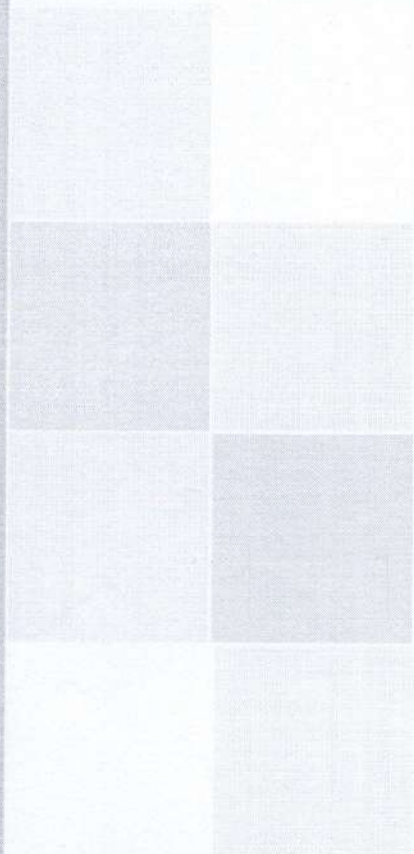


# Valuation Report

G. G. AUTOMOTIVE GEARS LIMITED

L29130MP1974PLC035049

31st August, 2023



**RAMESH CHAND KUMAWAT**  
Registered Valuer-Securities or Financial Assets

VALUATION REPORT

ON

FAIR VALUE OF EQUITY SHARES

OF

**G. G. AUTOMOTIVE GEARS LIMITED**

Valuation of Equity shares for Compliance with Regulation 166A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2022

**RAMESH CHAND KUMAWAT**  
(B.Com, FCA, ISA (ICAI), FAFD, IP & RV)  
Registered Valuer-Securities or Financial Assets  
E-32, Akhsay CHSL, Jairaj Nagar Borivali (W), Mumbai 400091  
E-mail: rckassociates@gmail.com  
Mobile: 9004625550

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*Report on Fair Value of Shares: G. G. Automotive Gears Limited*



**RAMESH CHAND KUMAWAT**  
Registered Valuer-Securities or Financial Assets

To,  
The Board of Directors/Audit Committee  
G. G. Automotive Gears Limited  
2-A, I.S. Gajra Industrial Area-1,  
A.B. Road, Dewas Dewas  
MP 455001

Dear Sir(s)/Madam(s),

I, Ramesh Chand Kumawat, Chartered Accountants and registered Valuer (SFA) ("I", "We" or "Us"), have been appointed vide Engagement letter dated 5<sup>th</sup> September, 2023 to render professional services to G. G. Automotive Gears Limited ("You" or "the Client" or "Company"), for providing our opinion on the fair valuation of equity shares G. G. Automotive Gears Limited ("the Company") in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2022 (here-in-after referred to as 'SEBI ICDR Regulations').

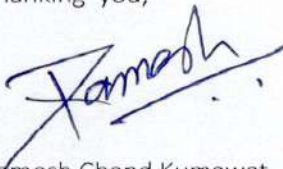
We enclose our report providing our opinion on the fair value of equity shares of the Company on a going concern basis as at August 31, 2023 ("Valuation Date"). We have considered Fair Value as the valuation base for estimating the fair equity value of the Company.

All information in this report with respect to valuation subject has been obtained by us from you only. We are responsible only to the client engaging us and nobody else. We understand that the content of our report have been reviewed in detail by the client.

We believe that our analysis must be considered as a whole, selecting portions of our analysis or the factor we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions.

The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. This letter should be read in conjunction with the attached report.

Thanking you,



Ramesh Chand Kumawat  
(Chartered Accountant)  
M No.404305  
Registered Valuer –Securities or Financial Assets  
(Reg. No. IBBI/RV/06/2020/13084)



Date: 08/Sep/2023

Place: Mumbai

UDIN: 23404305 BQYPUA5873

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*Report on Fair Value of Shares: G. G. Automotive Gears Limited*

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## Valuation Analysis

### 1. Background of the Company

#### Context and Purpose & Proposed Transaction:

We understand that the company intends to issue equity shares to its prospective investors on preferential allotment basis, in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2022 (here-in-after referred to as 'SEBI ICDR Regulations') and applicable rules thereunder. In this context, the management of G. G. Automotive Gears Limited (the "Management") has requested us to estimate the fair value of the Equity Shares. - "Proposed Transaction".

I understand that the underlying transaction is a preferential issue of equity shares of a frequently traded Company listed on Bombay Stock Exchange Limited ('BSE').

In terms of Regulation 166A read with Regulation 164 of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018, a preferential issue, which may result in a change in control or allotment of more than 5% of the post issue fully diluted share capital of an issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and should be considered for determining the floor piece for issue of the shares.

Accordingly, I have been appointed as the registered valuer for the purposes of determination of floor price per equity share in accordance with the SEBI ICDR Regulations.

The relevant date, as informed to me by the management, for the aforesaid purposes is 31st August 2023 ('Relevant Date'). The Valuation Date has been considered as 31st August 2023 ('Valuation Date').

#### Background of the company

G.G. Automotive Gears Ltd. is a leading manufacturer of traction gears and pinions, based out of Dewas, Madhya Pradesh in India. GGAG has been a market leader in Locomotive gears for the last 40 years. Established in 1974, the company undertakes to manufacture of traction gears as a strategic shift from its traditional business of automotive gears.

Within a few years into the start of its traction gear business, the company assumed market leadership because of its unmatched cost, quality and delivery standards. G.G. Automotive Gears Ltd. is a self-sufficient organization capable of developing and manufacturing locomotive and industrial application gears & pinions, gearboxes and forged automotive components.

Company has the capability of manufacturing helical and spur gears ranging from 50 mm dia up to 1600 dia up to 30 module, hardened and ground to DIN class 3 / 4 accuracies.

Company has expertise in the field of gear manufacturing has led to diversify into the manufacturing of forgings through this integrated and newly installed unit. Backed by a near total product service capability, the company offers an 'end-to-end' solution right from product conceptualization to testing

Company URL: <https://ggautomotive.com/>

#### Directors and Key Managerial Persons:

DIN/DPIN/PAN	Full Name	Designation	Date of Appointment
AAKPG7836N	Kennedy Ram Gajra	CEO(KMP)	30-05-2014
2092206	Kennedy Ram Gajra	Managing Director	25-10-1990
2138042	Shailendra Ajmera	Director	27-01-2010
2805170	Ruchi Sogani	Director	31-03-2015
3011429	Pravin Kumar Shishodiya	Director	27-01-2010
7835836	Anmol Gajra	Wholetime Director	01-09-2017
FLIPS3155N	Lata Narang	Company Secretary	02-03-2020
GRQPS9948E	Manoj Sharma	CFO(KMP)	

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*Report on Fair Value of Shares: G. G. Automotive Gears Limited*





**RAMESH CHAND KUMAWAT**  
Registered Valuer-Securities or Financial Assets

Shareholding pattern as on valuation date

Sr. no.	Shareholders	No. of Equity shares	% Holding
1	Promoter & Promoter Group	25,96,104	32.79%
2	Public	53,20,063	67.21%
	Total	79,16,167	100.00%

Further data of the company is as under:

CIN	L29130MP1974PLC035049
Company / LLP Name	G. G. AUTOMOTIVE GEARS LIMITED
ROC Code	RoC-Gwalior
Registration Number	035049
Company Category	Company limited by Shares
Company SubCategory	Non-govt company
Class of Company	Public
Authorised Capital(Rs)	80000000
Paid up Capital(Rs)	79161670
Number of Members(Applicable in case of company without Share Capital)	0
Date of Incorporation	15/02/1974
Registered Address	2-A, I.S. Gajra Industrial Area-1, A.B. Road, Dewas Dewas MP 455001 IN
Email Id	npshrivas@ggautomotive.com
Whether Listed or not	Listed
Date of last AGM	21/08/2023
Date of Balance Sheet	31/03/2023
Company Status(for e filing)	Active

## 2. Conditions and major assumptions

### Conditions

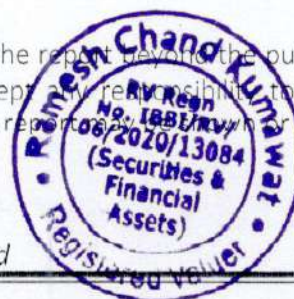
The historical financial information about the Company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report and it should not be used by anyone to obtain credit or for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country. We have not audited, reviewed or compiled the financial statements and express no assurance on them.

This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.

In the event, the Client or its management extend the use of the report beyond the purpose mentioned in the report, with or without our consent, we will not accept any responsibility to any other party (including but not limited to the Investors, if any) to whom this report is provided who may acquire a copy of the report.

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*Report on Fair Value of Shares: G. G. Automotive Gears Limited*





We acknowledge that we have no present or contemplated financial interest in the Company. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

This report is based on the information provided to us as mentioned in the "Sources of Information" and discussions with the management/ representatives of the Company. We have assumed that no information has been withheld that could have influenced the purpose of our report

In the particular circumstances of this case, our liability (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage caused, shall be limited to the amount of fees actually received by us from the company, as laid out in the engagement letter, for such valuation work.

We have not conducted any physical verification, independent valuation or appraisal of any of the assets or liabilities of the Company. Our work does not constitute verification of historical financials or including the working results of the Companies 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.

We have, however, used conceptually sound and 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 require to give expert testimony or to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.

#### Assumptions

The opinion of value given in this report is based on information provided by the client and other sources as listed in the report. This information is assumed to be accurate and complete.

We have relied upon the representations contained in the public and other documents in our possession and any other assets or liabilities except as specifically stated to the contrary in this report.

We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.

We have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry. This report presumes that the management of the Company will maintain the character and integrity of the Company.

We have been assume that there are no Significant lawsuits or any other Undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.





### 3. Valuation Premise

The premise of value for our analyses is going concern value, Premise of Value refers to the conditions and circumstances how an asset is deployed. Going concern value is defined as under: "Going Concern Value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, the necessary licenses, systems and procedures in place, etc

### 4. Valuation Date

The Analysis of the Fair Value of Equity shares of the G. G. Automotive Gears Limited, of the Company has been carried out on 31<sup>st</sup> August, 2023.

### 5. Valuation Standards

The Report has been prepared in compliance with the internationally accepted valuation standards and valuation standard adopted by ICAI Registered Valuers Organisation.

### 6. Valuation Methodology and Approach

The standard of value used in the Analysis is "Fair Value", which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for sale on the open market for a reasonable period of time, with both buyer and seller being In possession of the pertinent facts and neither being under any compulsion to act.

As per ICAI Valuation Standard (ICAI VS) is defined as under: "Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date."

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:

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

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorised as follows:

#### Income Approach

The Income Approach indicates the value of a business based on the value of the cash flows that a business is expected to generate in future. This approach is appropriate in most going concern situations





as the worth of a business is generally a function of its ability to earn income/cash flow and to provide an appropriate return on investment.

#### Market Approach

Compared to the Income Approach that incorporates company-specific estimates to arrive at the firm's intrinsic value, the Market Approach relies on relative valuation to arrive at the value of a business, based upon how similar assets are priced in the market.

The Market Approach provides a reasonable basis for valuation and is relatively a quick approach in its application, but it suffers from a number of limitations

#### Cost Approach

Valuation on Net Assets is computed by taking the net value of a business's assets, subtracting therefrom the amount of the liabilities and preferred shareholders' claims and dividing the remainder among the equity shareholders according to their individual rights

It is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern

#### Maintainable Profit Method or Discounted Cash Flows Method ('DCF')

DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta. Beta is an adjustment that uses historic data to measure the sensitivity of the company's cash flow, for example, through business cycles. This means that companies in highly cyclical businesses will have a high beta to reflect the volatile nature of their cash flow. The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business.

#### Comparable Company Market Multiple

Under this methodology, market multiples of comparable listed companies are computed and applied to the Company being valued to arrive at a multiple based valuation. The difficulty here is in the selection of a comparable company, since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, profitability and accounting practices.

#### Price/Earnings multiple

This is a popular method due to its simplicity. However, it has limited acceptability due to the results being influenced by differences in accounting methods (i.e. treatment of intangible assets) or an artificially boosted PE ratio due to an atypical drop in earnings. Earnings before interest, depreciation and tax is usually preferred over net earnings in order to even out differences caused by capital structure, tax benefits, etc





### Market Cap/Sales Multiple

This method is sometimes used to value the SME sector by multiplying a year's gross/net profit or sales by a certain number, determined as the appropriate multiple for the type of business. This approach particularly with the small and medium sized business has little or no scientific methodology behind it, as it assumes automatically that what has gone before will continue in the future.

### Industry Valuation Benchmarks

A number of industries have industry-specific valuation benchmarks such as 'EV per MW' for power generation companies, 'EV per subscriber' for telecom companies, etc. which can be applied as rule of thumb for business valuation. Other industries where long term contracts are a key feature, multiples of revenues can be used as a valuation benchmark. These industry norms are based on the assumption that investors are willing to pay for turnover or market share and that the normal profitability of businesses in the industry does not vary much. This methodology is more useful as a sense check of values produced using other methodologies.

### Valuation Methodology

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose.

It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Company. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the Company, and other factors which generally influence the valuation of companies and their assets.

Accordingly, we have summarized the application of valuation method for the current valuation exercise as under:

### Market Approach

We have noted that the shares of G. G. Automotive Gears Limited is listed on Bombay stock exchange in India; the shares are frequently traded. Therefore we have considered the market price method.





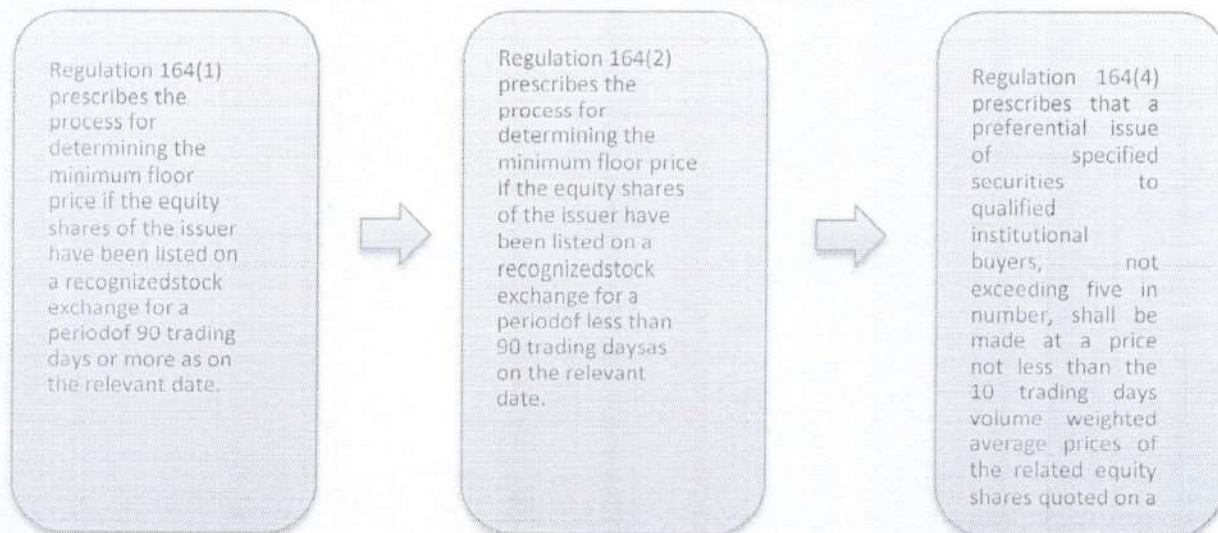
**EXTRACT OF RELEVANT LEGAL PROVISIONS**

The Capital Market Regulator, SEBI, vide its Circular dated January 14, 2022 has inter alia amended the provisions of Chapter V of SEBI ICDR Regulations, 2018 to insert regulation 166A. The said regulations pertain to pricing in case of the Preferential Issues of equity Shares and have become effective from January 14, 2022

*In accordance with the said regulation, any preferential issue, which may result in a change in control or allotment of more than 5% of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price.*

*Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable:*

*Provided further that if any proposed preferential issue is likely to result in a change in control of the issuer, the valuation report from the registered valuer shall also cover guidance on control premium, which shall be computed over and above the price determined in terms of the first proviso.....*



**Income Approach**

Value of the business using income approach is estimated based on earning capacity of the entity or net present value of cash flow earned from the business. Profit earning capacity value (PECV) or discounted cash flow (DCF) methods is used to estimate the value of equity using income approach. PECV method capitalised future maintainable profit to estimate the value of equity, whereas DCF method estimates the value of business by the cash flow which are forecasted to be earned in future (amount) to a single present value.

I have not considered discounted cash flows ('DCF') Method under the Income approach due to unavailability of business projections of G. G. Automotive Gears Limited as it is understood that the financial projections of the company would be price sensitive information and therefore not made available to us

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*Report on Fair Value of Shares: G. G. Automotive Gears Limited*





**Cost Approach**

Value of a business entity using cost approach is estimated using either net book value or replacement value or realizable value.

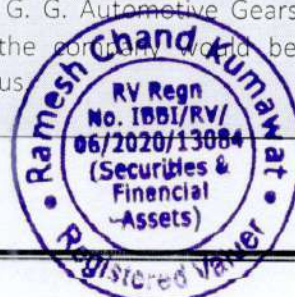
Net Asset value ('NAV') under cost approach is determined based on the underlying value of the assets which could be on book value basis, replacement cost basis or on the basis of realizable value. NAV Methodology is most suitable for the businesses where the value lies in the underlying assets and not on the ongoing operations of the business. This methodology recognizes cost of asset without recognizing their earning potential, comparative financial performance of its peer and enterprise values, etc.

This valuation methodology is mainly used in cases where the Company is to be liquidated i.e., it does not meet the going concern criteria or in a case where assets base dominates earnings capability.

A review of the latest financial statements, other financial information and management's representation with respect to the present and future outlook of the Company, indicates the intention of the Company to continue its business operations in the foreseeable future and hence NAV methodology is not suitable in the instant case.

**Summary of the Valuation methodologies adopted**

Valuation Approach	Basis for Consideration or rejection
Net Asset Value	<p>Net Asset value ('NAV') under cost approach is determined based on the underlying value of the assets which could be on book value basis, replacement cost basis or on the basis of realizable value. NAV Methodology is most suitable for the businesses where the value lies in the underlying assets and not on the ongoing operations of the business. This methodology recognizes cost of asset without recognizing their earning potential, comparative financial performance of its peer and enterprise values, etc.</p> <p>This valuation methodology is mainly used in cases where the Company is to be liquidated i.e., it does not meet the going concern criteria or in a case where assets base dominates earnings capability.</p> <p>A review of the latest financial statements, other financial information and management's representation with respect to the present and future outlook of the Company, indicates the intention of the Company to continue its business operations in the foreseeable future and hence NAV methodology is not suitable in the instant case</p>
Income Approach (DCF)	<p>Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalized) amount. The realizable value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.</p> <p>This approach involves discounting future amounts (cash flows/income/cost savings) to a single present value.</p> <p>I have not considered discounted cash flows ('DCF') Method under the income approach due to unavailability of business projections of G. G. Automotive Gears Limited as it is understood that the financial projections of the company would be price sensitive information and therefore not made available to us.</p>





Market Approach	<p>This methodology uses the valuation ratio of a publicly traded company and applies that ratio to the company being valued. The valuation ratio typically expresses the valuation as a function of a measure of financial performance (e.g., Revenue, EBITDA, EBIT, Earnings per Share or Book Value) as compared to its peers.</p> <p><b>Comparable Company Market Multiple: PE Multiple Method-</b></p> <p>A key benefit of Comparable Companies Multiple (CCM) Method analysis is that the methodology is based on the current market stock price of multiple companies in the same industry or sector. The current stock price is generally viewed as one of the best valuation metrics because it is based on observable inputs. In the instant case, I have applied this methodology as the listed peers of the Company were available. To arrive at the value of equity shares, I have considered the PE multiple. I have determined the comparable companies, considering the industry/sector, size of operation, financial performance and other relevant factors in alignment with the management's discussions.</p> <p>I found this method the most appropriate in the given circumstance as the proposed transaction is not a majority/control transaction and hence the investors would be investing considering the market price of equity shares.</p> <p>The primary source of information used in multiple-based methods is the capital market, where investors assess the investment attractiveness of companies and estimate their potential by conducted purchase and sale transactions. The valuation process with the application of multiple-based methods is a multi-stage process which consists of :</p> <ul style="list-style-type: none"> <li>• Selection of enterprises similar to the entity undergoing valuation for valuation purposes.</li> <li>• Selection of the appropriate multiple as the basis of valuation.</li> <li>• Determination of the multiple value with the use of information from comparable enterprises.</li> <li>• Valuation of the enterprise, taking into account the estimated multiple and the determined economic category, which reflects its effectiveness and economic potential.</li> </ul> <p>Relevant valuation workings has been provided in Annexure – B of the report.</p>
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**PROCEDURES ADOPTED**

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information from the Management.
- Used data available in public domain related to the Companies.
- Discussions (physical/over call) with the Management to understand the business and fundamental factors that affect companies' earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance
- Research publicly available market data including economic factors and industry trends that may impact the valuation.
- Selection of well accepted valuation methodologies as considered appropriate by us.





## 7. Source of Information

The Analysis is based on a review of the business of the Company and information relating to sector as available in the public domain. Specifically, the sources of information include:

- Audited financial statements of the company as on 31 March 2023.
- Discussions/explanations with the client / representative of the client
- Details of Shareholding and numbers of fully diluted Equity Shares as on valuation date;
- Management Representation Letter(MRL)
- All Company specific information were sourced from the client, either in the written hard copy or digital form;
- Other information / data available in public domain.

In addition to the above, we have also obtained such other information and explanations from the client as were considered relevant for the purpose of the valuation. It may be mentioned that the client has been provided the opportunity to review our draft report as part of our standard practice to make sure that factual inaccuracies are avoided in our final report.

## 8. Caveats

Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice. The services do not represent accounting, assurance, financial due diligence review, consulting, transfer pricing or domestic/international tax-related services that may otherwise be provided by us.

Our review of the affairs of the Company and their books and account does not constitute an audit in accordance with Auditing Standards. We have relied on explanations and information provided by the Management of the Company and accepted the information provided to us as accurate and complete in all respects. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided. Nothing has come to our attention to indicate that the information provided had material mis-statements or would not afford reasonable grounds upon which to base the Report.

The report is based on market data and we have relied on data from external sources. These sources are considered to be reliable and therefore, we assume no liability for the accuracy of the data. We have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences.

Further, this valuation report is based on the extant regulatory environment and the business/market conditions, which are dynamic in nature and may change in future, thereby impacting the valuation of the company. The information presented in this valuation report does not reflect the outcome of any due diligence procedures, which may change the information contained herein and, therefore, the valuation report materially

The valuation worksheets prepared for the exercise are proprietary to the Valuer and cannot be shared. Any clarifications on the workings will be provided on request, prior to finalizing the Report, as per the terms of our engagement. The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them.

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*Report on Fair Value of Shares: G. G. Automotive Gears Limited*





**RAMESH CHAND KUMAWAT**  
**Registered Valuer-Securities or Financial Assets**

The Valuation Analysis contained herein represents the value only on the date that is specifically stated in this Report. This Report is issued on the understanding that the Management of the Company has drawn our attention to all matters of which they are aware, which have an impact on our Report up to the date of signature. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

We have no present or planned future interest in the Company and the fee for this Report is not contingent upon the values reported herein. 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.

**9. Distribution of Report**

The Analysis is confidential and has been prepared exclusively for the client, It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of the valuer. Such consent will only be given after full consideration of the circumstances at the time.

**10. Opinion on Fair Value of Equity Shares**

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 documents available with us but which will strongly influence the worth of a share.

In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined in this report, I conclude as under;

Sl. No.	APPLICABLE PROVISIONS	FLOOR PRICE PER SHARE
A.	Floor Price in terms of first proviso to the sub-regulation I of Regulation 166A of the SEBI ICDR Regulations shall be higher of the following:	
A (i)	Floor Price in terms of the sub-regulation I of Regulation 164 of the SEBI ICDR Regulations [Working provided in Annexure – A of the report]	Rs. 59.87
A (ii)	Price determined under the valuation report from the independent registered valuer [Working provided in Annexure – B of the report]	PE Multiple Rs. 58.31
A (iii)	Price determined in accordance with the provisions of the Articles of Association of the issuer	Not Applicable, Representation from the management.
	Floor Price of the equity shares i.e., Higher of the above	Rs. 59.87 per equity share

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Report on Fair Value of Shares: G. G. Automotive Gears Limited

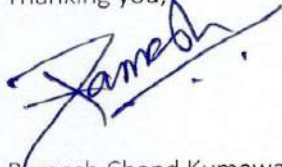




**RAMESH CHAND KUMAWAT**  
Registered Valuer-Securities or Financial Assets

We trust the above meets your requirements. Please feel free to contact us in case you require any additional information or clarifications.

Thanking you,



Ramesh Chand Kumawat  
(Chartered Accountant)  
M No.404305  
Registered Valuer –Securities or Financial Assets  
(Reg. No. IBBI/RV/06/2020/13084)



Date: 08/Sep/ 2023

Place: Mumbai

UDIN: 23404305B6YPWA5873

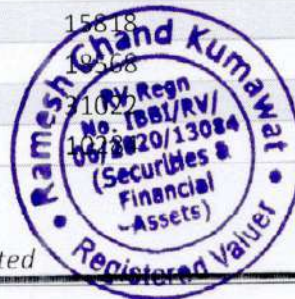


11. Annexure A

In accordance with Regulation 166A of SEBI ICDR Regulations, since the Company is a frequently traded Company, the floor price is determined hereunder, based on provisions of Regulations 164(1)

- A. Average of the volume weighted average price (VWAP) of the equity shares of GG Automatives Gears Limited quoted on Bombay Stock Exchange during the 90 trading days preceding the relevant date (considering relevant date as 31 08 2023).

Trading days	Date	WAP	No. of Shares	Total Turnover (Rs.)
1	30-Aug-23	64.71	23250	1504565
2	29-Aug-23	62.38	26235	1636531
3	28-Aug-23	59.85	17776	1063893
4	25-Aug-23	55.47	16715	927262
5	24-Aug-23	57.43	7570	434762
6	23-Aug-23	58.20	12109	704749
7	22-Aug-23	57.93	21672	1255464
8	21-Aug-23	59.96	18312	1097900
9	18-Aug-23	59.58	15856	944658
10	17-Aug-23	58.78	18607	1093638
11	16-Aug-23	57.09	35582	2031232
12	14-Aug-23	56.77	7246	411355
13	11-Aug-23	57.96	13144	761870
14	10-Aug-23	59.10	6630	391833
15	09-Aug-23	57.95	1049	60789
16	08-Aug-23	56.82	2311	131311
17	07-Aug-23	55.53	39065	2169255
18	04-Aug-23	54.62	16100	879382
19	03-Aug-23	55.73	1933	107726
20	02-Aug-23	56.86	1518	86313
21	01-Aug-23	58.02	6983	405153
22	31-Jul-23	59.20	5533	327553
23	28-Jul-23	60.40	12592	760556
24	27-Jul-23	61.63	391	24097
25	26-Jul-23	62.88	2480	155942
26	25-Jul-23	64.16	7177	460476
27	24-Jul-23	66.44	16684	1108509
28	21-Jul-23	-	-	-
29	20-Jul-23	66.79	4972	332079
30	19-Jul-23	62.91	36242	2280054
31	18-Jul-23	60.51	41092	2486637
32	17-Jul-23	57.38	15507	889808
33	14-Jul-23	55.44	15818	877016
34	13-Jul-23	54.81	19368	1017648
35	12-Jul-23	54.63	31029	1694654
36	11-Jul-23	56.86	10720	584783





**RAMESH CHAND KUMAWAT**  
Registered Valuer-Securities or Financial Assets

37	10-Jul-23	56.57	13776	779259
38	07-Jul-23	57.44	8749	502533
39	06-Jul-23	58.47	36904	2157909
40	05-Jul-23	57.31	23163	1327429
41	04-Jul-23	54.56	9638	525809
42	03-Jul-23	55.74	3551	197943
43	30-Jun-23	56.37	14747	831289
44	28-Jun-23	54.04	19755	1067465
45	27-Jun-23	55.16	45669	2519194
46	26-Jun-23	57.23	11260	644436
47	23-Jun-23	58.40	20001	1167972
48	22-Jun-23	59.14	15756	931852
49	21-Jun-23	60.32	19304	1164356
50	20-Jun-23	61.86	20062	1241135
51	19-Jun-23	62.27	24213	1507856
52	16-Jun-23	60.68	118692	7202653
53	15-Jun-23	62.65	33270	2084365
54	14-Jun-23	59.67	10195	608335
55	13-Jun-23	56.83	2636	149803
56	12-Jun-23	53.73	30457	1636480
57	09-Jun-23	51.39	11008	565695
58	08-Jun-23	52.07	41404	2156005
59	07-Jun-23	52.31	39157	2048156
60	06-Jun-23	51.84	40706	2110199
61	05-Jun-23	55.46	76802	4259243
62	02-Jun-23	59.35	66872	3969139
63	01-Jun-23	59.74	56338	3365890
64	31-May-23	56.77	40492	2298931
65	30-May-23	55.35	63581	3518904
66	29-May-23	51.38	58972	3029899
67	26-May-23	49.58	113425	5623315
68	25-May-23	50.02	299895	15001758
69	24-May-23	47.73	12531	598104
70	23-May-23	45.46	14078	639985
71	22-May-23	43.30	18561	803691
72	19-May-23	40.61	118009	4792233
73	18-May-23	38.83	25105	974888
74	17-May-23	38.45	10099	388273
75	16-May-23	38.33	14196	544073
76	15-May-23	36.43	10917	397721
77	12-May-23	35.82	3303	118316
78	11-May-23	36.23	4351	157658
79	10-May-23	36.39	8632	314123
80	09-May-23	36.64	20996	769223
81	08-May-23	35.46	12016	426084

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Report on Fair Value of Shares: G. G. Automotive Gears Limited





**RAMESH CHAND KUMAWAT**  
Registered Valuer-Securities or Financial Assets

82	05-May-23	35.15	14901	523739
83	04-May-23	34.91	3916	136695
84	03-May-23	35.53	3279	116509
85	02-May-23	35.89	5362	192458
86	28-Apr-23	36.70	11343	416308
87	27-Apr-23	36.76	4373	160758
88	26-Apr-23	36.85	3452	127211
89	25-Apr-23	38.72	14786	572552
90	24-Apr-23	39.83	11494	457838
Total			2264175	120923100
Average				<b>53.41</b>

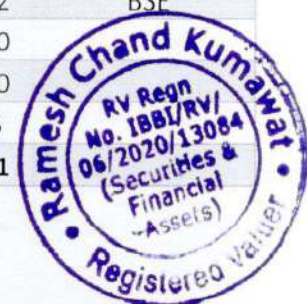
B. Average of the volume weighted average price (VWAP) of the equity shares of GG Automatives Gears Limited quoted on Bomaby Stock Exchange during the 10 trading days preceding the relevant date (considering relevant date as 31 08 2023)

Trading days	Date	WAP	No.of Shares	Total Turnover (Rs.)
1	30-Aug-23	64.71	23250	1504565
2	29-Aug-23	62.38	26235	1636531
3	28-Aug-23	59.85	17776	1063893
4	25-Aug-23	55.47	16715	927262
5	24-Aug-23	57.43	7570	434762
6	23-Aug-23	58.20	12109	704749
7	22-Aug-23	57.93	21672	1255464
8	21-Aug-23	59.96	18312	1097900
9	18-Aug-23	59.58	15856	944658
10	17-Aug-23	58.78	18607	1093638
Total			178102	10663422
Average				<b>59.87</b>

A.	Average of 90 trading days volume weighted average price	<b>53.41</b>
B.	Average of 10 trading days volume weighted average price	<b>59.87</b>
C.	Applicable Minimum Price (Higher of the A or B)	<b>59.43</b>

Annexure -B: Valuation as per Market Multiple : PE Multiple

Listed Peer Company	VWAP(31-08-2023)	EPS (Audited 31 03 2023)	PE	VWAP Source
Shanthi Gears	455.32	<b>8.74</b>	52.10	NSE
Bharat Gears	124.85	<b>8.78</b>	14.22	NSE
Him Teknoforge	124.99	<b>13.58</b>	9.20	BSE
The Hi-Tech Gear	388.17	<b>26.82</b>	14.47	NSE
ZF Steering Gear	813.64	<b>28.04</b>	29.02	BSE
Average PE			23.80	
Adjusted PE Multiple			23.80	
EPS of G. G. Automotive Gears Limited (audited 31 03 2023)			2.45	
Fair value			<b>58.31</b>	



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Report on Fair Value of Shares: G. G. Automotive Gears Limited