December 04, 2024

To,
Board of Directors,
Utkarsh Classes & Edutech Private Limited,
832, Utkarsh Bhawan,
Near Mandap Restaurant
9th Chopasni Road
Jodhpur RJ 342003, India

Subject: The valuation report/ certificate is for the purpose of determining the fair market value of equity shares of Utkarsh Classes & Edutech 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 **Utkarsh Classes & Edutech Private Limited** ('UCEPL' or 'Company') for computing fair value of equity shares of UCEPL a company registered under the Companies Act and having its Registered office 832, Utkarsh Bhawan, Near Mandap Restaurant, 9th Chopasni Road, Jodhpur RJ 342003, India for the purpose of assessing fair value of equity shares of the Company as of September 30, 2024 in accordance with the methodology prescribed under Rule 11UA of Income Tax Rules, 1962 as required by section 56(2)(x) read with Rule 11UA(1)(c)(b) of the Income-tax Rules, 1962 using available provisional financials as of September 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,*** *—*

.....

(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."

[This space has been intentionally left blank]

We have relied on the provisional financial statements & documents produced before us for the purpose of ascertaining the fair value/ book value of equity shares of the Company as on September 30, 2024.

UCEPL is a private incorporated on 16 November 2018. It was founded by Shri Nirmal Gehlot & his family in 2002 in Jodhpur, Rajasthan, starting with offline education for government competitive exams with a future vision to provide affordable quality education at doorstep, bridging the education & technology together. The year 2017 came up with Utkarsh Studios followed by in the year 2018, came up with innovation and brought a Utkarsh mobile app for its registered students. Having its presence on YouTube as well, Utkarsh Classes Jodhpur has more than 13 million subscribers. Utkarsh classes is a one-stop destination where students prepare themselves for competitive exams, school, NEET- JEE exams, striving to build a better tomorrow in the best possible way. The app offers classes from experienced faculties & motivational lectures/ events & counselling sessions.

Valuation as per Rule 11UA of Income Tax Rules 1962

- For the computation of fair values of Assets, we have considered the book value of all assets (other than value of office building);
- For computation of fair value of immovable property/ office building, we have considered 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/ office building;

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 September 30, 2024 as per section 56(2)(x) of the Income-tax Act, 1961, read with the Income-tax Rules, 1962, is **INR 3,113.77** per Equity share.

The computation is as per ***Annexure-2*** attached after considering the above-mentioned changes, 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 Sahil Malhotra & Associates
Chartered Accountants
Firm Registration No. 041307N



Sahil Malhotra
(Proprietor)
M. No.: 523445
Place: Gurugram
Dated: December 04, 2023
UDIN: 24523445BKEPHN1556

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 September 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 September 30, 2024 for the purpose of valuing UCEPL on the basis of the data made available by the management of UCEPL. We have not verified the values considered in the workings of UCEPL with the backup 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 Company 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 of the Company 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 of the Company without detailed inquiry. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. The Management of the Company 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 of the Company and their impact on the present exercise.

Annexure-2

11UA Valuation of Utkarsh Classes & Edutech Private Limited as on 30.09.2024		
Particulars	**Rs. Lakhs**	**Rs. Lakhs**
Book Value of All Assets (A)		16,661
Other tangible assets	2,066	
Intangible Assets	10	
Right-of-use assets	4,546	
Investments	2,658	
Other Financial Assets	213	
Deferred Tax Assets	1,190	
Inventories	173	
Trade Receivables	1,724	
Cash and cash equivalents	350	
Other financial assets	3,274	
Current Tax Asset	346	
Other current assets	111	
Market value of jewellery and artistic work (B)		0
Fair market value of shares and securities (C)		0
Value of Tangible Asset/ Office Building (assessable by the Government for the purpose of payment of stamp duty) (D)		147
Book value of liabilities shown in the balance sheet (L)		10,301
Lease liabilities	904	
Trade Payables	1,245	
Other financial liabilities	227	
Provisions	82	
Other current liabilities	3,590	
Lease liabilities	4,127	
Other financial liabilities	2	
Provisions	124	
Paid up value of such equity shares (PV)		10
Total amount of paid up equity share capital (PE)		20.898
Fair Value Per Equity share (Rs.) (A+B+C+D -L) × (PV)/(PE)		3,113.77

Note: Section 56(2)(x) of the Income-Tax Act, 1961 read with Rule 11U and Rule 11UA(1)(c)(b) of the Income-Tax Rules, 1962 prescribes for valuation of shares as on the date on which the property or consideration, as the case may be, is received by the Assessee. However, the audited financial statements as on the said dates are not available, and accordingly, we have conducted the valuation in accordance with the valuation methodology prescribed under the Regulations based on the unaudited provisional financial statements of the Company for the period ended September 30th 2024. Further, the Management has represented that there are no significant changes that have taken place or are likely to take place in the financial position of the Company, subsequent to last provisional balance sheet as on September 30th 2024.