Practitioner's Report in respect of Rule based determination of fair market value of equity shares of Armee Technology Services Private Limited

To

The Board of Directors,

Armee Technology Services Private Limited (CIN: U72100GJ2009PTC058865),

16, Goyal Intercity, B/h Drive in Cinema, Thaltej Road, Ahmedabad 380058

1. This report is issued in accordance with the request dated September 29, 2023 from Armee Technology Services Private Limited (the "Company").

2. We are required to carry out the computation of the fair market value, as per the provisions of Section 56(2)(x) of the Income-tax Act, 1961, read with Rule 11UA of the Income-tax Rules, 1961, to determine the fair market value of equity shares of the Company, being unquoted equity shares (hereinafter, the "fair market value"). The management of the Company has represented that the authorised capital of the Company is INR 1,21,00,000 divided into 12,10,000 equity shares of INR 10 each. The paid-up share capital of the Company, as on March 31, 2023 is INR 1,11,00,000 divided into 11,10,000 shares of INR 10 each, fully paid-up.

3. We are appointed to provide the computation of value of the equity shares of the Company under the authority of the Board of Directors of the Company, and our report is addressed accordingly, with a clear mandate as to the premise and standard of value, being the determination of 'fair market value' as per the reporting criteria mentioned in clause 2 of this Report. We have been given to understand that the Company is engaged in the business of providing multi-speciality healthcare services.

4. We have been appointed to provide our computation of the fair market value of the equity shares of the Company, being unquoted equity shares, as per the provisions of Rule 11UA(1)(c)(b). For the said purpose, we have we have received and relied upon the following information provided by the management:

   4.1. Audited financial statements for the financial year ended March 31, 2023;

   4.2. Discussions with the management in connection with the business operations of the Company, the key operating areas, past trends, purpose of valuation, etc.

   4.3. Other information, explanations and representations that were required and provided by the management of the Company;

   4.4. Such other analysis, reviews and inquiries as we considered necessary.

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5. The accompanying Statement of computation of the fair market value of the equity shares of the Company (hereinafter the "Statement") contains the computation of the fair market value of the equity shares of the Company.

Management's Responsibility for the Statement

6. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

7. The Management is also responsible for ensuring that the Company complies with the requirements of the applicable laws.

Practitioner's Responsibility

8. Pursuant to the scope of reporting, it is our responsibility to provide a computation of the fair market value of the equity shares of the Company, which involves the following approach based on the Income-tax Rules, 1962, specifically, Rule 11UA:

   8.1. the fair market value of unquoted equity shares = (A+B+C+D–L)/(PV/PE)[i]

9. The audited financial statements referred to in paragraph 4.1 above, have been prepared by management of the Company.

10. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

12. We have computed the fair market value of the equity shares of the Company based on the audited financial statements for the financial year ended March 31, 2023, and the computation of the fair market value is done accordingly.

    12.1. We have examined the audited financial statements of the Company for the financial year ended March 31, 2023, and computed the fair market value of the equity shares of

KANTILAL PATEL & CO. KP&Co AHMEDABAD Chartered Accountants the Company as per the method described in paragraph 8, and is mentioned in the Statement.

Opinion

13. Based on our examination as above, and the information and explanations given to us, we are of the opinion that:

    13.1. the computation, as shown in the Statement is the fair market value of the equity shares of the Company, which translates to INR 19.41 (Indian Rupees Nineteen and Fourty First Paise) per equity share of face value of INR 10 each.

Restriction on Use

14. The report is addressed to and provided to the Board of Directors of the Company solely for the purpose of their internal requirement, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Kantilal Patel & Co,**
Chartered Accountants
ICAI Firm registration number: 104744W

Dipam Patel
Partner
Membership No.: 160483

Place: Ahmedabad
Date: October 10, 2023

ICAI UDIN: **23160483BGRIKA2502**

Statement of computation of fair market value of equity shares of INR 10 each of the Company

Armee Technology Services Private Limited (CIN: U72100GJ2009PTC058865)

(Amount in INR)

Fair Market Value = (A+B+C+D-L)*(PV)/(PE)	**19.41**

A	Book value of all the assets (other than jewellery, artistic work, shares, securities and immovable property) in the balance-sheet, adjusted	24,82,19,855
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 Rule 11UA	26,000
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, adjusted	22,67,01,655
PV	Total amount of paid-up equity share capital shown in the balance-sheet	10
PE	The paid-up value of such equity shares	1,11,00,000

To be read with our report of even date bearing UDIN: **23160483BGRIKA2502**

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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;

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