BSE.

The Share Capital of the Company, on a fully diluted basis, as on 31<sup>th</sup> March, 2022 is as under:

Particulars	Amount in INR
Issued, subscribed and paid up Capital 2,62,60,607 Equity Share of INR 10 each fully paid-up	26,26,06,070



#### IV. Shareholding Pattern of WSIL

##### Shareholding pattern as on 31<sup>th</sup> March, 2022.

Particulars	No of Equity Shares	% of Holding
Promoter & Promoter Group	98,98,485	37.69
Other than Promoter & Promoter Group	1,63,62,122	62.31
<b>Total</b>	<b>2,62,60,607</b>	<b>100.00</b>

(Source: Shareholding Pattern as on 31<sup>th</sup> March, 2022 filed with BSE)

#### V. Appointing Authority:

We were assigned with this project of valuation of the Equity shares of the Company by the Board of Directors of the Company.

#### VI. Disclosure of Valuer's Interest/ Conflict:

The Valuer is not related to the WSIL or its promoters or its Director or their relatives. The valuer does not have any interest or conflict of interest with respect to the valuation under consideration.

#### VII. Sources of Information:

We were provided with the following information by WSIL for the valuation purpose as aforesaid:

- Brief background of the business of the Company;
- Audited Financial Statements of last 3 years;
- Information available in the Public Domain;
- Latest Shareholding Pattern on 31<sup>st</sup> March, 2022;
- Memorandum and Articles of Association of the Company; and
- Market prices available on BSE Websites.

#### VIII. Approach Considered in our Value Analysis:

##### General Principle for Valuation

There is no single definition of the term 'Value' that is suitable for all purposes or at all times. The value of a particular asset may vary according to different valuation methodologies that are adopted to ascertain the value for a specific purpose. Valuation of securities is an inexact science. It may sometimes involve a set of judgments and assumptions that may be subject to certain uncertainties.

**Broadly there are three approaches of Valuations which are as follows:**

- a) "Net Asset Value" approach
- b) "Income" approach
- c) "Market" Approach



## IN SUMMARY:

The application of any method of valuation depends on the purpose for which the valuation exercise is performed; relevance of each method under the circumstances of the case and other factors as determined appropriate.

- **Net Asset Value Approach:** The Net Assets Method represents the value with reference to historical cost of assets owned by the company and the attached liabilities on the valuation date. Equity Share of the WSIL is listed at BSE and marketable and trading in equity share of WSIL is current suspended at NSE. However, since the Net worth of the Company is negative as on 31<sup>st</sup> March, 2021, we have not considered Net Asset Value approach in present scenario.
- **Income Approach:** Equity Share of the Company is listed at the nationwide stock Exchange and marketable, therefore, we have not used Income Approach in present scenario.
- **Market Approach:** Equity Share of the Company is listed at the nationwide stock Exchange and the Equity shares are frequently trade at the stock exchange, therefore, and we have this method to present valuation exercise.

## Selection of Valuation Methodology

The objective of the valuation process is to make a best reasonable judgment of the value of the Equity Shares of the Company. The Company's Equity shares are presently listed on BSE and NSE and are frequently traded at BSE.

Further, since the Company proposed to issue shares more than 5% of the post issue share capital of the Company and there would be subsequent change in control in the Company, WSIL requires Valuation of its shares under regulation 166A of SEBI ICDR 2018 for issuing Equity shares on preferential basis.

In terms of the Regulation 166A of SEBI ICDR 2018, 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. Also, 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:

Also, 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 above.

Therefore, for the evaluation of fair valuation, we, being an independent Valuer, have considered best reasonable judgment to value the equity shares through Market Approach (Closing Market Price as on relevant date i.e. 2<sup>nd</sup> May, 2022).



Further, the Equity Shares of the Company is frequently traded at the BSE (Stock Exchange) and Price in terms of sub-regulation (1), (2) or (4) of regulation 164 of SEBI ICDR 2018 has been determined considering 2<sup>nd</sup> May, 2022 as relevant date in terms of SEBI ICDR 2018 as follows:

Minimum of the Higher of the price determined through following methods was considered:

- Price determined under sub-regulation (1), (2) or (4) of regulation 164 of SEBI ICDR Regulations as per following provisions i.e. price shall be not less than higher of the following:
  - The 90 (ninety) days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or
  - The 10 (ten) days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

The minimum price per Equity Share in accordance with Regulation 164 of the SEBI (ICDR) Regulations is calculated at Rs. 12.00 per equity share as per **Annexure I** and we, being an Independent Valuer, have calculated Rs. 12.00 per equity shares as the fair value price of each Equity Share in accordance with Regulation 166A of the SEBI (ICDR) Regulations as per **Annexure II**.

**Method of determination of price as per the Articles of Association of the Company –** Not applicable as the Articles of Association of the Company are silent on the determination of a floor price/minimum price of the shares issued on preferential basis.

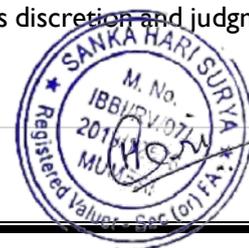
Further, since there is a change in control, pursuant to the Preferential Offer, the Valuation Report also considers the control premium of Rs. 0.48 Per Equity Share over and above the price of Rs. 12.00 per equity share (higher of value determined in terms of Regulation 164 i.e. Rs. 12.00 per Equity Share and fair value calculated by us i.e. Rs. 12.00 per Equity Share and value as per Articles of Association of the Company i.e. N.A.).

Following is the summary of the Valuation:

Value per Share as per Regulation 164 of SEBI ICDR 2018 - <b>as per Annexure-I.</b>	Rs. 12.00
Fair Value per Share- <b>as per Annexure-II.</b>	Rs. 12.00
Price Calculated as per Articles of Association of the Company	N.A.
<b>Whichever is higher as above</b>	<b>Rs. 12.00</b>
<b>Add: Control Premium (since there is change in control)</b>	<b>Rs. 0.48</b>
<b>Minimum price per Equity Share as per regulation 166A of SEBI ICDR 2018</b>	<b>Rs. 12.48</b>

#### Valuation & Conclusion:

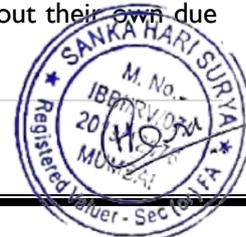
In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors.



**The Fair Market Value per equity share of WSIL as per above methodology is INR 12.48/- (Indian Rupees Twelve and Forty Eight Paise) Which is the minimum price at which the Equity shares may be issued.**

#### **Limitations & Disclaimers:**

- Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- 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 judgment. There is, therefore, no indisputable single value. While we have provided an assessment of the value based on the information available, application of certain formulae and within the scope and constraints of our engagement, others may place a different value to the same.
- Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have, therefore, not performed any audit, review, due diligence or examination of any of the historical or prospective information used and therefore, does not express any opinion with regards to the same.
- No investigation on the Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the liabilities in the books. Therefore, no responsibility is assumed for matters of a legal nature.
- Our work does not constitute an audit or certification of the historical financial statements/prospective results including the working results of the Company referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation mentioned in the report is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by the Company. We assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise.
- A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Company and any other matter, which may have an impact on our opinion, on the fair value of the Equity shares of the Company including any significant changes that have taken place or are likely to take place in the financial position of the Company. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- Any person/party intending to provide finance/invest in the shares/business of the Company 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.



- The decision to carry out the transaction (including consideration thereof) on the basis of this valuation lies entirely with WSIL and our work and our finding shall not constitute a recommendation as to whether or not the WSIL/ Company should carry out the transaction.
- Our report is meant for the purpose as mentioned and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
- Neither Valuer, nor its partners/directors, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

  
**Sanka Hari Surya**  
**(Registered Valuer)**  
**IBBI/RV/07/2019/12576**



**Date: 30<sup>th</sup> April, 2022**  
**Place: Mumbai**

## Annexure-I

### **Calculation of Price as per regulation 164 of SEBI ICDR 2018.**

As per SEBI ICDR 2018, the Company's Equity shares are Frequently Traded at BSE. If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

Market Price (90 trading days volume weighted average price quoted at BSE during the 90 trading days preceding the relevant date i.e. 2 <sup>nd</sup> May, 2022)	Rs. 10.40
Market Price (10 trading days volume weighted average price quoted at BSE during the 10 trading days preceding the relevant date i.e. 2 <sup>nd</sup> May, 2022)	Rs. 12.00
<b>Whichever is higher as above</b>	<b>Rs. 12.00</b>

**Method of determination of price as per the Articles of Association of the Company –**  
Not applicable as the Articles of Association of the Company are silent on the determination of a floor price/minimum price of the shares issued on preferential basis.



## Calculation of Fair Value

## I. Net Asset Approach

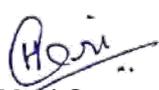
Particulars	Amt in INR Million
Equity Shares Capital as on 31 <sup>st</sup> March, 2021	262.61
Add: Other Equity	(1,196.36)
Net worth as on 31 <sup>st</sup> March, 2021 being the latest available Audited Financials	<b>(933.75)</b>
Book Value per Share/ Net Asset Value (Rs.)	<b>(35.56)**</b>

\*\* Rounded off upto two decimal places.

2. **Market Approach:** Closing Market Price as on relevant date i.e. 2<sup>nd</sup> May, 2022 is Rs. 12.00 per Equity Share (**Source:** [www.bseindia.com](http://www.bseindia.com))

**Fair Value –Closing Market Price as on relevant date as follow:**

Weightaged Average	Price per Share (Rs.)	Weight	Product
Book Value	-	-	-
Closing Market Price as on Relevant Date i.e. 2 <sup>nd</sup> May, 2022	12.00	1	12.00
		<b>Price (Rs.)</b>	<b>12.00</b>

  
**Sanka Hari Surya**  
**(Registered Valuer)**  
**IBBI/RV/07/2019/12576**



**Date: 30<sup>th</sup> April, 2022**

**Place: Mumbai**

### Annexure-III

Market Price (10 trading days volume weighted average price quoted at BSE during the 10 trading days preceding the relevant date i.e. 2<sup>nd</sup> May, 2022).

Date	No. of Shares	No. of Trades	Total Turnover (Rs.)
29-Apr-22			
28-Apr-22			
27-Apr-22			
26-Apr-22			
25-Apr-22	3605	11	43260
22-Apr-22			
21-Apr-22			
20-Apr-22			
19-Apr-22			
18-Apr-22	1649	5	19788
	<b>5254</b>		<b>63048</b>
<b>Volume Weighted Average Price (VWAP) (Rs.)</b>			<b>Total Turnover/ No. of Shares</b>
		<b>VWAP (Rs.)</b>	<b>12.00</b>

Market Price (90 trading days volume weighted average price quoted at BSE during the 90 trading days preceding the relevant date i.e. 2<sup>nd</sup> May, 2022).

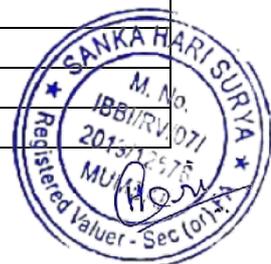
Date	No. of Shares	No. of Trades	Total Turnover (Rs.)
29-Apr-22			
28-Apr-22			
27-Apr-22			
26-Apr-22			
25-Apr-22	3605	11	43260
22-Apr-22			
21-Apr-22			
20-Apr-22			
19-Apr-22			
18-Apr-22	1649	5	19788



13-Apr-22			
12-Apr-22			
11-Apr-22	3562	8	42450
08-Apr-22			
07-Apr-22			
06-Apr-22			
05-Apr-22			
04-Apr-22	2441	4	27900
01-Apr-22			
31-Mar-22			
30-Mar-22			
29-Mar-22			
28-Mar-22	9345	8	106813
25-Mar-22			
24-Mar-22			
23-Mar-22			
22-Mar-22			
21-Mar-22	9527	10	108878
17-Mar-22			
16-Mar-22			
15-Mar-22			
14-Mar-22	5500	6	62865
11-Mar-22			
10-Mar-22			
09-Mar-22			
08-Mar-22			
07-Mar-22	16701	16	190892
04-Mar-22			
03-Mar-22			
02-Mar-22			
28-Feb-22	10000	2	114300



25-Feb-22			
24-Feb-22			
23-Feb-22			
22-Feb-22			
21-Feb-22	7161	7	81850
18-Feb-22			
17-Feb-22			
16-Feb-22			
15-Feb-22			
14-Feb-22	9521	19	108825
11-Feb-22			
10-Feb-22			
09-Feb-22			
08-Feb-22			
07-Feb-22	2002	2	21801
04-Feb-22			
03-Feb-22			
02-Feb-22			
01-Feb-22			
31-Jan-22	2810	7	30600
28-Jan-22			
27-Jan-22			
25-Jan-22			
24-Jan-22	200	1	2178
21-Jan-22			
20-Jan-22			
19-Jan-22			
18-Jan-22			
17-Jan-22	7407	4	80662
14-Jan-22			
13-Jan-22			
12-Jan-22			



11-Jan-22			
10-Jan-22	1850	5	20146
07-Jan-22			
06-Jan-22			
05-Jan-22			
04-Jan-22			
03-Jan-22	5121913	14	53165456
31-Dec-21			
30-Dec-21			
29-Dec-21			
28-Dec-21			
27-Dec-21	4951	5	51391
24-Dec-21			
23-Dec-21			
22-Dec-21			
21-Dec-21			
20-Dec-21	93450	7	969186
	5313595		55249241
	<b>Volume Weighted Average Price (VWAP) (Rs.)</b>		<b>Total Turnover/ No. of Shares</b>
	<b>VWAP (Rs.)</b>		10.40

