August 28, 2024

To,
Board of Directors,
Physicswallah Private Limited,
Plot No. B-8, Tower A, 101-119,
Noida One, Noida Sector 62,
Gautam Buddha Nagar, Dadri, Uttar Pradesh, India, 201309

Subject: The valuation report/ certificate for the purpose of determining the fair market value of equity shares of Physicswallah Private Limited for the purpose of Rule 11UA of the Income-tax Rules, 1962 as required by section 56(2)(x) of the Income-tax Act, 1961.

We have been engaged by Physicswallah Private Limited ('PWPL' or 'Management') for computing fair value of equity shares of Physicswallah Private Limited ('PWPL" or 'Company'), a company registered under the Companies Act and having its Registered office at Plot No. B-8, Tower A, 101-119, Noida One, Noida Sector 62, Gautam Buddha Nagar, Dadri, Uttar Pradesh, India, 201309 for the purpose of assessing fair value of equity shares of the Company as of June 30, 2024 in accordance with the methodology prescribed under Rule 11UA(1)(c)(b) of Income Tax Rules, 1962 as required by section 56(2)(x) using provisional financials as of June 30, 2024.

The relevant extract of Rule 11UA of Income Tax Rules 1962 for computation of fair value of unquoted equity shares is prescribed is as under:

"For the purposes of section 56 of the Act, the fair market value of a property, other than immovable property, shall be determined in the following manner, namely, —

(a) valuation of jewellery, —

(i) the fair market value of jewellery shall be estimated to be the price which such jewellery would fetch if sold in the open market on the valuation date;

(ii) in case the jewellery is received by the way of purchase on the valuation date, from a registered dealer, the invoice value of the jewellery shall be the fair market value;

(iii) in case the jewellery is received by any other mode and the value of the jewellery exceeds rupees fifty thousand, then assessee may obtain the report of registered valuer in respect of the price it would fetch if sold in the open market on the valuation date;

(b) valuation of archaeological collections, drawings, paintings, sculptures or any work of art, —

(i) the fair market value of archaeological collections, drawings, paintings, sculptures or any work of art (hereinafter referred as artistic work) shall be estimated to be price which it would fetch if sold in the open market on the valuation date;

(ii) in case the artistic work is received by the way of purchase on the valuation date, from a registered dealer, the invoice value of the artistic work shall be the fair market value;

AARK & CO. LLP ★ Chartered Accountant ★

(iii) in case the artistic work is received by any other mode and the value of the artistic work exceeds rupees fifty thousand, then assessee may obtain the report of registered valuer in respect of the price it would fetch if sold in the open market on the valuation date;

(c) valuation of shares and securities, —

(a) the fair market value of quoted shares and securities shall be determined in the following manner, namely, —

(i) if the quoted shares and securities are received by way of transaction carried out through any recognized stock exchange, the fair market value of such shares and securities shall be the transaction value as recorded in such stock exchange;

(ii) if such quoted shares and securities are received by way of transaction carried out other than through any recognized stock exchange, the fair market value of such shares and securities shall be, —

(a) the lowest price of such shares and securities quoted on any recognized stock exchange on the valuation date, and

(b) the lowest price of such shares and securities on any recognized stock exchange on a date immediately preceding the valuation date when such shares and securities were traded on such stock exchange, in cases where on the valuation date there is no trading in such shares and securities on any recognized stock exchange;

(b) the fair market value of unquoted equity shares shall be the value, on the valuation date, of such unquoted equity shares as determined in the following manner, namely: —

the fair market value of unquoted equity shares = (A+B+C+D - L) × (PV)/(PE), where,

A= book value of all the assets (other than jewellery, artistic work, shares, securities and immovable property) in the balance-sheet as reduced by, —

(i) any amount of income-tax paid, if any, less the amount of income-tax refund claimed, if any; and

(ii) any amount shown as asset including the unamortised amount of deferred expenditure which does not represent the value of any asset;

B = the price which the jewellery and artistic work would fetch if sold in the open market on the basis of the valuation report obtained from a registered valuer;

C = fair market value of shares and securities as determined in the manner provided in this rule;

D = the value adopted or assessed or assessable by any authority of the Government for the purpose of payment of stamp duty in respect of the immovable property;



L= book value of liabilities shown in the balance sheet, but not including the following amounts, namely: —

(i) the paid-up capital in respect of equity shares;

(ii) the amount set apart for payment of dividends on preference shares and equity shares where such dividends have not been declared before the date of transfer at a general body meeting of the company;

(iii) reserves and surplus, by whatever name called, even if the resulting figure is negative, other than those set apart towards depreciation;

(iv) any amount representing provision for taxation, other than amount of income-tax paid, if any, less the amount of income-tax claimed as refund, if any, to the extent of the excess over the tax payable with reference to the book profits in accordance with the law applicable thereto;

(v) any amount representing provisions made for meeting liabilities, other than ascertained liabilities;

(vi) any amount representing contingent liabilities other than arrears of dividends payable in respect of cumulative preference shares;

PV= the paid-up value of such equity shares;

PE = total amount of paid-up equity share capital as shown in the balance-sheet;]

(c) the fair market value of unquoted shares and securities other than equity shares in a company which are not listed in any recognized stock exchange shall be estimated to be price it would fetch if sold in the open market on the valuation date and the assessee may obtain a report from a merchant banker or an accountant in respect of which such valuation."



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We have relied on the provisional financial statements & documents produced before us for the purpose of ascertaining the fair value of equity shares basis ADJUSTED NET ASSETS VALUE prescribed under Rule 11UA.

PWPL was incorporated as a private limited company under the Companies Act, 2013 on 06/06/2020. The Company was initiated with a vision to provide affordable and comprehensive learning experience to students preparing for JEE and NEET exams. The company started off as an online player and have now forayed into offline & hybrid mode.

The Company Dedicated to Providing the Best Quality Education at the Most Affordable Price since 2020. The Company's current offering is present in 100+ Cities, 120+ Centers & 28 Exam Categories including JEE, NEET, CAT, UPSC, CA, Defense, School Prep, GATE, Govt Job Exams, SSC, NEET PG, Bank Test Prep, Teaching Test Prep, Law, etc.

Below are the key factors affecting valuation computed as per Rule 11 UA:

- For the computation of fair values of Assets, we have considered the book value of all assets (other than investment in subsidiaries)
- For the computation of fair value of investment in unquoted equity shares of iNeuron Intelligence Private Limited, we have considered the fair value per equity share as per rule 11UA by using the provisional financials as on 31st March, 2024 as provided by the management.
- For the computation of fair value of investment in unquoted equity shares of Knowledge Planet Holdings Limited, we have considered the fair value per equity share as per rule 11UA by using the provisional financials as on 31st March, 2024 as provided by the management.
- For the computation of fair value of investment in unquoted equity shares of Penpencil Edu Services Private Limited, we have considered the fair value per equity share as per rule 11UA by using the provisional financials as on 30th June, 2024 as provided by the management.
- For the computation of fair value of investment in unquoted equity shares of Preponline Futurist Private Limited, we have considered the fair value per equity share as per rule 11UA by using the provisional financials as on 30th June, 2024 as provided by the management.
- For the computation of fair value of investment in unquoted equity shares of Utkarsh Classes & Edutech Private Limited, we have considered the fair value per equity share as per rule 11UA by using the provisional financials as on 30th June, 2024 as provided by the management.
- For the computation of fair value of investment in unquoted equity shares of Xylem Learning Private Limited, we have considered the fair value per equity share as per rule 11UA by using the provisional financials as on 30th June, 2024 as provided by the management.
- For the computation of fair value of investment in Minimart by Xylem Learning Private Limited, we have considered the fair value as per rule 11UA by using the provisional financials as on 31st March, 2024 as provided by the management.
- For the computation of fair values of all the liabilities (other than paid-up capital in respect of equity shares and reserves and surplus), we have considered book value.



On the basis of such verification and the information & explanations given to us and as per the provisional financials of the Company, we hereby certify that the fair value of the per equity shares of the Company as of June 30, 2024 as per section 56(2)(x) of the Income-tax Act, 1961, read with the Rule 11UA of Income-tax Rules, 1962, is **INR 116.46 (Indian Rupees One Hundred Sixteen and Forty-Six Paisa).**

The computation is as per ***Annexure-2*** attached after considering the above-mentioned factors, if any, in this report confirmed by the management.

Our valuation is subject to our scope of services and our standards of limitation as is mentioned in Annexure 1 to this certificate.

For M/s A A R K & Co LLP
Chartered Accountants
Firm Registration No. 016641N / N500046

Tejal

AARK & CO. LLP Chartered Accountant

Tejal Khanna

(Partner)
M. No. 504632

Place: Gurugram
Dated: August 28, 2024

UDIN:24504632BKBHAM5490

Annexure 1

Standard of Limitations

Affecting valuation results:

Valuation analysis and result are specific to the purpose of valuation and are based on data as of June 30, 2024 as per agreed the terms of our engagement. It may not be valid for any other purpose or as at any other date. We have considered the provisional financials as at June 30, 2024 & other data made available by the management of PWPL for the purpose of valuing equity shares of PWPL. We have not verified the values considered in the workings of PWPL with the back-up data and have only commented on the conceptual aspects of the workings.

Our opinion expressed in this certificate is based on information furnished by the management of PWPL and hence is dependent on such information. The said opinion shall be considered advisory in nature.

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 Management through broad inquiry and comparative analysis vis-à-vis past information available, however we have not carried out a due diligence or audit procedures for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided. Through the above evaluation, nothing has come to our attention to indicate that the information provided was materially mis-stated/incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose. The terms of our engagement were such that we were entitled to rely upon the information provided by the Management without detailed inquiry. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. The Management has indicated to us that it has understood that any omissions, inaccuracies or misstatements may materially affect our analysis/results. Accordingly, we assume no responsibility for any errors in the above information furnished by the Management and their impact on the present exercise.

The fee for the report is not contingent upon the results reported.

Others:

We owe responsibility only to the management which can only rely on this report but nobody else. We do not accept any liability to any third party in relation to this certificate. In any case, our liability to the Company or any third party would be limited to be not more than 50% of the amount of the fee received by us from the Company for the engagement.



Annexure-2

Valuation Working

Valuation of Physicswallah Private Limited as at June 30, 2024 - Rule 11UA		
Particulars	**INR Crores**	**INR Crores**
Non Current Assets:		
Property Plant & Eqiupment		251.37
Intangible Assets		78.13
Intangible Assets under development		0.32
Non-current Investments		1,061.19
Deferred Tax Assets		9.56
Long term loans & advances		17.71
Other non-current assets		643.35
Net current assets:		
Current investments	-	
Cash and bank balances	7.06	
Trade receivable	63.96	
Inventories	55.31	
Other current assets	0.86	
Short Term Loans & Advances	128.38	
Current assets	**255.57**	
Trade Payables	120.13	
Provisions	14.52	
Other long term liabilities	22.47	
Other Current Liabilities	1,016.93	
Net current assets		**-918.47**
Total net assets		**1,143.17**
Borrowings		
Long Term Borrowings	58.89	
Short Term Borrowings	1.62	
CCPS	6.67	
Total borrowings		67.18
Deferred tax liabilities (Net)		
Net equity value		**1,075.99**
Total Value of assets	**2,317.22**	
Less: Book Value of Immovable Properties	-	
Less: Book Value of Investments	1,061.19	
Total Value of assets (other than jewellery, artistics work, share and securities and	**1,256.02**	
Less: Income tax paid less Income tax refund	-	
Less: Deferred Expenditure	-	
Net Adjusted Value of all Assest (other than jewellery, artistics work, share and securities and Immovable property)(A)		**1,256.02**
Fair Value of Jewellery & artistic work (B)		**-**
Fair Value of Shares & Securities (C)		**683.95**
Fair Value of Immovable Property (D)		**-**
Book value of Liabilties	**1,241.23**	
Less: Provision for tax in excess of MAT	-	
Less: Provision for unascertained liabilities	-	
Less: Contingent Liabilities (other than arrears of PS dividend)	-	
Adjusted value of liabilities (L)		**1,241.23**
Adjusted Net Assets Value (A+B+C+D-L)		**698.75**
No of equity shares		6,00,00,013.00
Fair Value Per Equity share (Rs.)		**116.46**



Investment Schedule –

(INR Crores)

Non-Current Investments			
Particulars	**No of Shares**	**Fair Value per share**	**Fair Value**
Investment in Unquoted Equity Shares			
iNeuron Intelligence Private Limited	25,661	464.70	1.19
Knowledge Planet Holdings Limited	1,311	27,902.77	3.66
Penpencil Edu Services Private Limited	9,999	-	-
Preponline Futurist Private Limited	1,000	269.12	0.03
Utkarsh Classes & Edutech Private Limited	1,06,576	2,585.49	27.56
Xylem Learning Private Limited	4,567	-	-
TOTAL			**32.43**
Investment in Preference Shares - Unquoted			
iNeuron Intelligence Private Limited	18,753	464.70	0.87
TOTAL			**0.87**
Investment in Mutual Funds			**650.65**
GRAND TOTAL			**683.95**

