

VALUATION REPORT

OF

NET EMPLOYMENT SERVICES PRIVATE LIMITED

VALUATION OF EQUITY SHARES

Prepared By

SHRENI SHARES LIMITED

Office No. 217, Hive 67 Icon, Poisar Gymkhana Road
Lokmanya Tilak Nagar Poisar, Near Raghuleela Mall,
Kandivali West, Mumbai, Maharashtra, India, 400067
SEBI Reg. No: INM000012759

Valuation Date: 27th March 2024

Report Date: 28th March 2024



To,

The Board of Directors

Net Employment Services Private Limited

4th floor, Brijwasi Building, Opp. Udhyog Bhavan,

Sonawala Road, Goregoan (East),

Mumbai, Maharashtra, India, 400063.

Sub.: Valuation Report for transfer of Equity Shares of the Company.

We refer to our engagement letter dated 21st March 2024 for carrying out the valuation of equity shares issued by Net Employment Services Private Limited.

In accordance with the terms of the engagement, we are enclosing our report along with this letter.

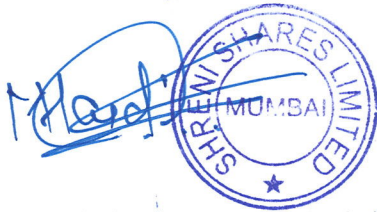
This Valuation Analysis is confidential and has been prepared exclusively for the Management and shareholder of Company for Transfer of Equity Shares. It can be produced to any statutory authority on their specific request. It should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of Shreni Shares Limited. Such consent will only be given after full consideration of the circumstance at that time.

Trust the above meets your requirements.

Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully,

For Shreni Shares Limited



Place: Mumbai

Date : 28th March 2024

1. COMPANY PROFILE:

Net Employment Services Private Limited (hereinafter referred as “NESPL” or “the Company”) registered under the Companies Act, (CIN: U93090MH2006PTC165667) having its registered office at 4th floor, Brijwasi Building, Opp. Udhog Bhavan, Sonawala Road, Goregoan (East), Mumbai, Maharashtra, India, 400063. Net Employment Services Pvt. Ltd., commonly known as NET HR, is an IT and Non-IT recruitment firm servicing clients in the IT, Banking, Finance, Insurance, FMCG, Automobile, Engineering, Oil & Gas, Retail and the pharmaceutical industry. It provides end-to-end recruitment services including Executive Search and Staffing Services for permanent and temporary staffing.

Shareholding Pattern:

The Share Capital and holding structure of the Company, as on 27th March, 2024 is as under:

Particulars	Amount in INR
<u>Issued, subscribed and paid up Capital</u>	
63,93,000 Equity Shares of INR 10/- each fully paid up	6,39,30,000.00

Details of Shareholder's Shareholding more than 5% in the Company.

Shareholders	Number of shares	Percentage
Jaro Institute of Technology Management and Research Limited	49,48,497	77.40%
Dr. Uday Salunkhe.	10,68,250	16.71%
Ms. Swati Uday Salunkhe.	3,56,250	5.57%

2. OBJECTIVE OF THE VALUTION REPORT:

Net Employment Services Private Limited has approached Shreni Shares Limited, (“Valuer” or “Shreni”) to determine the fair valuation of equity shares of Net Employment Services Private Limited for Transfer of Equity Shares as per the method prescribed in



Section 56(2) (x) and 50CA of the Income-tax Act, 1961 read with Rule 11U, 11UAA, 11UA(1)(c)(b) of the Income-tax Rules, 1962 ("IT Rules 1962") as on 27th March, 2024.

3. VALUATION DATE:

The Value of Equity shares of the company has been calculated as on 27th March 2024.

4. INFORMATION RELIED UPON BY US:

4.1. We have prepared our Valuation Report on the basis of the following information provided to us by Management of Net Employment Services Private Limited:

- a. Audited financial statement of Net Employment Services Private Limited for the year ended 31st March, 2023.
- b. Management Certified provisional financial statement of Net Employment Services Private Limited for the period ended 27th March, 2024.
- c. Discussions with the Management on various issues relevant for the valuation including the prospects and outlook of the Company / industry, expected growth rate and other relevant information relating to future expected profitability of the business, etc.
- d. Such other information and explanations as we have required and which have been provided by the Management.

5. VALUATION TECHNIQUES ADOPTED:

As above mentioned purpose of the valuation of the Company, Rule 11UA of the Income-Tax Rules, 1962 only specifies the Net Asset Value Method for determining the value of unquoted equity shares in case of transfer of unquoted equity shares of the Company.

Therefore, for the purpose of the present valuation exercise, the value has been derived in accordance with Methodology prescribed under Rule 11UA providing for rules for determination of Fair Market Value ('FMV') for unquoted shares relevant for section 50CA of the Income tax Act, 1961 as amended upto date.



Further, as per the section 50CA of the Income Tax Act, 1961 read with Rule 11UAA of the Income Tax Rules, 1962, the Fair Market Value of Unquoted Equity Shares of a Company is calculated based on the balance-sheet of such Company (including the notes annexed thereto and forming part of the accounts) as drawn up on the valuation date which has been audited by the auditor of the company appointed under the laws relating to companies in force.

In the present scenario, due to mid of the period of date of valuation, the audited financial statement is not available with the Company which is required for determine of valuation of unquoted equity share as per IT Rules, the management of the Company has requested to determine the value of unquoted equity shares of the Company on the basis of Unaudited Provisional Balance Sheet of the company as at 27th March, 2024 (Valuation Date).

Based on the above matrix, we have considered Net Asset Value Method under the Cost Approach for current valuation since the Company's asset base dominates its earnings capability and pursuant to section 50CA of the Income tax act 1961 due to transfer of shares, the FMV of the Equity Shares of the company has been determined as per section 50CA of the Income Tax Act, 1961 based on the Management Certified Unaudited Balance Sheet as on 27th March, 2024.

The valuation formula of these IT Rules, which is largely a Net Asset Value (NAV) based valuation, has been summarized as follows:

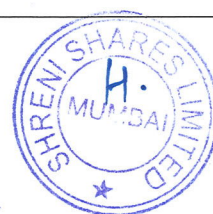
Particulars	Provisions
Scope	FMV of unquoted equity shares
Formulae	$(A + B + C + D - L) * (PV)/(PE)$



A	Book Value of all assets in the Balance Sheet except those referred in B, C and D. It would be reduced by: Any amount of income-tax paid less the amount of refund claimed if any; and Any amount shown as asset including the unamortized deferred expenditure which does not represent the value of any asset.
B	The price at which Jewellery, artistic work would fetch if sold in the open market (On the basis of valuation report obtained from a registered valuer.)
C	FMV of shares and securities determined as per Rule 11 UA of IT Rules.
D	Stamp duty value assessed or assessable by any Government Authority in respect of immovable property.
L	Book value of liabilities in the Balance Sheet, but not including the following: The paid-up capital in respect of equity shares; 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 of such shares at a general body meeting of the company; Reserves and surplus, by whatever name called, even if the resulting figure is negative, other than depreciation reserve; Any amount representing provision for taxation, other than amount of income- tax paid, less the amount claimed as refund to the extent of the excess over the tax payable with reference to the book profits in accordance with the law applicable thereto; Any amount representing provisions made for meeting unascertained liabilities; 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.



Audit requirement	The Balance Sheet as on valuation date needs to be audited by the Statutory Auditors of the Company.
Particulars	Provisions
Scope	FMV of unquoted equity shares
Formulae	$(A + B + C + D - L) * (PV)/(PE)$
A	Book Value of all assets in the Balance Sheet except those referred in B, C and D. It would be reduced by: Any amount of income-tax paid less the amount of refund claimed if any; and Any amount shown as asset including the unamortized deferred expenditure which does not represent the value of any asset.
B	The price at which Jewellery, artistic work would fetch if sold in the open market (On the basis of valuation report obtained from a registered valuer.)
C	FMV of shares and securities determined as per Rule 11 UA of IT Rules.
D	Stamp duty value assessed or assessable by any Government Authority in respect of immovable property.
L	Book value of liabilities in the Balance Sheet, but not including the following: The paid-up capital in respect of equity shares; 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 of such shares at a general body meeting of the company; Reserves and surplus, by whatever name called, even if the resulting figure is negative, other than depreciation reserve; Any amount representing provision for taxation, other than amount of income- tax paid, less the amount claimed as refund to the extent of the excess over the tax payable with reference to the book profits in accordance with the law applicable thereto; Any amount representing provisions made for meeting unascertained liabilities;



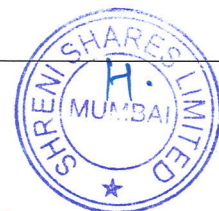
	Any amount representing contingent liabilities other than arrears of dividends payable in respect of cumulative preference shares.
PV	The paid-up value of such equity shares.
PE	Total amount of paid-up equity share capital as shown in the balance-sheet.
Audit requirement	The Balance Sheet as on valuation date needs to be audited by the Statutory Auditors of the Company.

The detailed working is enclosed in Annexure I.

Annexure I

Valuation of Equity Shares of the Company as per NAV Method

Particulars of Assets	Amount In Lakhs	Amount In Lakhs
Book Value of Assets as per Balance Sheet	1,606.40	
Less: Any amount of income-tax paid less the amount of refund claimed if any	79.25	
Less: Any amount shown as asset including the unamortised amount of deferred expenditure which does not represent the value of any asset	-	
Less: The price at which Jewellery, artistic work would fetch if sold in the open market	-	
Less: Book Value of Investment in shares and securities ¹	206.35	
Less: Book value of Immovable Property	31.00	
Add: Fair Market Value of shares and securities determined as per Rule 11UA ²	1,056.73	
Add: Fair Value of Immovable Property	31.00	
Total Assets Value (A)	2,377.53	2,377.53
Total Liabilities	1,606.40	
Less: Equity Share Capital	639.30	
Less: 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 of such shares at a general body meeting of the company.		
Less: Reserves and surplus, by whatever name called, even if the resulting figure is negative, other than depreciation reserve.	705.30	
Less: Any amount representing provision for taxation, other than amount of income-tax paid, less the amount claimed as refund to the extent of the excess over the tax payable with reference to the book profits in accordance with the law applicable thereto.	-	
Less: Any amount representing provisions made for meeting unascertained liabilities	-	
Less: Any amount representing contingent liabilities other than arrears of dividends payable in respect of cumulative preference shares.	-	
Total Liability Value (B)	261.80	261.80
Total Equity Value (A-B)		2,115.73
Total amount of paid-up equity share capital as shown in the balance-sheet (PE)		639.30
Per value of share (PV)		10.00
FMV per Equity Share (A-B)*PV/PE (in Rs.)		33.09

Note:

- On the basis of the data and information provided the Company. Further, the Company has invested into four private limited companies as mentioned below which are its subsidiaries, wholly owned subsidiary and step down subsidiary companies, therefore, with purpose of the determination of the fair value of shares of subsidiaries, wholly owned subsidiary and step down subsidiary company as per Rule 11UA of the IT Rules, 1962 are subtracted from total assets value.



S.No.	Particular	Relation with Company
1.	NET HR Solutions (I) Pvt Ltd	Wholly owned Subsidiary
2.	Net Education Entrepreneurship and Leadership Limited	Wholly owned Step- Down Subsidiary
3.	Verification Solutions Pvt Ltd	Wholly owned Subsidiary
4.	NET Recruitment Services Pvt Ltd	Subsidiary

2. The value of investment made by the Company in other investee companies is required to be computed pursuant to Rule 11UA of IT Rules, 1962, therefore, on the basis of the data and information provided the Company, the Company has invested into four private limited companies stated as aforesaid which are its subsidiaries, wholly owned subsidiary and step down subsidiary companies.
3. According to the explanation and information provided by the management, the fair value of shares of subsidiaries, wholly owned subsidiary and step down subsidiary company computed as per Rule 11UA of the IT Rules, 1962. Further, due to investment in the Equity shares of the companies, the investor company is liable upto the amount that is invested in investee, therefore, where value of investee company as per Rule 11UA, 1962 is negative, we have considered it as Zero.

6. VALUATION:

In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share.

To arrive at a value of the Company. For this purpose, we have considered the appropriate determine fair value of equity shares of the Company in accordance with Methodology prescribed under Rule 11UA providing for rules for determination of Fair Market Value ('FMV') for unquoted shares relevant for section 50CA of the Income tax Act, 1961 as amended upto date.



In the present case, the management of the company has provided us the Unaudited Provisional Balance Sheet of the company as at 27th March, 2024 (Valuation Date).

Sr. No.	Method	Value per Share	Weight	Product
1	Net Asset Value Method	33.09	1	33.09
Total			1	33.09
Fair Value per Share of the Company				33.09

In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined in this report, we have determined the fair value per share of the Company as on 27th March, 2024 as per Rule 11UA of the Income-tax Rules, 1962 to be Rs. **33.09/- per share**.

We have carried out the valuation of the Company as per Section 56 (2) (x) and Section 50CA of the Income-tax Act, 1961 r/w Rule 11U, 11UAA and 11UA(1)(c)(b) of Income-tax Rules 1962.

For Shreni Shares Limited,



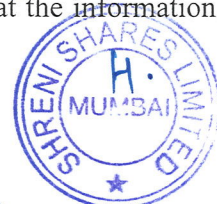
Authorized Signatory

Name: Hardik Makwana

Designation: Assistant Manager

7. LIMITATION / DISCLAIMERS:

- 7.1. Net Employment Services Private Limited has appointed Shreni Shares Limited (the “Valuer”) Category I Merchant Banker to carry out a valuation of the equity shares of the Company for Transfer of Equity Shares as per 11 UA of Income Tax Act, 1961 as on 27th March, 2024. In preparing this Valuation Report (“the report”), the Valuer have relied upon such data, information, etc. as was necessary deemed for the purpose of this assignment and assumed, without independent verification, the accuracy and completeness of all information provided by Management of Net Employment Services Private Limited.
- 7.2. Our report is subject to the scope limitations detailed hereinafter. 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. This report should not be reproduced (in part or otherwise) in any other document whatsoever without Shreni’s specific written consent.
- 7.3. Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While Shreni Shares Limited has provided an assessment of the value based on the information available, application of certain formulae and within the scope and constraints of our engagement, others may place a different value to the same.
- 7.4. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have, therefore, not performed any audit, review, due diligence or examination of any of the historical or prospective information used and therefore, does not express any opinion with regards to the same.
- 7.5. While the information provided to us is believed to be accurate and reliable, the Valuers do not make any representation or warranties, express or implied, as to the accuracy or completeness of such information. The information provided has not been verified by the Valuer, though the Valuer is not aware nor has reason to believe that the information is



otherwise unreliable in any material aspect. No representations expressed or implied are made in that behalf.

- 7.6. Shreni's work does not constitute certification or due diligence of the past working results of companies and Shreni has relied upon the information provided to it by the company as set out in their audited and working results.
- 7.7. The draft of the present report was circulated to the Management for confirming the facts stated in the report and to confirm that information or facts stated are not erroneous and the assumptions used are reasonable.
- 7.8. No investigation on the Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the liabilities in the books. Therefore, no responsibility is assumed for matters of a legal nature.
- 7.9. Our work does not constitute an audit or certification of the historical financial statements/prospective results including the working results of the Company referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation mentioned in the report is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 7.10. 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 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. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company. We assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise.



- 7.11. Our recommendation is based on the estimates of future financial performance as projected by the management, which represents their view of reasonable expectation at the point of time when they were prepared, but such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.
- 7.12. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Company and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Company including any significant changes that have taken place or are likely to take place in the financial position of the Company. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 7.13. In furnishing the Report, the Valuer reserves the right to amend or replace the Report at any time. Our views are necessarily based on economic, market, and other conditions currently in effect, and the information made available to us, as of the date hereof. It should be understood that subsequent developments may affect our views and that we do not have any obligation to update, revise, or reaffirm the views expressed in the Report. Nothing contained within the Report is or should be relied upon as a promise or representation as to the future.
- 7.14. Any person/party intending to provide finance/invest in the shares/business of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 7.15. The decision to carry out the transaction (including consideration thereof) on the basis of this valuation lies entirely with the Management/ the Company and our work and our



finding shall not constitute a recommendation as to whether or not the Management/ the Company should carry out the transaction.

- 7.16. This report is prepared by Shreni Shares Private Limited solely for the purpose of estimating the fair valuation of Equity Shares of Net Employment Services Private Limited. This report is not to be used, circulated and quoted otherwise than for the purpose stated herein except statutory authority. This report is subject to the scope of limitations detailed hereinafter.
- 7.17. Neither Shreni Shares Limited, nor its partners/directors, managers, employees makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.
- 7.18. Our Valuation Analysis should not be construed as investment advice; specifically, We do not express any opinion on the suitability or otherwise. of entering into any transaction with the Company.
- 7.19. Shreni Shares limited shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out herein in this report.
- 7.20. For the purpose of this assignment, Shreni has relied on the statements; information and explanation provided by the Management and has not tried to evaluate the accuracy thereof.
- 7.21. We have, however, used conceptually sound generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not to be required to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, prior arrangements have made with the analyst regarding such additional engagement.



Registered Office : No. 217, Hive 67 Icon, Poisar
Gymkhana Road Lokmanya Tilak Nagar Poisar, Near
Raghuleela Mall, Kandivali West, Mumbai-400067
Maharashtra, India.



7.22. Shreni has not carried out any physical verification of the assets and liabilities of the company and takes no responsibility on the identification, availability and valuation of such assets and liabilities. The valuation of this company has been carried out for the express purpose as mentioned in scope of assignment and may not be applicable or referred to or quoted in any other context.



*****End of report *****