

Valuation Report

Prepared by

S.Shah & Associates

Practicing Chartered Accountants

Dated :

14 AUG 2014

Practicing Chartered Accountants

Firm Registration No: 109771W

S. SHAH & ASSOCIATES

CHARTERED ACCOUNTANTS

SHAILESH K. SHAH
B. Com (Hons.), F. C. A.

G-5, Snow White Co-op. Hsg.
Soc. Ltd., Ground Floor, Azad
Road, Near Rajpuria Baug,
Vile-Parle (E), Mumbai - 400 057.
Tel. : 2610 33 01
Fax : 91-22-2614 9661
Email : s.shah24@rediffmail.com

M/s. S. Shah & Associates is a Practicing Chartered Accountants firm in India. The Valuation Report ("Report") has been prepared on the basis of the review of information provided to us. The report gives an estimated fair market value of the equity shares of Avi Photochem Limited.

The information contained in this Report is selective and is subject to updations, expansions, revisions and amendment. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent.

This Report is based on data and explanations provided by the management and certain other data culled out from various websites believed to be reliable. M/s. S. Shah & Associates have not independently verified any of the information contained herein. Neither the Company nor M/s. S. Shah & Associates nor affiliated bodies corporate, nor the directors, shareholders, managers, employees or agents of any of them, makes any representations or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information contained in the Report. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained in, or errors in or omissions from, this Report or based on or relating to the Recipients' use of this Report.

Executive Summary

Purpose : Calculate the fair market value of the shares of Avi Photochem Limited for the purpose of Scheme under Clause 24(f)

Business : Trading of Chemicals and Electronic Materials by conventional and E-commerce methods

Listing : Bombay Stock Exchange Limited, Ahmedabad Stock Exchange, Delhi Stock Exchange

Pursuant to above and on request of Company, we are issuing this report, which contains the Fair Market Value of the shares of Avi Photochem Limited

S. SHAH & ASSOCIATES

CHARTERED ACCOUNTANTS

SHAILESH K. SHAH

B. Com (Hons.), F. C. A.

G-5, Snow White Co-op. Hsg.
Soc. Ltd., Ground Floor, Azad
Road, Near Rajpuria Baug,
Vile-Parle (E), Mumbai - 400 057.
Tel. : 2610 33 01
Fax : 91-22-2614 9661
Email : s.shah24@rediffmail.com

CERTIFICATION

We M/s.S.Shah & Associates certify that the fair market value of Each Share of Avi Photochem Limited is Rs. 5.39 per Share.

This fair market value is valid on the date of issuance of this certificate.

METHODOLOGY & EXPLANATION

Valuation Methods

There are many methods that can be used for valuation of shares. Some popular ones are:

1. Net Asset Value (Book Value) Method
2. Capitalisation of Earnings Method
3. Average quoted price of the equity shares on Stock Exchange in case of listed Companies

Method Adopted

1. Net Asset Value (Book Value) Method

Net Asset Value (Book Value) as on March 31, 2014

Particulars	Amount in Rupees
Share Capital	3,48,00,760
Reserves and Surplus	(2,54,01,155)
Total Shareholder's Fund (A)	93,99,605
No. of Shares of Rs. 10/- each (B)	34,80,076
Net Asset Value (Book Value) per share (A/B)	2.70

S. SHAH & ASSOCIATES

CHARTERED ACCOUNTANTS

SHAILESH K. SHAH

B. Com (Hons.), F. C. A.

ii) Capitalisation of Earnings Method (PECV)

- In this method, the average earnings based on the past 3 years are first determined. Adjustments are then made for any exceptional transactions or items of a non-recurring nature. The adjusted average earnings are then capitalized at an appropriate rate to arrive at the value of the business.
- The PECV is calculated as under, by capitalizing the weighted average post-tax profits of the company for last 3 years at a rate of 20%.

Particulars	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012	Rupees
Profit After Tax (excluding Exceptional and Extraordinary items)	56,95,198	56,51,735	53,55,499	--
Weight ages	3	2	1	6
Weighted Average Profit After Tax	1,70,85,594	1,13,03,470	53,55,499	56,24,095
Capitalization Factor @ 20%				2,81,20,475
No. of Equity Shares				(Nos.) 34,80,076
Value Per Share				8.08

iii) Average quoted price of the equity shares

Though the equity shares of the Company are quoted on BSE Ltd., a perusal of the trading data of the last six months of the Company reveals that the volumes of trading are extremely low and hence the price quoted cannot be considered as a true representation of the worth of the equity shares of the Company.

G-5, Snow White Co-op. Hsg. Soc. Ltd., Ground Floor, Azad Road, Near Rajpuria Baug, Vile-Parle (E), Mumbai - 400 057.
Tel. : 2610 33 01
Fax : 91-22-2614 9661
Email : s.shah24@rediffmail.com

S. SHAH & ASSOCIATES

CHARTERED ACCOUNTANTS

SHAILESH K. SHAH

B. Com (Hons.), F. C. A.

G-5, Snow White Co-op. Hsg.
Soc. Ltd., Ground Floor, Azad
Road, Near Rajpuria Baug,
Vile-Parle (E), Mumbai - 400 057.
Tel. : 2610 33 01
Fax : 91-22-2614 9661
Email : s.shah24@rediffmail.com

iv) Fair Value per share

Based on the Average of the Net asset value and PECV Method, the fair value of shares of the Company's as tabulated below.

Particulars		Amount (Rupees)
Net Asset Value per share	(A)	2.70
PECV	(B)	8.08
Fair Value per share	[(A+B)/2]	5.39

Hence considering the above factors, we conclude that the pricing of the equity shares of Avi Photochem Limited based on above parameters is **Rs. 5.39** per Share.

Place : Mumbai

Date: 11/4/2014

FOR S. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
Shah
Proprietor.