



ANNEXURE V

To,
Listing Department
Calcutta Stock Exchange Ltd
7, Lyons Range, Murgighata,
Dalhousie, Kolkata, West Bengal, 700001

Dear Sir,

Sub: Application for “In-principle approval” prior to issue and allotment of 72,70,000 (Seventy Two Lakh Seventy Thousand Only) Equity Shares of face value of `10/- each at an issue price of `12/- each on preferential basis under Regulation 28(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

We (, K. C. Parikh & Associates.), hereby certify that the minimum issue price for the proposed preferential issue of **Hilltone Software and Gases Limited**, based on the pricing formula prescribed under Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, has been worked out at Rs. 10.

Pricing of infrequently traded shares as per Regulation 165 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”) is as follows:

Where the shares of an issuer are not frequently traded, the price determined by the issuer shall take into account the valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies:

Provided the issuer shall submit a certificate stating that the issuer is in compliance of this regulation, obtained from an independent valuer to the stock exchange where the equity shares of the issuer are listed.

The shares of this Company are listed on Calcutta Stock Exchange, which are not traded in CSTAR since 1997, hence the trading history is not available for consideration under this method. (Source: https://www.cse-india.com/upload/site_link/ts010113.txt)

In terms of Regulation 165 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”) and by using the Valuation Parameters, the following is the Valuation Analysis of Equity Shares of the Company.

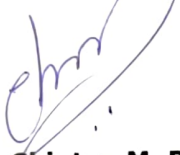
Sr. No.	Valuation Parameters	Value per Equity Share (in Rupees)
1.	Price Earning Capacity Value Method	3.28
2.	Net Assets Value Method	11.23
3.	Average of the weighted average market price	N.A.

For, detailed working calculation of Value of Equity Share, please refer;
Annexure 1 - For Net Assets Value Method
Annexure 2 - For Price Earning Capacity Value Method



Sr. No.	Method	Value per Equity Share (in Rupees) (A)	Weights (B)	Weighted (C=A*B)
1.	Price Earning Capacity Value Method	3.28	20%	0.66
2.	Net Assets Value Method	11.23	80%	8.98
Total (D)			100%	9.64
The issue price of an Equity Share cannot be less than the nominal price. Since the value derived based on above methodologies is less than the nominal price, the floor price shall be nominal price of the equity share i.e. Rs. 10.00				
Floor Price (In Rupees)				10.00

For, K. C. Parikh & Associates.
Chartered Accountants
(FRN: 107550W)




CA. Chintan M. Doshi
Partner
M.NO.118298
Date: 10th April 2023
UDIN: 23118298BGXOHQ5165

Annexure – 1

Valuation of Equity Shares of HSGL under NAV Method

Calculation of Net Assets Value of the Company as at 31st December, 2022

PARTICULARS	NOTE NO.	AMOUNT IN INR
Non-Current Assets		
Fixed Assets		
Factory land	1	83,95,000.00
Factory Building	1	80,69,372.00
Machinery		1,75,19,892.01
Software		41,10,501.00
Other FA		42,24,911.39
Less: Depreciation Fund	2	(1,90,95,334.11)
TOTAL FIXED ASSETS		2,32,24,342.29
Non-current Investments		
Shares (Unquoted)	3	2,29,000.00
Bank FD		5,80,000.00
Current Assets		
Closing Stock		31,36,500.00
Deposits		1,69,35,331.00
Loans & Advances		3,75,523.00
Sundry Debtors		1,29,16,052.10
Cash-in-hand		20,04,834.50
Bank Accounts		3,38,982.52
Deferred Tax Assets		1,99,181.00
Mat Credit Assets		5,84,312.00
TCS receivable		13,280.39
TDS receivable 22-23		34,981.00
TOTAL ASSETS		6,05,72,319.80
Loans		
Bank O/D A/C		43,28,131.70
Secured Loans		29,85,990.85
Unsecured loans		18,30,308.23
Current Liabilities		
Duties and Taxes		1,42,523.29
Provisions		8,840.00
Sundry Creditors		31,03,676.51
Deposits		32,56,474.00
TOTAL LIABILITIES		1,56,55,944.58
Less: Preference Share Capital/ Debentures		-
Less: Contingent Liabilities		-
NET ASSET VALUE		4,49,16,375.22
Number of Equity Shares		40,00,300
Price per share		11.23

Notes:

1. Value of Factory Land and Factory Building:

For the purpose of value of Factory land and Factory building, the management has provided us with the Valuation Report dated 05th January, 2023 (Valuation reference date: 03rd January, 2023) from Mr. Parag Sheth, Registered



Valuer (Land & Building) having registration number IBBI/RV/07/2019/11235, accordingly, the Jantri Rates as per the report are considered for the purpose of above calculations. A comparative Table is provided below:

Sr. No.	Particulars	Value as on 31st December, 2022	Jantri Value
1	Factory Land	1,49,18,001.00	83,95,000.00
2	Factory Building	61,04,230.66	
	Less: Depreciation fund created for Factory Building	(39,37,034.00)	
	WDV of Factory Building	21,67,196.66	80,69,372.00
	Total	2,10,22,231.66	1,64,64,372.00

2. Depreciation Fund:

In the present unaudited provisional financial statements provided by the Company, the depreciation reserve of Rs. 1,90,95,334.11 is provided separately under the shareholder's funds. To give effect of the cumulative depreciation to the assets, the amount of depreciation funds so provided is deducted from the total fixed assets

3. Value of Shares (non-current investments):

The Company has made investment in the Mehsana Urban Co Op Bank Ltd. (unquoted) As per management representation, the said investment is not for trading purpose, accordingly the same is considered at cost.



Annexure – 2

Valuation of Equity Shares of HSGL under PECV Method

Amount in INR

Financial Year	Profit before tax*	Weight	Product
2021-2022	16,24,000.00	3	8,12,000.00
2020-2021	12,22,603.00	2	4,07,534.33
2019-2020	4,10,150.00	1	68,358.33
Average maintainable profits before tax			12,87,892.67
less: Tax @ statutory rate i.e. 25% plus 4% cess			3,34,852.09
Average maintainable profits after tax			9,53,040.57
Industry P/E			13.78
Capitalised Value			1,31,32,899.10
Less: Contingent Liability			-
Equity Value			1,31,32,899.10
Number of equity shares (actual)			40,00,300.00
Valuer per share as per PECV method			3.28

*Based on Audited Financial Statements for the respective year. For the year 2021-2022, the PBT reported is Rs. 16.24 Lakh, which is converted to INR for the purpose of this calculation.

