

VALUATION REPORT

CRANES SOFTWARE  
INTERNATIONAL  
LIMITED

BY- SHITAL DARAK MANDHANA

DATE- 6<sup>TH</sup> DECEMBER 2023

IBBI/RV/03/2019/11506

SHITAL DARAK MANDHANA  
3RD FLOOR, A1 ARCADE, 33RD A CROSS, 11TH MAIN, 4TH T BLOCK, JAYANAGAR  
BANGALORE -560041, KARNATAKA, INDIA  
IBBI RV No. IBBI/RV/03/2019/11506, COP No. ICSIRVO/SFA/30

Date: 6<sup>th</sup> December 2023

To

**The Managing Director**  
**Cranes Software International Limited**  
No. 82, Presidency Building,  
3rd & 4th Floor, St Marks' Road,  
Bangalore, Karnataka, India, 560001

Dear Sir,

**VALUATION OF THE EQUITY SHARES OF CRANES SOFTWARE INTERNATIONAL LIMITED**

This Valuation Report is being furnished at the request of the management of Cranes Software International Limited ("Cranes"/ "Company"/ "Client") to determine the Fair Value of the equity shares as per the requirements of section 62 of the Companies Act 2013. As per Section 62(1)(c) of Companies Act 2013, the company can issue the securities at a price to be determined by Registered Valuer.

I refer to engagement letter dated 2<sup>nd</sup> December 2023 vide which I ("I" or "Me") have been appointed by the "Cranes", a company registered under Companies Act 2013 and having its registered office at - No. 82, Presidency Building, 3rd & 4th Floor, St Marks' Road, Bangalore, Karnataka, India, 560001 to determine the fair value of the Equity Shares to be issued on Preferential basis as at Relevant date i.e. 30<sup>th</sup> November 2023 in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations").

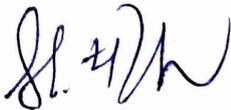
This report has been prepared based on the information furnished by the Company. The information contained herein is based on certain assumptions and analysis of information available at the time this Report was prepared.

**The Fair Market Value of per Equity Share of the Company, for the aforesaid purpose, as on 30th November 2023 can be considered as Rs. 2.095/- rounded off to Rs. 2/- as determined in the report enclosed herewith.**

I appreciate the co-operation received from your executives during this assignment.

Thanking you,

Yours faithfully,



**Shital Darak Mandhana**  
**Registered Valuer - Securities or Financial Assets**  
**Regn. No. IBBI/RV/03/2019/11506**

## Share Valuation Report of Cranes Software International Limited

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**I. BACKGROUND INFORMATION OF THE ASSET TO BE VALUED AND THE COMPANY**

Asset Being Valued	Equity Shares
Name of the Company	Cranes Software International Limited
CIN	L05190KA1984PLC031621
Company Name	CRANES SOFTWARE INTERNATIONAL LIMITED
ROC Name	ROC Bangalore
Registration Number	031621
Date of Incorporation	22/12/1984
Email Id	rajiv.menon@cranessoftware.com
Registered Address	NO. 82, PRESIDENCY BUILDING, 3RD & 4TH FLOOR, ST MARKS' ROAD, Bangalore, BANGALORE, Karnataka, India, 560001
Address at which the books of account are to be maintained	-
Listed in Stock Exchange(s) (Y/N)	Yes
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Public
ACTIVE compliance	ACTIVE Compliant
Authorised Capital (Rs)	35,00,00,000
Paid up Capital (Rs)	23,55,33,700
Date of last AGM	30/09/2022
Date of Balance Sheet	31/03/2022
Company Status	Active
<b>Jurisdiction</b>	
ROC (name and office)	ROC Bangalore
RD (name and Region)	RD, South East Region

The main object of Cranes Software International Limited is as per Memorandum of Association is to carry on all or any of the business of designing, developing, producing, processing, implementing, marketing, buying,

The main object of Cranes Software International Limited is as per Memorandum of Association is to carry on all or any of the business of designing, developing, producing, processing, implementing, marketing, buying, selling, importing, exporting, exchanging, hiring, altering, granting license and/or otherwise deal in computer software of all kind and description, computer software techniques, prototypes, systems, design analysis and development, programs and software packages for the users of computers in all fields including scientific, medical biomedical, research and commercial services in the field of computer technology and allied fields.

#### DIRECTORS OF THE COMPANY:

Below are the Directors of the company as on 30<sup>th</sup> November, 2023

Sr. No	DIN/PAN	Name	Designation	Date of Appointment
1	ANBPM6724F	HONNAPPA MANJUNATH	CFO	08/09/2021
2	00906340	RICHARD HOLDEN GALL	Director	16/05/2002
3	00104893	ASIF KHADER	Managing Director	30/04/2002
4	07624256	AKTHAR BEGUM	Director	12/08/2016
5	00106674	MUEED KHADER	Director	30/04/2002
6	AJQPA6750Q	APEKSHA NAGORI	Company Secretary	30/05/2023

**Mr. Asif Khader**, Managing Director in the Company, is a well-known entrepreneur and business leader. He has been in the Intellectual Business for over two decades and has driven Cranes Software to be one of the largest Technology Solutions Company in India and a well-known name in the International Scientific Software Solutions sector as well.

**Mr. Mueed Khader**, Non- Executive and Non-Independent Director in the Company, is an intrinsic part of Cranes Software's executive management team

marketing savvy, relationships in several Fortune 500 companies that run for decades and irrepressible process rigour to his job.

Richard Gall will see Cranes foray into the American market oversee business development in Europe and Japan. Gall is a veteran of technology industry.

**Smt. Akthar Begum**, an Independent Director in the Company, is a M.A. and L.L.B. from Bangalore University and is a practicing advocate. She has worked in Bangalore and other places in Karnataka and also in Hyderabad, Chennai, and Kerala. She has wide experience in various fields such as Criminal, Civil, Labour, Writ Petitions, Contracts, Arbitration, Appellate, Family matters etc. In addition, she has worked as an Arbitrator for 10 years and as a Commissioner for Debts Recovery Tribunal (Karnataka & Andhra Pradesh) for 5 years.

(Source- <https://www.cranessoftware.com/investors/board-of-directors.php>)  
and MCA Database

## THE COMPANY IS SUBJECT TO THE FOLLOWING RISKS-

Intense competition within the software industry can impact a company's market share and profitability. Rapid technological advancements may also lead to the emergence of new competitors.

Software companies face the risk of their products becoming outdated due to rapid changes in technology. Failure to innovate and adapt to new trends can lead to a decline in demand for their products.

Software companies rely heavily on intellectual property, such as patents and copyrights, to protect their products. The risk of infringement lawsuits or the loss of key patents can have significant financial implications.

Software companies often handle sensitive data, making them susceptible to cybersecurity threats. Breaches, data leaks, or other security incidents can result in reputational damage, legal consequences, and financial losses.

Software companies may be subject to various regulations, especially regarding data privacy and security. Changes in regulations or non-compliance can lead to legal issues and financial penalties.

The software industry is highly reliant on skilled professionals. Difficulty in attracting and retaining talented employees can hinder a company's ability to innovate and meet market demands.

Software companies with international operations are exposed to geopolitical and economic risks. Currency fluctuations, trade tensions, and political instability in key markets can impact financial performance.

There is large potential risk from pending winding up and liquidation actions from Bank(s) and pending regulatory actions.

Company is highly dependent on its subsidiaries for its operating income.

Company is highly debt funded.

## II. PURPOSE OF VALUATION AND APPOINTING AUTHORITY

I, Shital Darak Mandhana, have been appointed by the Board of Directors of the Company on 30<sup>th</sup> November 2023 as Valuer to determine the Fair Value of the equity shares as per the requirements of section 62 of the Companies Act 2013. As per Section 62(1)(c) of Companies Act 2013, as amended from time to time, the company can issue the securities at a price to be determined by Registered Valuer.

The engagement letter has been signed by me and by the Company on 2<sup>nd</sup> December 2023.

## III. BASES OF VALUE:

The Bases of Value is Fair Value.

## IV. PREMISE OF VALUE

The premise of the value determination is 'Going Concern' and the enterprise value so determined is of a company expected to continue to operate in future

The valuation is based on Market Approach (Price to Sales Ratio) and Pricing guidelines given in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations").

#### **V. IDENTITY OF THE VALUER AND ANY OTHER EXPERTS INVOLVED IN THE VALUATION**

Shital Darak Mandhana (the Valuer) is an IBBI Registered Valuer having IBBI Registration Number: IBBI/RV/03/2019/11506 COP Number: ICSIRVO/SFA/30 and is qualified to carry on this exercise. She is also a Company Secretary in Practice, Trademark Agent, Certified Fraud Examiner and qualified to be an Independent Director in eligible Companies as per Corporate Laws.

No other experts have been involved in the Valuation.

#### **VI. INTENDED USERS AND RESTRICTIONS ON USE OF THE REPORT**

The Final Report is prepared for the exclusive use of Cranes Software International Limited to support the decisions to be taken with respect to issue of equity shares, in compliance with the provisions of Companies Act, 2013 and rules made thereunder and of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and to file the same with the Registrar of Companies, if required in future.

Therefore, the Final Report may not be disclosed, in whole or in part, to any third party or used for any purpose whatsoever other than those indicated in the Engagement and in the Final Report itself, provided that the Final Report may be transmitted to the experts appointed in compliance with the law and its content may be disclosed publicly where required by regulations of the Indian authorities. Any other use, in whole or in part, of the Final Report will have to be previously agreed and authorised in writing by Valuer.

#### **VII. DISCLOSURE OF VALUER INTEREST/CONFLICT, IF ANY**

The Valuer does not have any interest or conflict of interest of any kind with the Company and the fee for this Report is not contingent upon the values reported herein.

#### VIII. DATE OF APPOINTMENT, VALUATION DATE AND DATE OF REPORT

Valuation date: 30<sup>th</sup> November, 2023

The analysis of the Fair Value of the Equity Shares of the Company has been carried out as on 30<sup>th</sup> November, 2023

Date of Board resolution for appointment: 30<sup>th</sup> November 2023

Date of engagement letter: 2<sup>nd</sup> December 2023

Date of report: 6<sup>th</sup> December 2023

#### IX. INSPECTIONS AND INVESTIGATIONS UNDERTAKEN

Valuer has enquired and understood the purpose of the valuation.

Valuer has downloaded the historical data of shares of the company from BSE India website for 90 trading days and 10 trading days preceding the relevant date i.e. 29<sup>th</sup> November 2023.

Valuer has taken records of other documents/information provided by the management and discussion with the Company officials.

Annual Reports and Audited Financials of the Company for the FY 20-21 and FY 21-22.

Valuer has inspected the relevant information of the Company on [www.mca.gov.in](http://www.mca.gov.in).

Management Certified Shareholding Pattern as on the date of Valuation.

Discussions and correspondence with the Management to obtain requisite explanations and clarification of data provided, to inter alia understand the historical and expected future performance of the Company.

Other information, explanations, documents and representations, which we believed were reasonably necessary and relevant for our exercise from the Management.

Besides above information and documents, there may be other information provided by the Company Management which may not have been pursued by us in detail, if not considered relevant for the defined scope. The Client has been provided with the opportunity to review the draft report (excluding valuation part) as per our standard practice to make sure that factual inaccuracy/omissions are avoided in our report.

#### X. BUSINESS INTEREST, OWNERSHIP CHARACTERISTICS

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**LIST OF SHAREHOLDERS AS ON 30<sup>th</sup> NOVEMBER, 2023**

Shareholders	No of Shareholders	Physical Shares	Demat Shares	No of Shares	% to total
Promoter	6	-	70,52,700	70,52,700	5.99
Banks	3	-	1,65,84,356	1,65,84,356	14.08
Insurance Companies	-	-	-	-	-
FII	1	-	1	1	-
Bodies Corporate	176	-	1,58,60,624	1,58,60,624	13.47
Resident	43,308	4,02,158	7,08,49,343	7,12,51,501	60.50
Trust	2	-	2,500	2,500	-
Clearing Members	14	-	23,395	23,395	0.02
Foreign National	1	-	16,071	16,071	0.01
NRI	252	-	69,75,252	69,75,252	5.92
NBFC Registered with RBI	1	-	450	450	-
<b>Total</b>	<b>43,764</b>	<b>4,02,158</b>	<b>11,73,64,692</b>	<b>11,77,66,850</b>	<b>100</b>

**XI. NATURE AND SOURCES OF INFORMATION RELIED UPON BY US**

The Valuer, has prepared Valuation Report on the basis of the following information provided by the Company:

1. Audited financial statements for FY 20-21, FY 21-22 of the Company
2. Discussions with and explanations given by the management / senior executives of the company on various issues;
3. Shareholding Pattern as on Valuation date i.e. 30<sup>th</sup> November 2023
4. Other information available in public domain - [www.mca.gov.in](http://www.mca.gov.in),
5. Brief Profile of the Company and its business as given by the management

**XII. PROCEDURES ADOPTED IN CARRYING OUT THE VALUATION**

The general process for the valuation starts with analysis of historical and current financials, industry analysis, then analysis of future projections, if applicable, is done and discussion with the company is performed to

understand the future assumptions. Comparison with similar transaction or other similar listed companies, if found, is carried out. After analysing the data appropriate valuation method is determined, valuation is done and valuation report is prepared.

## VALUATION METHODOLOGY

There are several commonly used and accepted methods for determining the fair value of the business of a company. They mainly fall under the following three categories:

- A. Income based valuation approach ("Income Approach").
- B. Net Asset Value based valuation approach ("Asset Approach"); and
- C. Market based valuation approach ("Market Approach");

The application of any aforesaid method of valuation depends on the nature of operations, level of maturity of the businesses, future business potential and purpose of valuation. For the purpose of arriving at the fair value of the Equity shares of the Company, it would be necessary to select an appropriate basis for valuation from among the various alternatives available.

### A. INCOME APPROACH

There are several models of income approach depending on which type of income flows that will be discounted. The common benefit flows that are usually used in the income-based approach are dividends, free cash flows and residual income. The dividends and cash flow are two measures which refer to direct payment flows from a company to shareholders and the residual income measure has focus on return which is derived from company's book value and based on accrual accounting.

Under the Discounted Cash Flow Method (DCF) the projected free cash flows to the firm are discounted at weighted average cost of capital (WACC). 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 free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. The terminal value represents total value of the

available cash flow for all periods subsequent to the horizon period. The terminal value of business at the end of horizon period is estimated, discounted to its present value equivalent, and added to the present value of available cash flows to estimate value of the business. Such DCF analysis involves determining the following:

Estimating future cash flows: Free cash flows to firm are the cash flows expected to be generated by the company/business that are available to the providers of the Company's capital – both debt and equity

Appropriate discount rate to be applied to cash flows ie. Cost of capital: This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all capital providers (namely shareholders and creditors), weighted by their 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.

**Given the sensitivity of detailed projections of future cash flows and the discount rate used in DCF to market dynamics, utilizing this valuation method could involve reliance on numerous speculative input assumptions. Consequently, due to the potential limitations in providing a scientifically proven fair value and the inherent subjectivity of such projections, I have chosen not to employ this particular method in the valuation of the company.**

## **B. ASSET APPROACH**

The Asset approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved which is done by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

**We understand that the business of the Company is not capital intensive. Accordingly, the current NAV would not be reflective of its growth potential going forward and thus would not reveal the true business value of the Company. Also, Cost approach is not being used for the purpose of valuing**

Equity shares of the Company, as the company is operating as a going concern. Hence, keeping the context and purpose of the report in mind, we have not used this method in the analysis.

### C. MARKET APPROACH

The market approach determines company value by comparing one or more aspects of the subject company to the similar aspects of other companies which have an established market value.

When applied to the valuation of an equity interest, consideration is given to the financial condition and operating performance of the subject company compared to either publicly traded companies with similar lines of business or recent corporate acquisitions ("Guideline Companies"). Typically, the companies selected for comparison are subject to economic, political, competitive, and technological factors that correspond with those confronting the Company. The Market Approach is conceptually preferable to the other two approaches both because it uses direct comparisons to similar enterprises and because the analysis is based upon actual market transactions. However, comparable that fit perfectly rarely exist. Privately held companies are compared to publicly traded ones that are typically further along in their stage of development, have superior access to capital, and have common stock that is readily marketable.

- (i) **Market Price of Share Method:** Under this method, the price of the shares of the company quoted on a recognized Stock Exchange forms the basis for valuation. This method is particularly useful for publicly traded companies where the market price reflects the collective perception of the market participants. Since Cranes Software International Limited is a listed company, I have considered this to calculate the fair value of the equity share of Company.

Since the Company is already listed on Bombay Stock Exchange and is frequently traded, we can use market price of share method by using historical trading data basis methodology given in SEBI ICDR guidelines.

- A. **Volume Weighted Average Price (VWAP) for a period of 90 trading days of the Equity Shares of Cranes Software International Limited quoted on Bombay Stock Exchange Limited during last 90 days preceding relevant date – data extracted from BSE Website**

<https://www.bseindia.com/markets/equity/EQReports/StockPrcHistori.aspx?expandable=7&scripcode=512093&flag=sp&Submit=G>

**Total Value/Total Volume= VWAP**  
**5,01,95,066 / 1,09,75,178 = 4.57**

<b>Annexure - 1 - Reg 164(1) - 90 Trading Days</b>			
<b>No. of Trading Days</b>	<b>Date</b>	<b>No. of Shares (Volume)</b>	<b>Turnover (Value)</b>
1	29-11-2023	37,290	1,54,753
2	28-11-2023	25,145	1,06,363
3	24-11-2023	25,546	1,10,103
4	23-11-2023	25,676	1,12,717
5	22-11-2023	82,317	3,67,956
6	21-11-2023	71,860	3,27,681
7	20-11-2023	1,42,923	6,21,715
8	17-11-2023	47,781	1,98,291
9	16-11-2023	31,893	1,26,296
10	15-11-2023	2,78,485	9,96,302
11	13-11-2023	75,141	2,70,507
12	12-11-2023	65,368	2,48,340
13	10-11-2023	23,526	93,398
14	09-11-2023	12,790	51,799
15	08-11-2023	20,289	83,793

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16	07-11-2023	22,359	94,131
17	06-11-2023	44,372	1,90,355
18	03-11-2023	13,781	60,222
19	02-11-2023	65,008	2,89,285
20	01-11-2023	21,088	95,739
21	31-10-2023	38,956	1,80,366
22	30-10-2023	11,350	53,572
23	27-10-2023	18,038	86,762
24	26-10-2023	28,374	1,39,032
25	25-10-2023	11,321	56,605
26	23-10-2023	35,146	1,79,244
27	20-10-2023	26,584	1,38,236
28	19-10-2023	10,091	53,482
29	18-10-2023	14,773	79,774
30	17-10-2023	41,073	2,26,312
31	16-10-2023	29,399	1,65,222
32	13-10-2023	22,024	1,26,197
33	12-10-2023	11,531	67,341
34	11-10-2023	16,857	1,00,299
35	10-10-2023	27,268	1,65,516
36	09-10-2023	12,730	78,798
37	06-10-2023	81,096	5,11,715
38	05-10-2023	7,18,315	49,00,569
39	04-10-2023	4,02,545	27,21,148
40	03-10-2023	3,49,873	22,53,182

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41	29-09-2023	7,75,699	47,29,173
42	28-09-2023	1,38,611	8,10,874
43	27-09-2023	1,66,427	9,28,662
44	26-09-2023	1,70,219	9,05,565
45	25-09-2023	3,46,766	17,58,091
46	22-09-2023	1,71,148	8,26,424
47	21-09-2023	1,94,751	8,94,581
48	20-09-2023	2,68,909	11,95,708
49	18-09-2023	3,67,888	16,11,264
50	15-09-2023	5,43,123	24,95,621
51	14-09-2023	2,50,973	11,07,992
52	13-09-2023	5,03,324	21,02,646
53	12-09-2023	2,53,162	10,14,441
54	11-09-2023	3,21,044	12,26,064
55	08-09-2023	1,91,897	6,98,981
56	07-09-2023	68,596	2,44,362
57	06-09-2023	60,115	2,13,288
58	05-09-2023	1,44,520	4,95,182
59	04-09-2023	1,03,232	3,59,635
60	01-09-2023	1,80,993	6,33,521
61	31-08-2023	1,23,666	4,26,135
62	30-08-2023	71,811	2,40,909
63	29-08-2023	1,39,286	4,45,293
64	28-08-2023	43,416	1,40,840
65	25-08-2023	22,485	74,870

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66	24-08-2023	1,57,352	5,40,034
67	23-08-2023	72,097	2,54,392
68	22-08-2023	2,44,030	8,82,727
69	21-08-2023	1,27,712	4,35,186
70	18-08-2023	1,35,522	4,37,001
71	17-08-2023	1,55,376	5,44,541
72	16-08-2023	1,34,856	4,41,419
73	14-08-2023	1,33,720	4,19,309
74	11-08-2023	11,939	37,299
75	10-08-2023	28,499	89,883
76	09-08-2023	63,909	1,96,671
77	08-08-2023	41,053	1,26,147
78	07-08-2023	47,307	1,45,242
79	04-08-2023	1,04,141	3,12,605
80	03-08-2023	53,829	1,65,448
81	02-08-2023	83,627	2,61,660
82	01-08-2023	49,969	1,63,493
83	31-07-2023	77,155	2,47,314
84	28-07-2023	37,372	1,24,352
85	27-07-2023	69,800	2,28,744
86	26-07-2023	95,400	3,18,217
87	25-07-2023	87,198	3,00,776
88	24-07-2023	99,956	3,50,909
89	21-07-2023	67338	234135
90	20-07-2023	133978	474322

90	20-07-2023	133978	474322
		1,09,75,178	5,01,95,066
<b>Volume Weighted Average Price of 90 Trading Days = Total Value/Total Volume</b>			<b>4.57</b>

- B. Volume Weighted Average Price (VWAP) for a period of 10 trading days of the Equity Shares of Cranes Software International Limited quoted on Bombay Stock Exchange Limited during last 10 days preceding relevant date - data extracted from BSE Website - <https://www.bseindia.com/markets/equity/EQReports/StockPrcHistori.aspx?expandable=7&scripcode=512093&flag=sp&Submit=G>

<b>Annexure - 1 - Reg 164(1) - 10 Trading Days</b>			
No. of Trading Days	Date	No. of Shares (Volume)	Turnover (Value)
1	29-11-2023	37,290	1,54,753
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3	24-11-2023	25,546	1,10,103
4	23-11-2023	25,676	1,12,717
5	22-11-2023	82,317	3,67,956
6	21-11-2023	71,860	3,27,681
7	20-11-2023	1,42,923	6,21,715
8	17-11-2023	47,781	1,98,291
9	16-11-2023	31,893	1,26,296
10	15-11-2023	2,78,485	9,96,302
	<b>Total</b>	<b>7,68,916</b>	<b>31,22,177</b>

Volume Weighted Average Price of 10 Trading Days

4.06

Total Value/Total Volume= VWAP

31,22,177 / 7,68,916 = 4.06

- (ii) **Multiple-based Valuation Techniques:** Under this method, one of the valuation parameters such as Earnings Per Share ('EPS'), Revenue and EBITDA of the company is determined and thereafter, is multiplied by a suitable Multiple, determined either based on an average of its close peers or based on the specific sector average. The resultant figure gives the Value per Share. Generally, this method is suitable for a company, which can be compared to listed company with a similar scale of operation and other critical financial parameters.

Price to sales ratio is one of the popular valuation metric for the stocks from the software sector. In this method, we divide the market capitalization with net sales. This is actually equivalent to dividing price per share with net sales per share.

The Median Price to sales ratio for 230 (Two Hundred and Thirty) companies in Computer-Software- Small and Medium Sector is 4.13. multiplying Company's Sales per share with 4.13 give the fair value per share. Below is the table for calculation of fair value per share of the Company:

For Cranes Software International Limited	Fig in numbers	Assumptions and Explanations
<b>Data</b>		
Sales of the Company as on 30.11.2023	43866000	(assumed figure)
No . Of Shares as on 30.11.2023	117766850	(Audited as on 31.03.23)
Sales per Share	0.37248173	Sales/no. of shares

Median of Computer Software small to medium size companies P/S ratio	4.13	
Fair Value Per Share of the Company as per Price/Sales Ratio	1.54	

### XIII. VALUATION STANDARDS

The Report has been prepared in compliance with the International Valuation Standards.

### XIV. MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING VALUATION

The proposed issue of equity shares is assumed not to have any effect on the control, hence no Discount on Lack of Control is applied.

This report does not look into the business/commercial reasons behind the proposed transaction nor the likely benefits arising out of it. Similarly, it does not address the merits of the proposed transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

I/We have not carried out any physical verification of the assets and liabilities of the Company and take no responsibility for the identification of such assets and liabilities.

The report assumes that the company comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. This report has given no consideration to matters of legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the public domain, if any. No investigation of Company's claim to title of assets has been made for the purpose of this report and Company's claims to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. Our conclusion of value assumes that the assets and liabilities of the Company reflected in its latest balance sheet remain intact as of the date of the report.

#### XV. VALUATION OF CRANES SOFTWARE INTERNATIONAL LIMITED

Computation of fair value per share is as under	Cranes Software International Limited	Weightage	Fair Value
Income Approach- DCF Method	Not Applicable		
Market Approach- Market Price of Share Method - 90 days VWAP	4.57	0.1	0.457
Market Approach- Market Price of Share Method - 10 days VWAP	4.06	0.1	0.406
Market Approach- Price to Sales ratio	1.54	0.8	1.232
Asset Approach- NAV or realizable value	Not Applicable		
-			
-		<b>Fair Value Per Share</b>	<b>2.095</b>

On the basis of the foregoing and on consideration of the relevant factors and circumstances as discussed and outlined herein above, we recommend the fair value of **Rs. 2.095** per Equity Share of the Company.

#### XVI. SUBSEQUENT FACTS AFTER VALUATION DATE

This Report, its content and the results herein are specific to 1) the purpose of the valuation agreed as per the terms of our engagement 2) the Report Date, and 3) are based on the data detailed in the section "Sources of Information". We have been informed by the Management that business activities of the Company have been carried out in the normal and ordinary course between 30<sup>th</sup> November 2023 and the Report date and that no material changes have occurred in the operations and financial position between 30<sup>th</sup> November 2023 and the Report date.

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible

changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.

**XVII. ASSUMPTIONS, CAVEATS, LIMITATION AND DISCLAIMERS:**

This Report is subject to the limitations as detailed herein. 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.

**1. Restriction on use of Valuation Report**

This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. I/we do not take any responsibility for the unauthorized use of this report.

**2. Responsibility of RV**

I/We owe responsibility to only to the authority/client that has appointed me/us under the terms of the engagement letters. We 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 we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the client or companies, their directors, employees or agents.

**3. Accuracy of Information**

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

**4. Achievability of the forecast results**

We express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

**5. Range of Value Estimate**

The valuation of companies and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is no indisputable single value and the estimate of the value is normally expressed as falling within a likely range. To comply with the client's, I/we have provided a single value for the overall Fair Value of the Equity Shares of the company. Whilst, I / we consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.

**6. No Responsibility to the Actual Price of the subject asset if sold or transferred/ exchanged**

The actual market price achieved may be higher or lower than our estimate of value (or range of value) depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place.

**7. Reliance on the representations of the owners/clients, their management and other third parties**

During the course of the Valuation, we were provided with both written and verbal information including market, financial and operating data. We have evaluated the information provided to us by/on behalf of the management through 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/We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents.

**8. No procedure performed to corroborate information taken from reliable external sources**

We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the

truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

**9. Compliance with relevant laws**

The report assumes that the company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner. Further, 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 litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us.

**10. Multiple factors affecting the Valuation Report:**

The valuation report is tempered by the exercise of judicious discretion by the RV, taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.

**11. Future services including but not limited to Testimony or attendance in courts/ tribunals/ authorities for the opinion of value in the Valuation Report**

I/We are fully aware that based on the opinion of value expressed in this report, I/we may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my / our tendering evidence before such authority shall be under the applicable laws.

**12. No Success Fee taken**

The Valuer is independent of the company and have no current or expected interest in the Company or its assets. The fee paid for her services in no way influenced the results of her analysis.

**13. Relevance of Valuation only as on valuation date**

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.

**14. Departures from accounting principles**

Financial information of the subject company is included solely to assist in the development of a value conclusion presented in this report and should not be used to obtain credit or for other purpose. Because of the limited purpose of the information presented, it may be incomplete and contain departures from generally accepted accounting principles. We have not audited, reviewed, or compiled this information and express no assurance on it.

**15. Prohibition on publication of the report**

Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it nor may it be used for any purpose by anyone other than those enumerated in this report without the written consent of the Valuer. This report and the conclusion of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein.

**16. Not an investment advice**

The 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 whatsoever. The conclusion of value represents the considered opinion of Valuer, based on information furnished to them by the client and other sources.

**17. Engagement only for Valuation**

Our engagement for this valuation consulting work does not include any procedures designed to discover any defalcations or other irregularities, should any

exist.

**18. No Environmental Audit covered**

Valuer is not an environmental consultant or auditor, and it takes no responsibility for any actual or potential environmental liabilities. Any person entitled to rely on this report, wishing to know whether such liabilities exist, or the scope and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. Valuer does not conduct or provide environmental assessments and has not performed one for the subject property.

**19. No assurance on prospective financial information**

If prospective financial information approved by management has been used in our work, we have not examined or compiled the prospective financial information and therefore, do not express an audit opinion or any other form of assurance on the prospective financial information or the related assumptions.

**20. Gathering other information**

We have conducted interviews with the current management of the client concerning the past, present, and prospective operating results of the company. We 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 or liabilities, except as specifically stated to the contrary in this report.

**21. Confidentiality of the report**

Neither all nor any part of the contents of this report (especially the conclusion of value, the identity of any valuation specialist(s), or the firm with which such valuation specialists are connected or any reference to any of their professional designations) should be disseminated to the public through advertising media, public relations, news media, sales media, mail, direct transmittal, or any other means of communication without the prior written consent and approval of Valuer.

SHITAL DARAK MANDHANA  
3RD FLOOR, A1 ARCADE, 33RD A CROSS, 11TH MAIN, 4TH T BLOCK, JAYANAGAR  
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IBBI RV No. IBBI/RV/03/2019/11506, COP No. ICSIRVO/SFA/30

## XVIII. CONCLUSION

The valuations were conducted according to the International Valuation Standards and methods followed internationally.

Based on my analysis, as described in the valuation report, and subject to the assumptions presented herein, in my opinion the estimated per Equity Share Value of Cranes Software International Limited for above mentioned purpose as on 30<sup>th</sup> November, 2023 can be considered as Rs. 2.095/- rounded off to Rs. 2/-.

From,



Shital Darak Mandhana  
Registered Valuer – Securities or Financial Assets  
Registration No: IBBI/RV/03/2019/11506  
Date: 6<sup>th</sup> December 2023  
Place: Bangalore