



**Ajay Kumar Siwach**

FCS, LL.B, IP, RV, MBA

**Registered Valuer – SFA  
Insolvency Professional  
Certified Independent Director**

Date: 16-06-2023

To,  
The Board of Directors  
SWARAJ SUITING LIMITED  
CIN: L18101RJ2003PLC018359  
Registered office: F-483 to F-487, RIICO Growth Centre,  
Hamirgarh, Bhilwara, Rajasthan - 311025

Dear Sir,

**SUB: ADDENDUM TO VALUATION REPORT DATED 09<sup>TH</sup> JUNE, 2023 PURSUANT TO REGULATION 166A(1) OF SEBI (ICDR) REGULATIONS, 2018**

We refer to our engagement vide Audit Committee Resolution dated 08<sup>th</sup> June, 2023 wherein Swaraj Suiting Limited ("Company") has requested undersigned Ajay Kumar Siwach ("Registered Valuer") to evaluate the Issue price as per Regulation 164(1), SEBI (ICDR) Regulations, 2018 (read with other applicable regulations) for the proposed issue of 76,18,000 Equity Warrants convertible into Equity shares on preferential basis to promoter, promoter group of the company and some non - promoters.

We have also considered the income approach and applied the Profit Earning Capacity Value (PECV) approach based on last 3 years audited financial of the company. The price per share of the company comes at **INR 22.65 Per share**

Detailed working is attached in Annexure herewith

We further clarify that there is no change in equity value of swaraj suiting limited based on the revised working

**Ajay Kumar Siwach**  
**Registered Valuer – Securities or Financial Assets**  
**Registration No. IBBI/RV/05/2019/11412**

**Annexure**

<b>Profit Earning Capacity Value (PECV)</b>	
<b>The profits after tax of the company for the last three financial years ending 31 March 2023 are as under:</b>	
Particulars	Figs. In INR Lakh
F.Y. - 2020-21	261.14
F.Y. - 2021-22	457.31
F.Y. - 2022-23	553.71
Average Profit after tax	424.05
Capitalization Rate (Discount Rate - Terminal Growth)	13.00%
Equity Value	3,262
No. of Equity Shares	144.00
<b>Per Share Value</b>	<b>22.65</b>

**WACC CALCULATION**

<b>Calculation of Cost of Equity</b>	
Risk Free Rate	7.32%
Beta*	0.57
ERP	9.73%
Size Premium	0.00%
CSRP	5%
<b>Cost of Equity</b>	<b>17.91%</b>

\*Unlevered beta is taken from aswath damodaran's website and relevered the same by target capital structure of the company

<b>Calculation of Post Tax Cost of Debt</b>	
Cost of Debt*	0.00%
Tax Rate	34.94%
<b>Post Tax Kd</b>	<b>0.00%</b>

\*Target capital structure of the company is 100% equity, hence cost of debt taken as 0%

<b>Capital Structure</b>	<b>Targeted</b>
Debt	-
Equity	6,648
Debt to Capitalisation	0.00%
Equity to Capitalisation	100.00%
<b>WACC (rounded off)</b>	<b>18.00%</b>
Terminal Growth	5.00%
Capitalization Rate	13.00%