

VALUATION REPORT

of

Fair Value of Equity Shares

of

SATINCORP TECHNOLOGIES INC.

Prepared by

Suman Kumar Verma

Registered Valuer- Securities or Financial Assets

Address: Lane No. 10, Indra Park, Palam Colony,
New Delhi, 110045, India

To,
The Board of Directors
Mindpool Technologies Limited
Add: 3rd & 4th, Sr No. 133/1/316111,
GK Mall, Near Konkane Chowk,
Pimple Saudagar, Pune-411027

Context and Purpose

Based on discussions with the management, the management requires the fair value of the equity shares of **SATINCORP TECHNOLOGIES INC** (hereinafter referred as “Company” or “STI”) for proposed acquisition of equity shares. In this regard, management of the Company requires report carried out by a Registered Valuer in accordance with provisions of Companies Act, 2013 and Foreign Exchange Management (Non-Debt Instruments) Rules, 2019.

The report has been prepared exclusively for specified purpose as mentioned above and hence should not be used for any other purpose, without obtaining the prior written consent from me. This opinion should not be considered, in whole or in part, as an investment advice by anyone.

Summary of Findings

Based on my Valuation Analysis, in my assessment, the Fair Value of Equity shares of the Company as on 30th June, 2023 is **INR 37,99,173.84 (Thirty Seven Lakh, Ninety Nine Thousand One Hundred and Seventy Three Rupees and Eight Four Paise Only)**. Refer **Annexure** of the report of even date.

I have based this opinion on information provided and represented by the management of the Company and have not independently verified the information provided to me and in that regard, the validity of the valuation depends on the completeness and accuracy of the information provided to me by the Company. I have applied valuation techniques and methods that conform to the generally accepted valuation practices.

1.0 Appointing Authority, Date of Appointment, Valuation Date and Date of Report

Appointing Authority	Board of Directors of Mindpool Technologies Limited
Date of Appointment	16 th August, 2023
Valuation Date	30 th June, 2023
Date of Report	16 th August, 2023



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(i) Particulars of the Subject Company – Satincop Technologies Inc.

Registered Office: 2201-250 Yonge Street, Toronto ON M5B 2L7
Canada

Nature of business of the Subject Company:

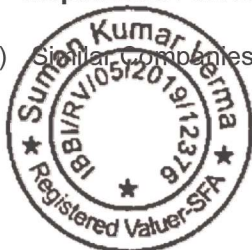
- The company is provides software design, analysis, implementation, integration, and consulting services. The company offers Oracle solutions, such as Oracle e-business suite implementation, integration and upgrading, maintenance and support, Oracle database services, and offshore/offsite Oracle development and support, as well as remote DBA, database, and OS support; and SAP solutions, including implementations, SAP maintenance and help desk support, integration of SAP with non-SAP systems, BASIS/system admin support and services, and staff augmentation and consulting services.
- The Company also provides IT Staffing Solutions. Its services include manpower recruitment and outsourcing for our clients, comprising permanent staffing solutions and flexi staffing solutions.
- The company is also involved in providing Corporate training to the employees of the clients to assist them in building their IT skillsets, to improve their technological knowledge, enhance their soft skills etc.

Procedures adopted in carrying out the Valuation

- Receipt of proposal for valuation;
- Discussion with the management and acceptance of the proposal;
- Receipt of intimation about appointment and acceptance of proposal;
- Execution of valuation engagement letter and providing the checklist for required information, documents, financial statement and records;
- Receipt of information, documents as per the checklist leading to preliminary study including analysis of business, etc.;
- Cross verification of data and meeting with the concerned officials of the company for clarifications / explanations;
- Determining valuations approach, techniques and methods;
- Analysis of publicly available data including economic factors and industry trends;
- Valuation synthesis & revisiting the assumptions and decision made;
- Report preparation and its validation.

2.0 Inspections / investigation undertaken

- a) Similar Companies Financial data and market price from financial sites.



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3.0 Identity of the Valuer and Any other experts involved in the Valuation

Name of the Valuer : Suman Kumar Verma

Address of the Valuer : Lane No. 10, Indra Park, Palam Colony,
New Delhi, 110045, India

Qualifications : Cost Accountant & Registered Valuer -
Securities or Financial Assets

Disclosure of Interest or Conflict : None

Any other expert involved : None

4.0 Nature and Sources of Data / Information used or relied upon

Nature of Underlying Data	Primary Data
Source of Data	Company's Management and the data provided was validated with information available in Public Domain.
Quality of underlying Data	Dependable

5.0 Documents /Information of SATINCORP TECHNOLOGIES INC. used or relied upon:

- Audited Financials for FY 2021, and FY 2022.
- Provisional Financials for the period ended 30th June, 2023.
- Financial Projections from 1st July 2023 to December 2023 and FY 2024 to FY 2026.
- Reliance has been placed on verbal explanations and information provided by the officials of the company.
- It has been informed that there are no material events and / or demand decisions - legal or otherwise against the companies which have arisen / will arise subsequent to the valuation date and are likely to affect materially the state of affairs as on date and / or its net assets.

6.0 Limitations, Caveats and Disclaimer

6.1 While my work has involved an analysis of financial information and accounting records, the engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, I assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the client. My report is subject to the scope and limitations detailed hereinafter. As such the



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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.

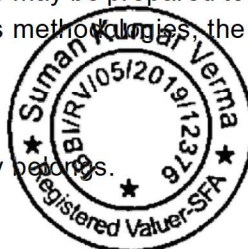
- 6.2 The valuation of companies and businesses is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value and I have normally expressed my opinion on the value as falling within a likely range. However, as purpose requires the expression of a single value, I have adopted a value at the mid-point of valuation range. Whilst I consider my value to be both reasonable and defensible based on the information available to me, others may place a different value on the company.
- 6.3 An analysis of such nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this Report.
- 6.4 The ultimate analysis will have to be tempered by the exercise of judicious discretion by the RV and judgment 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 face of the Balance Sheet but could strongly influence the value.
- 6.5 Unavailability of information as of valuation date: Please note that the Fair Value of assets of the company have been performed as of an earlier date based on the provisional unaudited standalone balance sheet of company provided by management as of the valuation date.
- 6.6 In the course of the valuation, I was provided with both written and verbal information. I have however, evaluated the information provided to me 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. My conclusions are based on the assumptions, forecasts and other information given by/ on behalf of the Company.
- 6.7 I am independent of the client/ company and have no current or expected interest in the Company or its assets. The fee paid for my services in no way influenced the results of my analysis.
- 6.8 My report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared

7.0 Valuation Approach and Methodology

7.1 Valuation Approaches

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- Industry to which the Company belongs.



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- Extent to which industry and comparable company information are available.
- Whether the entity is listed on a stock exchange.
- Past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. There are several commonly used and accepted approaches for valuation. These approaches can be broadly categorized as follows:

- A. Market Approach
- B. Asset Approach
- C. Income Approach

A. Market Approach

The value of a business is determined by comparing the company's relative valuation with that of other companies of the same industry, size and risk. This approach is used, where the value of a stock is estimated based upon its fundamental variables considered to be significant to valuation, such as earnings, cash flow, book value, or sales and relative valuation given to recent transactions or similar companies of the same industry based on the same fundamental variable. Business appraisal includes 'comparative transaction method' and 'guideline public company method'.

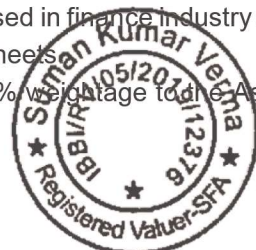
Under CCM Method, the value of shares of the subject company is determined on the basis of multiples derived from valuations of comparable companies. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. The Comparable Companies' Multiple Method arrives at the value of the company by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences, such as growth potential, past track record, size, company dynamics, etc.

I have assigned 50% weightage to the Comparable Companies Method under the market approach.

B. Asset Approach

This method determines the worth of a business by the assets it possesses. It involves examining every asset held by the company, both tangible and intangible. The Net Asset Value (NAV) arrived at under this approach is based on the financial statements of the business. Further, the balance sheet values are adjusted for any intangible assets and contingent liabilities that are likely to materialize. The NAV is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce. This approach to valuation is more commonly used in finance industry or industries that are required to have huge tangible assets on their balance sheets.

I have assigned 0% weightage to the Asset Approach as it does not best reflect the future growth of the company



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C. Income Approach

The income approaches determine fair market value by dividing the benefit stream generated by the subject or target company by a discount or capitalization rate. The discount or capitalization rate converts the stream of benefits into present value. There are several different income approaches, including Capitalization of Earnings or cash flows, Discounted Future Cash Flows ("DFCF"), and the Excess Earnings Method (which is a hybrid of asset and income approach of benefit stream to which it is applied). The result of a value calculation under the income approach is generally the fair market value of a controlling, marketable interest in the subject company, since the entire benefit stream of the subject company is most often valued, and the capitalization and discount rates are derived from statistics concerning public companies.

I have assigned 50% weightage to Discount Cash Flow Method under the Income approach as it considers the future growth of company.

For arriving at the value per equity share of STI and considering valuation inputs available for determining valuation under Book Value method, Discounted Cash Flow Method and CCM, we have applied 0%, 50% and 50% weights respectively to each of the methods to arrive at the value per equity share of STI.

8.0 Valuation Analysis and conclusion

The value per equity share of STI are based on the various approaches / methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations. We have independently applied methods discussed above, as considered appropriate, i.e., Market Price method, Comparable Companies Method and Book Value method for determining value per share of the Company.

In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove referred to earlier in this Report for the proposed transaction, in our opinion, we recommend the fair value of equity shares of STI at **INR 37,99,173.84** per equity share.

Approach	Method	Value per share (INR)	% Weight	Weighted Value (INR)
Asset Approach	Book Value Method	6,18,715.13	0.00%	-
Market Approach	Comparable Companies' Multiple Method	27,18,376.91	50.00%	13,59,188.45
Income Approach	DCF Method	48,79,970.77	50.00%	24,39,985.38
Value per share (INR)			100.00%	37,99,173.84



9.0 Valuation Standards Followed

International Valuations methodology and relevant International Valuations Standards (popularly known as 'IVS') issued by IVSC have been followed for valuation and preparation of the report

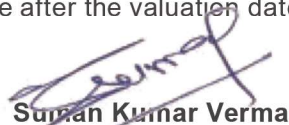
10.0 Premise of Value

The present valuation is undertaken on a **Going Concern Premise** i.e. on the premise that the Company will continue to operate in future after the valuation date and will earn cashflows.

Date: 16th August, 2023

Place: Delhi




Suman Kumar Verma

Registered Valuer- Securities or Financial Assets
IBBI Registration No.: IBBI/RV/05/2019/12736

Enclosed:

Annexure I: Determination of value per equity shares of STI using Book Value method.

Annexure II: Determination of value per equity share of STI using Comparable Companies method.

Annexure III: Computation of share price of STI using Discounted Cash Flow Method.

Annexure I – Determination of value of equity shares of STI using Book Value method.

The value of equity shares of STI using Book Value method is **INR 6,18,715.13** per equity share.

Particulars	Total CAD
Assets	
Current Assets	
Bank	2,02,978.37
Accounts Receivable	7,52,996.97
Other current assets	8,09,531.37
Total for Current Assets	17,65,506.71
Total for Assets (A)	17,65,506.71
Liabilities	
Current Liabilities	
Accounts Payable	5,07,819.55
Income Tax Payable	-28,227.98
Opening Balance Adjustments	1,03,510.37
Tax Payable	1,54,973.95
Unearned Revenue	29,535.38
Total for Current Liabilities	7,67,611.27
Total for Liabilities (B)	7,67,611.27
TOTAL NETWorth	9,97,895.44
CAD/INR exchange rate as on 30.06.2019	62.00
Equity Value in INR	6,18,71,513.07
No. of Shares	100.00
Value per Share (INR)	6,18,715.13



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Annexure II- Determination of value of equity shares of STI using Comparable Companies Method

The value of equity shares of STI using Comparable Companies method is **INR 27,18,376.91** per equity share.

Particulars	Amount in CAD
LTM Revenue	48,97,651
E/V Sales Multiple	1.07
Less: Discount @ 20%	0.21
P/E Multiple after discount	0.85
Enterprise Value	41,81,359.09
Less: Debt	-
Add: Cash	2,02,978.37
Equity Value in (CAD)	43,84,337
CAD/INR exchange rate as on 30	62.00
Equity Value in (INR)	27,18,37,691
No. of Shares	100
Value Per share (INR)	27,18,376.91

(USD Millions)

Name of the Company	Price per share as on 30.06.2023	Shares O/S in Mn	Mkt cap	Cash & Cash Eq	Debt	EV	Revenue	EV/Revenue
Thoughtworks Holding, Inc. (NasdaqGS:TWKS)	7.55	317.20	2,394.86	194.30	254.40	2,454.96	1,237.50	1.98
CISO Global Inc. (NasdaqCM:CISO)	0.18	174.70	31.45	1.80	12.40	42.05	55.20	0.76
WaveDancer, Inc. (NasdaqCM:WAVD)	0.31	19.30	5.98	0.7	1.30	6.58	9.5	0.69
Amdocs Limited (NasdaqGS:DOX)	98.85	120.20	11,881.77	573.4	47.50	11,355.87	4811.5	2.36
Castellum, Inc. (NYSEAM:CTM)	0.50	47.30	23.65	4.6	8.70	27.75	43.6	0.64
AgileThought, Inc. (NasdaqCM:AGIL)	0.75	49.80	37.35	8.5	91.30	120.15	166.6	0.72
Computer Task Group, Incorporated (NasdaqGS:CTG)	7.61	15.90	121.00	25.1	0.10	96.00	305.7	0.31
							Average	1.07

(Source: Capital IQ)



Annexure III – Determination of value per equity share of STI using Discounted Cash Flow Method

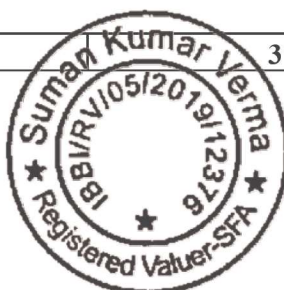
The value of equity shares of STI using Discounted Cash Flow method is **INR 48,79,970.77** per equity share.

(Amount in CAD,

PARTICULARS	July 01, 2023 to Dec 31, 2023	2024	2025	2026	Terminal Value
PAT	(29,457.18)	10,87,545.80	12,31,054.96	16,33,347.21	
Add: Depreciation	-	-	-	-	
Add/Less: Change in Non-Cash Working Capital	(2,55,324.74)	(2,62,560.45)	(2,62,560.45)	(2,36,304.41)	
Add/Less: Changes in Borrowings	-	-	-	-	
(Inc)/Dec in Fixed Assets	-	-	-	-	
Free Cash Flows	(2,84,781.92)	8,24,985.35	9,68,494.51	13,97,042.80	1,01,54,074
Discounting Factor	0.923	0.788	0.672	0.574	0.574
Discounted Cash Flows	(2,62,917.29)	6,50,028.04	6,51,271.60	8,01,777.41	58,27,528.57
Sum of Discounted Cash Flow	76,67,688.33				
Add: Cash & Cash Equivalent	2,02,978				
Equity Value in CAD	78,70,667				
CAD/INR exchange rate as on 30.06.2023	62.00				
Equity Value in INR	48,79,97,077				
No. of Shares	100				
Value per Share (INR)	48,79,970.77				

Calculation of Cost of Equity	
10 Year Canada Bond Rate	3.27%
ERP	5.94%
Beta	1.33
Cost of Equity	11.17%
Add: Company Specific Risk Premium	6%
Adjusted Cost of Equity	17.17%

Growth Rate	3%
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<<End of Report>>



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PREVIEW

Unique Document Identification Number (UDIN)	2328453ZZ5QRXSDOHO
Member Details	Suman Kumar Verma (28453)
Document Type	Certificate
Type of Certificate	Other Certificate
Date of Signing of Document	16/08/2023
Financial Figures / Particulars	618715.13: Value per Share (INR) 61871513.07: Equity Value in INR 752996.97: Accounts Receivable
Document Description	fair value of the equity shares of SATINCORP TECHN
Status	 

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