

Valuation Report

as on March 31

2023

Oxyzo Financial Services Private Limited

Zfirst Technologies Private Limited

Manuj Singhal

CFA, FRM, PGDM

IBBI Registered Valuer – Securities or Financial Assets

Date: 05th August, 2023

To,
The Management
Oxyzo Financial Services Private Limited

To,
The Management
Zfirst Technologies Private Limited

Sub: **Recommendation of share exchange ratio for the proposed amalgamation of the entire business and undertaking of Zfirst Technologies Private Limited (“Zfirst” or the “Amalgamating Company”) with Oxyzo Financial Services Private Limited (“Oxyzo” or the “Amalgamated Company”)**

Dear Sirs,

This is in reference to the engagement, wherein Oxyzo Financial Services Private Limited (“Oxyzo” or the “Amalgamated Company”) and Zfirst Technologies Private Limited (“Zfirst” or the “Amalgamating Company”) have requested Manuj Singhal (“Registered Valuer” or “Valuer”), to the determination of share exchange ratio in connection with the proposed amalgamation of the entire business and undertaking of Zfirst with Oxyzo pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 as may be applicable (“the Act”) and rules made thereunder.

In this relation, Registered Valuer has performed a valuation analysis of each Company to arrive at the fair value of equity shares of both the Companies as on March 31st, 2023 (the “Valuation Date”) and recommend the share exchange ratio for proposed amalgamation. Registered Valuer understands that the analysis will be used by the management of the Companies as required under Companies Act, 2013.

This cover letter is intended to provide you with an overview of the purpose and scope of Valuer analysis and conclusions. Please refer to the attached report for a discussion and presentation of the analysis performed in connection with this engagement.

Purpose and Scope

Based on discussions with the management, Registered Valuer understands that the management of both the Companies are exploring the possibility of amalgamation of the entire business and undertaking of Zfirst Technologies Private Limited (“Zfirst” or the “Amalgamating Company”) with Oxyzo Financial Services Private Limited (“Oxyzo” or the “Amalgamated Company”) pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with effect from such date as may be prescribed in “Composite Scheme of Arrangement”. As part of this Scheme, all the assets and properties of Zfirst of whatsoever nature and wherever situated, without any further act or deed, be and stand transferred to and vested in Oxyzo or deemed to be transferred to and vested in Oxyzo as going concern.

In this relation, Registered Valuer has been requested by the respective management of the Companies to submit a valuation report to determine fair value of equity shares of each Company based on internationally accepted valuation methodologies and recommending share exchange ratio in connection with the said transaction. Registered Valuer has carried out valuation of equity shares of both the Companies as on March 31st, 2023 (the “Valuation Date”) with an object of recommending share exchange ratio for proposed scheme. This report is intended to be used solely for the purpose of regulatory compliance with respect to proposed scheme. The Report has been prepared exclusively for specified purposes as mentioned above and hence should not be used for any other purpose, without obtaining the prior written consent from Registered Valuer. This opinion should not be considered, in whole or in part, as investment advice by anyone.

Summary of Findings

The share exchange ratio has been estimated based on the relative valuation of both the companies, based on methodologies applied for their valuation (as described in this report); the qualitative factors relevant to companies, industry and business outlook, and the key underlying assumptions.

Based on the valuation analysis of the businesses of the Companies, in my assessment, the share exchange ratio for the purpose of amalgamation should be:

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Summary of computation of share exchange ratio as on March 31st, 2023 is given below:

Share Exchange Ratio between Oxyzo and Zfirst shareholders		
Oxyzo Financial Services Private Limited ("Oxyzo") Instruments to be issued (a)	CCPS Series A1	CCPS Series A2
Per Share Value for Oxyzo (a)	INR 1,125.00	INR 1,125.00
Per Share Value for Zfirst Technologies Private Limited ("Zfirst") (b)	INR 223.7393	INR 223.7393
Rounded Share Exchange Ratio - Number of Oxyzo's CCPS Series A1 for 1 Share of Zfirst	0.1988794	NA
Rounded Share Exchange Ratio - Number of Oxyzo's CCPS Series A2 for 1 share of Zfirst	NA	0.1988794
Consideration towards CCPS Series A1 / A2 (c)	INR 599,859,000	INR 239,387,114
No. of Zfirst' Shares to be Purchased (c)	2,681,062	1,069,938
No. of Oxyzo' CCPS Series A1 / A2 to be Issued (d)	533,208	212,789

Notes:

(a) CCPS Series A1 is immediately convertible upon issuance in 1:1 equity share, thus has been considered equivalent to per share value of Equity Share of INR 1125.0 as concluded in this report. Further, CCPS Series A2 will become convertible only upon certain milestone specified in the proposed commercial agreement. For fair value calculation of CCPS Series A2, refer **Exhibit C-1**.

(b) Refer **Exhibit B-2**.

(c) Based on the commercial understanding between the seller and the buyer, consideration of INR 599.86 million will be paid in the form of CCPS Series A1 and the remaining consideration will get paid in the form of CCPS Series A2.

(d) Based on the Share Exchange Ratio determined.

Registered Valuer has based this opinion on information provided and represented by the management of the Companies and did not independently verify the information provided and, in that regard, the validity of the valuation depends on the completeness and accuracy of the information provided by the Companies.

Registered Valuer applies valuation techniques and methods that conform to generally accepted valuation practices.

Appraiser

Manuj Singhal, CFA
Registered Valuer - S&FA
R.No. - IBBI/RV/05/2018/10425
ICMAI RVO

Manuj Singhal, CFA

Registered Valuer

Category – Securities or Financial Assets

Registration No. – IBBI/RV/05/2018/10425

Membership No. – ICMAI RVO/S&FA/00022

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I. ENGAGEMENT OVERVIEW

1.1 Purpose and Scope

Based on discussions with the management, Registered Valuer understands that the management of the Companies are exploring the possibility of amalgamation of the entire business and undertaking of Zfirst Technologies Private Limited (“Zfirst” or the “Amalgamating Company”) with Oxyzo Financial Services Private Limited (“Oxyzo” or the “Amalgamated Company”) pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with effect from such date as may be prescribed in “Composite Scheme of Arrangement”. As part of this Scheme, all the assets and properties of Zfirst of whatsoever nature and wherever situated, without any further act or deed, be and stand transferred to and vested in Oxyzo or be deemed to be transferred to and vested in Oxyzo as going concern.

In this relation, Registered Valuer has been requested by the respective management of the Companies to submit a valuation report to determine fair value of equity shares of each Company based on internationally accepted valuation methodologies and recommending share exchange ratio in connection with the said transaction. Registered Valuer has carried out valuation of equity shares of both the Companies as on March 31st, 2023 (the “Valuation Date”) with an object of determining share exchange ratio for the proposed scheme. This report is intended to be used solely for the purpose of regulatory compliance with respect to proposed scheme.

Registered Valuer has performed a valuation analysis of the businesses of the Companies as of Valuation Date as specified in this report. The exercise has been carried out in accordance with the Caveats and Limitation set out in Section VIII of this report.

1.2 Value Definition

Business valuation can be undertaken in a variety of contexts and for a variety of purposes. To begin with any valuation process, it is most pertinent to identify the type of value relevant to the transaction/case as different standards of value would yield different valuation figure for same business interest. In the given context, **Fair Value** is considered as the appropriate standard of value.

Fair value is defined as:

“The fair value of an asset (or liability) is the amount at which that asset (or liability) could be bought (or incurred) or sold (or settled) in a current transaction between willing parties, that is, other than in a forced or liquidation sale.”

1.3 Premise of Value

The present valuation of the Companies is undertaken on a **Going Concern Premise** i.e., on the premise that the Companies will continue to operate in future and earn cash flows.

1.4 Source of Information

Registered Valuer has based this Opinion on information provided and represented by the management of the Companies. My review and analysis is based on the following source of information:

- Audited financial statements of the Companies as of the Valuation Date i.e., March 31st, 2023.
- Interviews with Management concerning its assets, financial and operating history and forecasted future operations
- Analysis of existing and proposed holding patterns of the Companies.
- Analysis of future expected earnings of the Companies
- Proposed Draft Composite Scheme of Arrangement.
- Other Information and documents as provided by the management.

1.5 Valuation Date

At the request of the management, the Valuation analysis has been performed as of **March 31st, 2023**.

1.6 Conflict of Interest

There is no conflict of interest in opinion on valuation analysis of the businesses of the Companies. Fees is not contingent upon the opinion expressed herein. This report is subject to the terms and conditions of the agreement as outlined in the engagement letter between Registered Valuer and the Companies.

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II. COMPANY OVERVIEW¹

2.1 Companies Background

Zfirst Technologies Private Limited (“Zfirst” or the “Amalgamating Company”)

Zfirst Technologies Private Limited (“Zfirst” or the “Amalgamating Company”) was incorporated on February 04th, 2022 as a private limited company and its registered address is located at F-31, Lower Ground Floor, Sushant Shopping Arcade Sushant Lok-1, B Block, DLF QE, Gurgaon, HR-122002. Zfirst is a subsidiary company of Oxyzo.

It is recognized as a startup by the Department for Promotion of Industry and Internal Trade (DPIIT) and is engaged, inter alia, in the business of providing the technology platform and assistance in availing loans and other financial products by various MSME customers in non-metro cities in India and acts in the capacity of a Lending Service Provider, as defined in the Guidelines on Digital Lending dated September 02, 2022 issued by the RBI and other applicable regulations, rules and amendments made thereunder.

Oxyzo Financial Services Private Limited (“Oxyzo” or the “Amalgamated Company”)

Oxyzo Financial Services Private Limited (“Oxyzo” or the “Amalgamated Company”) was incorporated in 2016 and has its headquarters in Gurgaon, Haryana. It operates as a subsidiary of OFB Tech Private Limited. The principal activities of Oxyzo are providing financing to Small Medium Enterprises (SMEs). Oxyzo has obtained a Certificate of Registration view Certificate No. N-14.03380 from the Reserve Bank of India (RBI) on October 18, 2017 to commence and carry on the business Non-Banking Finance Company (NBFC) without accepting public deposits. Oxyzo is the holding company of Zfirst.

Oxyzo – Quick Facts	
Incorporated	September, 2016
Headquarters	Gurgaon, India
Company Offering	SME Financing NBFC
Shareholding	Subsidiary of OFB Tech

2.2 Founding Team

Ruchi Kalra, Co-Founder, Chief Financial Officer

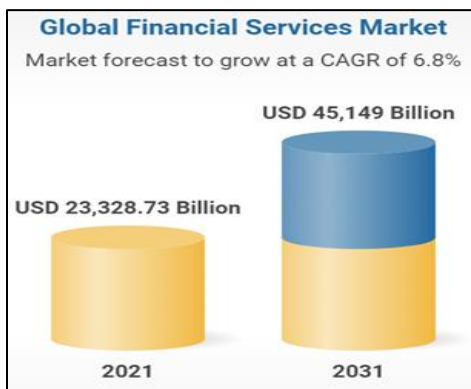
Ruchi Kalra currently serves as a whole time Director and Chief Financial Officer (CFO). Ruchi Kalra leads the entire efforts towards finance control, Accounts and audit, Compliance –Legal and Secretarial and capital management for optimal utilization. Ruchi has worked with numerous Banks and NBFC on turnaround projects in the past as she led the Retail and SME banking service practice for McKinsey in India. Ruchi holds an MBA from Indian School of Business, Hyderabad and a B. Tech degree in Chemical Engineering from Indian Institute of Technology, Delhi.

¹ Source: Information provided by the management of the Company.

III. INDUSTRY OVERVIEW

3.1 Global Financial Services Market

The financial services industry was valued at USD 23,328.7 billion in 2021 and is expected to grow at a 7.4 per cent annual pace to USD 33,313.5 billion in 2026. The market is anticipated to increase at a 6.3 per cent CAGR from 2026 to USD 45,149.0 billion in 2031.



The loans and payments market accounted for 33.6 per cent of the total in 2021, making it the biggest section of the financial services industry categorised by type. The investments category is anticipated to develop at the quickest rate in the financial services market by type, with a CAGR of 9.3 per cent between 2021 and 2026.

The small and medium business market accounted for 84.5 per cent of the entire financial services market categorised by size of business. Going forward, the big business category is expected to be the fastest expanding segment in the financial services industry, with a CAGR of 7.5 per cent between 2021 and 2026.

Western Europe dominated the financial services industry, accounting for 39.0 per cent of total revenue in 2021. North America was next, followed by the other areas. Africa and the Middle East will be the fastest-growing areas in the financial services industry in the next years, with CAGRs of 8.7 per cent and 8.4 per cent, respectively. These are expected to be followed by Western Europe and South America, with CAGRs of 7.7 per cent and 7.6 per cent, respectively.

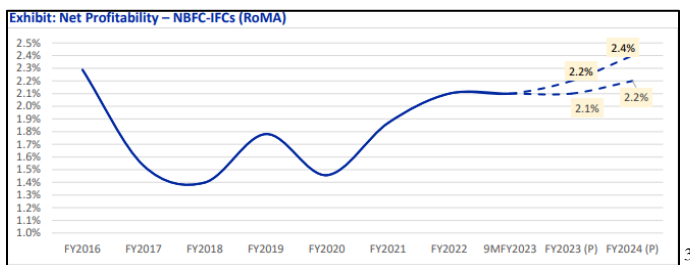
The loans and payments market category, which will increase worldwide annual sales to USD 3,470.3 billion by 2026, will offer the most prospects in the financial services industry categorised by type. The biggest prospects in the investment industry categorised by type will emerge in the wealth management market category, which will generate USD 902.5 billion in worldwide annual sales by 2026.²

² Source: Report, January 2023," Financial Services Global Market" <https://www.researchandmarkets.com/reports/5720992/financial-services-global-market-opportunities>

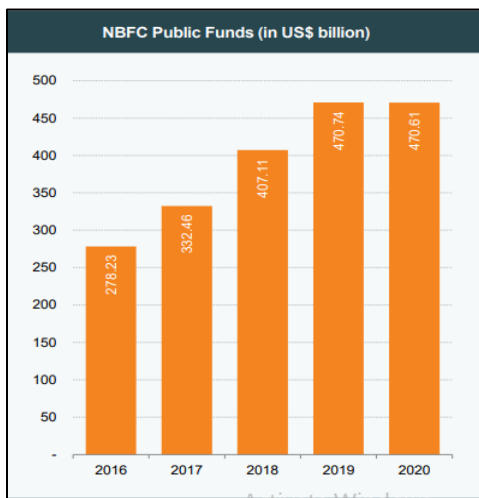
3.2 Domestic Financial Services Market

NBFC-IFCs are expected to grow by 10-12.0 per cent in FY2024, underpinned by the Government of India's sustained focus on the infrastructure sector to boost economic growth. The reported gross stage 3.0 per cent is expected to reduce by 10-30 basis points in FY2024, helped by modest slippages and book growth. The post-tax RoMA of NBFC-IFCs is expected to rise slightly to 2.2-2.4 per cent in FY2024.

Non-banking financial businesses - infrastructure finance companies (NBFC-IFCs) developed in pace with the system and held a market share of around 54.0 per cent as of December 31, 2022. NBFC-IFCs have showed a good profitability trend, with their post-tax return on assets (RoMA) expected to be 2.2 per cent for 9M FY2023. RoMA to improve further would rise to 2.2-2.4 per cent in FY2024.



Non-banking financial businesses (NBFCs) are quickly gaining popularity as retail lending intermediaries. NBFCs fund more than 80.0 per cent of equipment leasing and hire purchase operations in India. The public funding of NBFCs rose at a CAGR of 14.0 per cent from USD 278.0 billion in 2016 to USD 470.7 billion in 2020. As of January 22, 2022, the RBI had registered 9,495 NBFCs.



³ Source: Report, March 2023, "Infrastructure finance NBFCs" <https://www.icra.in/Media/OpenMedia?Key=1ae0f3ab-f776-4ed9-be5f-6463bd617564>

The Reserve Bank of India issued a draught circular on dividend declaration by NBFCs in December 2020, proposing that NBFCs have at least 15.0 per cent Capital to Risk Weighted Assets Ratio (CRAR) for the last three years, including the accounting year for which it proposes to declare a dividend.

The Reserve Bank of India announced on September 30, 2021, that the relevant average base rate to be charged by non-banking financial companies - micro finance institutions (NBFC-MFIs) to their borrowers for the quarter commencing October 1, 2021, will be 7.9 per cent.

Rajya Sabha adopted the Factoring Regulation (Amendment) Bill in 2020, allowing 9,000 NBFCs to join in the factoring sector in July 2021. The measure also empowers the central bank to develop standards for enhanced regulation of the USD 6.0 billion factoring sector.⁴

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⁴ Source: Report, February 2023, "FINANCIAL SERVICES" https://www.ibef.org/download/1682311661_Financial-Services-February-2023.pdf

IV. ECONOMIC OVERVIEW

4.1 India's Gross Domestic Product

Real Gross Domestic Product (GDP) or Gross Domestic Product (GDP) at Constant (2011–12) Prices is expected to reach a level of 159.7 lakh crore in the year 2022–23, compared to the First Revised Estimate of GDP for the year 2021–22 of 149.3 lakh crore. In comparison to 2021–2022, when GDP grew by 9.1 percent, 2022–2023 GDP growth is expected to be 7.0 per cent.

Nominal GDP or GDP at Current Prices is expected to reach a level of 272.0 lakh crore in 2022–2023 as compared to 234.7 lakh crore in 2021–2022 a growth rate of 15.9 per cent.

GDP is unchanged (2011-12) Prices are expected to increase by 4.4 per cent to reach 40.2 lakh crore in Q3 2022–23 from Q3 2021–22's 38.5 lakh crore. GDP at Current Prices is expected to reach 69.4 lakh crore in Q3 2022–23, up from 62.4 lakh crore in Q3 2021–22, representing an increase of 11.2 per cent.

Major National Income Aggregates and their % Changes							
(₹ in Lakh Crore)							
S.No.	Item	2019-20			2020-21		
		2nd RE	3rd RE	% change	1st RE	2nd RE	% change
At current prices							
1	GVA at basic prices	183.55	183.81	0.1	180.58	181.89	0.7
2	GDP	200.75	201.04	0.1	198.01	198.30	0.1
3	GNI	198.82	199.10	0.1	195.34	195.63	0.1
4	NNI	177.17	177.47	0.2	171.94	172.23	0.2
5	GNDI	204.22	204.51	0.1	200.86	201.15	0.1
At constant (2011-12) prices							
1	GVA at basic prices	132.19	132.36	0.1	125.85	126.81	0.8
2	GDP	145.16	145.35	0.1	135.58	136.87	0.9
3	GNI	143.74	143.93	0.1	133.68	134.97	1.0
4	NNI	126.42	126.62	0.2	115.36	116.64	1.1

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4.2 Inflation Rate

The annual rate of inflation based on the all-India Wholesale Price Index (WPI) number is 4.7 per cent (Provisional) in January 2023 (over January 2022), compared to 4.9 per cent in December 2022. Mineral oils, chemicals & chemical products, textiles, crude petroleum & natural gas, textiles, and food products are primarily responsible for the decrease in the rate of inflation in January 2023.

Index Numbers and Annual Rate of Inflation (Y-o-Y in %)*							
All Commodities/Major Groups	Weight (%)	Nov-22 (F)		Dec-22 (P)		Jan-23 (P)	
		Index	Inflation	Index	Inflation	Index	Inflation
All Commodities	100	152.5	6.12	150.4	4.95	150.6	4.73
I. Primary Articles	22.6	178.4	5.94	172.4	2.38	174.0	3.88
II. Fuel & Power	13.2	162.8	19.71	158.0	18.09	155.8	15.15
III. Manufactured Products	64.2	141.3	3.44	141.1	3.37	141.3	2.99
Food Index	24.4	174.9	2.52	170.3	0.65	171.2	2.95

Minerals (2.6 per cent), Non-food Articles (1.5 per cent), and Food Articles (0.9 per cent) prices all increased in January 2023 compared to December 2022. Crude petroleum and natural gas prices fell 0.9

⁵ Source: Report, February 2023, "FIRST REVISED ESTIMATES OF NATIONAL INCOME, CONSUMPTION EXPENDITURE, SAVING AND CAPITAL FORMATION, 2021-22", https://mospi.gov.in/sites/default/files/press_release/PressNoteNAD_28feb23final.pdf

per cent in January 2023 compared to December 2022. Prices of Mineral Oils declined by 2.1 per cent in January, 2023 as compared to December, 2022. In January 2023, up from 141.1 (provisional) in December 2022. Price increases have occurred in 12 of the 22 NIC two-digit groups for manufactured products, while price decreases have occurred in 10 groups.⁶

4.3 India's Unemployment Rate

The urban unemployment rate rose to 10.1 per cent in December 2022 from 8.9 per cent in November 2022, while the rural rate fell to 7.4 per cent from 7.5 per cent. According to National Statistical Office (NSO), the unemployment rate fell to 7.2 per cent in the July 2022-September 2022 quarter from 7.6 per cent the previous quarter.

The employment rate has increased since January 2022, reaching a high of 37.1 per cent in December 2022. The unemployment rate in Rajasthan will be 28.5 per cent, 20.8 per cent in Delhi, and 37.4 per cent in Haryana in December 2022.⁷

4.4 India's Export/Import

India's total exports (Merchandise and Services combined) are expected to increase by 16.1 per cent from April to December 2022 compared to April to December 2021. Total imports in April-December 2022 are expected to increase by 25.5 per cent over the same period last year. In December 2022, India's total export (Merchandise and Services combined) will be USD 61.82 billion. Exports decreased by (-) 5.26 percent compared to the same period last year. Overall imports in December 2022 are expected to be USD 73.8 billion, representing a (-) 1.9 per cent decrease from the same period last year.



⁶ Source: Report, February 2023, "Index Numbers of Wholesale Price in India for the Month of January, 2023", https://eaindustry.nic.in/pdf_files/cmonthly.pdf

⁷ Source: Report, February 2023, "Unemployment Rate of India", <https://www.studyiq.com/articles/unemployment-rate-in-india/>

⁸ Source: Report, January 2023, "INDIA'S FOREIGN TRADE: December 2022", <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1891626>

V. VALUATION APPROACH AND METHODOLOGY

5.1 Valuation Approaches

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 approaches can be broadly categorized as follows:

1. Asset Approach
2. Income Approach
3. Market Approach

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5.1.1 Asset Approach

This method determines the worth of a business by the assets it possesses. It involves examining every asset held by the company, both tangible and intangible. The value of intangibles is referred to as the company's goodwill, the difference in value between the company's hard assets and its true value.

The value arrived at under this approach is based on the financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The Net Asset Value 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. Pursuant to accounting convention, most assets are reported on the books of the subject company at their acquisition value, net of depreciation where applicable. These values must be adjusted to fair market value wherever possible. Further, the balance sheet values are to be adjusted for any contingent liabilities that are likely to materialize.

Intrinsic value is at the core of fundamental analysis since it is used in an attempt to calculate the value of the total assets of the business and then compare it with the fair value.

5.1.2 Income Approach

The income approaches determine fair market value by dividing the benefit stream generated by the subject or target company by a discount or capitalization rate. The discount or capitalization rate converts the stream of benefits into present value. There are several different income approaches, including Capitalization of Earnings or cash flows, Discounted Future Cash Flows ("DCF"), and the Excess Earnings Method (which is a hybrid of asset and income approach of benefit stream to which it is applied). The result of a value calculation under the income approach is generally the fair market value of a controlling, marketable interest in the subject company, since the entire benefit stream of the subject company is most often valued, and the capitalization and discount rates are derived from statistics concerning public companies

5.1.3 Market Approach

The value of a business is determined by comparing the company's accounting ratios with another company's of the same nature and size. This approach is used, where the value of a stock is estimated based upon its current price relative to variables considered to be significant to valuation, such as earnings, cash flow, book value, or sales of various business of the same nature. Business appraisal includes comparative transaction method and publicly traded company method. Through this, it derives a relationship between performance, revenues and selling price.

5.2 Valuation Methodology Used in Oxyzo

Considering the nature, stage, and size of the business and keeping in view the necessary regulatory guidelines, in the current analysis, the Income approach- Discounted Cashflow Method has been utilized to determine the value of equity shares of Oxyzo. Once equity value has been determined, Valuer has estimated the fair value of CCPS Series A1 and Series A2 based on the terms and conditions mentioned in the CCPS agreement.

5.2.1 Income Approach – Discounted Cash Flow Method Analysis

The discounted cash flow (DCF) method is based on the following assumptions:

- A business is worth today what it can generate in future cash to its owners;
- Cash received today is worth more than an equal amount of cash received in the future; and
- Future cash flows can be reasonably estimated.

The DCF analysis is comprised of the sum of the present value of two components; projected cash flows and a residual or terminal value.

Cash flows are estimated for a future period based on projections provided by Management. These cash flows are then discounted back to their present value equivalents at a calculated discount rate or Weighted Average Cost of Capital (“WACC”) and summed. A residual value based on an exit or steady state terminal multiple, which represents the future cash flows of the Company beyond the discrete projection period, is then discounted to its present value and added to the initial amount. In applying the DCF analysis it is essential that the cash flows to be discounted are clearly defined and that a discount rate appropriate for the degree of risk inherent in that return stream is established.

Free Cash Flows

The projected cash flows of Oxyzo have been provided for future years from the Valuation Date, by the management, which has been considered for the analysis. These include projected income statement, projected balance sheet, projected working capital and projected capital expenditure. Valuer has relied on the projections provided by the management and has not carried out any separate analysis for accuracy of same. Accordingly, the projected free cash flows to equity (“FCFE”) have been arrived at for the purpose of valuation. Refer ***Exhibits D-1, E-1 & F-1***.

Terminal Value

The terminal value refers to the present value of the business as a going concern beyond the period of projections up to infinity. Considering that Oxyzo is still in the growth stage of development and is backed by professional VC/PE investors, we have relied on exit multiple method for the terminal value estimation.

Exit Multiple method takes an assumption of successful exit (via IPO or M&A) at the market observed trailing multiple.

Exit Multiple – Guideline Public Comparable Multiple Analysis

Based on the size, business model, geographic location, product and industry, Registered Valuer has identified the following comparable in the non-banking financial services (“NBFC”) industry, to be considered as guideline public comparable for analysis:

- Ujjivan Financial Services Limited
- Spandana Sphoorty Financial Limited
- IndoStar Capital Finance Limited
- Capri Global Capital Limited
- Poonawalla Fincorp Limited
- Shriram Finance Limited
- Muthoot Finance Limited

Oxyzo is a fast-growing NBFC, having a strong presence pan India. The Company has posted tremendous growth in loan book size in recent years and is expecting similar growth in the projected period. Therefore, based on the large size of Oxyzo, the high growth trend observed and expected during the estimation period, and the significant growth estimated in the terminal exit year, Valuer has selected the Price to Book Value multiple between the third quartile and the high range of multiples for the guideline public comparable and applied it to the book value of Oxyzo as of the Valuation Date.

Please see **Appendix-B** for the comparable’ company description and **Exhibit G-1** for the multiple analysis.

Discount Factor

The Discount Factor considered for arriving at the present value of the residual income cash-flows of the Company is the Cost of Equity (Ke). The cost of equity is computed using the Capital Asset Pricing Model (CAPM) using the formula shown below:

$$K_e = r_f + \beta * ERP + CSRP$$

Where,

- Ke= Cost of Equity,
- rf = Risk Free Return
- β = mature market Beta, a measure of Market Risk
- ERP= Equity Risk Premium
- CSRP= Company Specific Risk Premium

Company Specific Risk Premium (CSRP) is the additional risk associated with the company pertaining to its size of operations, leverage, marketability, and other specific operational risks. Considering the forecast achievement risk, the Valuer has considered 1.0% CSRP in the analysis.

Valuer considered the cost of equity (K_e) as a discount rate in the analysis. For all inputs to the Discount rate as of the Valuation Date, please refer to ***Exhibit H-1***.

Based on the above analysis, Valuer has estimated the fair equity value of Oxyzo at **INR 82,521.0 million**, please refer to ***Exhibit B-1***.

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5.3 Valuation Methodology Used in Zfirst

Considering the nature, stage, and size of the business and keeping in view the necessary regulatory guidelines, in the current analysis, Income Approach has been utilized to determine the value of equity shares of Zfirst. Given the early stage of operations and the nature of the business, Valuer didn't find a good comparable for the multiples analysis and therefore has not relied upon Market Approach analysis.

5.3.1 Income Approach – Discounted Cash Flow Method Analysis

The discounted cash flow (DCF) method is based on the following assumptions:

- A business is worth today what it can generate in future cash to its owners;
- Cash received today is worth more than an equal amount of cash received in the future; and
- Future cash flows can be reasonably estimated.

The DCF analysis is comprised of the sum of the present value of two components; projected cash flows and a residual or terminal value.

Cash flows are estimated for a future period based on projections provided by Management. These cash flows are then discounted back to their present value equivalents at a calculated discount rate or Weighted Average Cost of Capital ("WACC") and summed. A residual value based on an exit or steady state terminal multiple, which represents the future cash flows of the Company beyond the discrete projection period, is then discounted to its present value and added to the initial amount. In applying the DCF analysis it is essential that the cash flows to be discounted are clearly defined and that a discount rate appropriate for the degree of risk inherent in that return stream is established.

Free Cash Flows

The projected cash flows of Zfirst have been provided for future years from the Valuation Date, by the management, which has been considered for the analysis. These include projected income statement, projected working capital and projected capital expenditure. Valuer has relied on the projections provided by the management and has not carried out any separate analysis for accuracy of same. Accordingly, the projected free cash flows to firm ("FCFF") have been arrived at for the purpose of valuation. Refer ***Exhibits C-2, D-2 & E-2.***

Terminal Value

The terminal value refers to the present value of the business as a going concern beyond the period of projections up to infinity. This value is estimated by taking into account expected growth rates of the equity in future, sustainable capital investments required for the business as well as the estimated growth rate of the industry and economy. Valuer has assumed the terminal growth rate for Zfirst beyond the projection

period based on the dynamics of the sector and in discussion with the management. Refer **Exhibit E-2** for details.

Discount Factor

The Discount Factor considered for arriving at the present value of the residual income cash-flows of the Company is the Weighted Average Cost of Capital (WACC). The cost of equity is computed using the Capital Asset Pricing Model (CAPM) using the formula shown below:

$$K_e = r_f + \beta * ERP + CSRP$$

$$WACC = K_d * (1 - Tax) * D / (D + E) + K_e * E / (D + E)$$

Where,

- K_e = Cost of Equity,
- r_f = Risk Free Return
- β = mature market Beta, a measure of Market Risk
- ERP = Equity Risk Premium
- CSRP = Company Specific Risk Premium
- K_d = Cost of Debt
- E = Shareholders Equity
- D = Total Debt

Company Specific Risk Premium is the additional risk associated with the company pertaining to its size, leverage, marketability, and other specific operational risks. Considering the forecast achievement risk, the Valuer has considered 5.0% CSRP in the analysis.

Cost of Debt: Based on a discussion with the management, the cost of debt is considered at 10.0%. Expected Debt to Equity has been considered based on guidelines public comparable companies.

Valuer considered the weighted average cost of capital (WACC) as a discount rate in the analysis. For all inputs to the Discount rate as of the Valuation Date, please refer to **Exhibit F-2**.

Based on the above analysis, Valuer has estimated the fair equity value of Zfirst at **INR 1,280.0 million**.

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5.4 Terms and Conditions of CCPS Series A1 & Series A2

Oxyzo intends to issue Compulsorily Convertible Preference Shares (CCPS) Series A1 and Series A2 at the total consideration of INR 839.24 million as of the Valuation Date.

General terms of CCPS Series A1 based on the Agreement provided by the Management are mentioned below:

Class of Preference Shares: 0.0001% Non-Cumulative Non-Participating Non-Voting Compulsorily Convertible Preference Shares Series A1 ("CCPS Series A1").

Face Value: The CCPS Series A1 shall carry a face value of INR 10 each.

Preferential Dividend: The holder of each CCPS Series A1 shall be entitled to a preferential dividend at the rate of 0.0001% per year for all the CCPS Series A1, till the time the CCPS Series A1 is outstanding.

Terms: Each CCPS Series A1 shall convert into 1 (one) fully paid-up equity share of the Amalgamated Company at any time at the option of the holder of the CCPS Series A1.

Voting: The holders of CCPS Series A1 shall not be entitled to exercise any voting rights until such shares are duly converted.

Conversion: Each CCPS Series A1 shall be convertible into one fully paid-up equity shares at the earlier of:

- a) 1 (one) day prior to the expiry of 20 (twenty) years from the date of allotment of CCPS Series A1; and
- b) in connection with an IPO, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Amalgamated Company with the competent authority or such later date as may be permitted under applicable laws.

Transfer: CCPS Series A1 shall be locked in till June 30th, 2025 ("*Lock-in Period*") and subject to the other terms and conditions as specified in the proposed arrangement agreement provided by the management.

Further, please note that the following level of static GNPA is required to be maintained by the holders of CCPS Series A1 for a period of 15 months from June 30th, 2023, i.e., till September 30th, 2024 ("*Testing Period*"):

Requirements	Identified AuM (Rs. Cr)	GNPA
CCPS Series A1 holders	175	<3%

After Testing Period, the Amalgamated Company shall ascertain the requirement of GNPA on identified AuM, and the following conditions shall determine the maximum number of shares a holder of CCPS Series A1 would be able to sell post-expiry of the lock-in period:

GNPA	No. of shares that the holder of CCPS Series A1 would be permitted to be transfer post-expiry of the lock-in period
<3%	Upto 100% of the CCPS Series A1 held by the holders of the CCPS Series A1.
>3%	<p>Upto 50% of such CCPS Series A1 held by the holders of the CCPS Series A1.</p> <p>Provided that the holders shall be entitled to transfer the balance 50% subject to the terms and conditions mentioned herein, in the event, the static GNPA could be reduced to <3%, within a period of 6 months from October 1st, 2024 to March 30th, 2025. (“Cure Period”).</p> <p>In the event the static GNPA on identified AUM <3% could not be achieved within the aforesaid Cure Period i.e. 6 months period, the balance shares can only be transferred if the following milestones are achieved:</p> <ol style="list-style-type: none"> If static GNPA of <3% is achieved on AUM of Rs. 500 crores on or before the vesting of the CCPS Series A2; or Where the aforesaid milestone in clause (a) could not be achieved within the period specified therein if GNPA (non-static) of <3% is achieved on AUM of Rs. 800 crores. <p>It is further clarified that:</p> <ol style="list-style-type: none"> Above mentioned GNPA condition is not applicable on 180,432 identified number of CCPS Series A1 shares (“Category Milestone 0 Shares”) held by each holder of shares of CCPS Series A1 and such Category Milestone 0 Shares can be sold in parts or full by the respective holder of CCPS Series A1 post expiry of Lock-in period without complying GNPA conditions. in case of achievement of 800 Cr AUM and overall GNPA (not static) of <3%, the condition of GNPA shall not be applicable.

General terms of CCPS Series A2 based on the Agreement provided by the Management are mentioned below:

Class of Preference Shares: 0.0001% Non-Cumulative Non-Participating Non-Voting Compulsorily Convertible Preference Shares Series A2 (“CCPS Series A2”).

Face Value: The CCPS Series A2 shall carry a face value of INR 10 each.

Preferential Dividend: The holder of each CCPS Series A2 shall be entitled to a preferential dividend at the rate of 0.0001% per year for all the CCPS Series A2, till the time the CCPS Series A2 is outstanding.

Voting: The holders of CCPS Series A2 shall not be entitled to exercise any voting rights until such shares are duly converted.

Vesting: CCPS Series A2 to be issued and allotted to the shareholders of the Amalgamating Company (other than the Amalgamated Company) shall be deemed to be reserved or unvested shares, unless 1.5 years is completed post achieving all of the following milestones (“**Milestone**”):

Milestone	Branches	Assets under Management (AuM)	Gross Non-Performing Assets (GNPA)
For vesting of CCPS Series A2	125-150 branches	500	<3%

The outer time limit for the achievement of the Milestone shall be 5 (five) years from October 31st, 2022. In case of an event of default or expiry of outer time for achieving the Milestone, then subject to the discretion of Amalgamated Company, all unvested CCPS Series A2 shall stand forfeited.

Conversion: Each CCPS Series A2 shall convert into such number of equity shares of Amalgamated Company, as would be arrived at the basis of the following formula (“Series A2 Conversion Formula”):

No. of Equity Shares = pre-agreed issue price of CCPS Series A2/ fair market value per share of Amalgamated Company as on date of achievement of all the Milestone, which date shall be recorded by the Board of the Amalgamated Company.

Each CCPS Series A2 shall automatically be converted into equity share as per the Series A2 Conversion Formula, upon the earlier of:

- a) 1 (one) day prior to the expiry of 20 (twenty) years from the date of allotment of CCPS Series A2; and
- b) in connection with an IPO, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Amalgamated Company with the competent authority or such later date as may be permitted under applicable laws.

Transfer: CCPS Series A2 shall vest after 18 (eighteen) months from the achievement of the Milestone (“*Lock-in Period*”) and subject to the conditions as specified in the provided agreement by the management.

Please note that, the level of static GNPA on Milestone is required to be maintained by the holders of CCPS Series A2 for a period of 15 months from the date of achievement of Milestone (“*Testing Period*”):

After Testing Period, the Amalgamated Company shall ascertain the requirement of GNPA on identified AuM, and following conditions shall determine the maximum number of shares a holder of CCPS Series A2 would be able to sell post-expiry of the lock-in period:

GNPA	No. of shares that the holder of CCPS Series A2 would be permitted to be transfer
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<3%	Upto 100% of the CCPS Series A2 held by the holders of the CCPS Series A2.
>3%	<p>Upto 50% of such CCPS Series A2 held by the holders of the CCPS Series A2.</p> <p>Provided that the holders shall be entitled to transfer the balance 50% subject to the terms and conditions mentioned herein, in the event, the static GNPA could be reduced to <3%, within a period of 6 months from the date of the CCPS Series A2 holder approaching the Promoter for sale of CCPS Series A2 seeking approval of transfer of relevant shares.</p> <p>In the event the static GNPA on identified AUM <3% could not be achieved within the aforesaid 6 months period, the balance shares can only be transferred if Milestone, of Rs. 800 Cr. AUM is achieved with overall GNPA (non-static) <3%.</p>

5.4.1 Fair Value of CCPS Series A1

Considering that the CCPS Series A1 shall immediately be convertible into equity shares and hence, the per share value of equity shares shall be the fair value for each CCPS Series A1.

5.4.2 Fair Value of CCPS Series A2

The CCPS Series A2 conversion price is dependent on some milestones i.e., branches, AuM and GNPA, and the time limit for the achievement of all the **milestones** shall be 5 (five) years from October 31st, 2022. Further, based on the current progress of the milestones and the discussion with Management, the milestone CCPS will mostly be achieved within 10 to 12 months from the Valuation Date. Considering the short time period till CCPS conversion, we have considered the undiscounted fair value of CCPS Series A2 as on the conversion date as a proxy for the fair value of CCPS Series A2. In each scenario, the Aggregate Value of Converted Equity Shares upon CCPS conversion is equivalent to the initial consideration value against which CCPS Series A2 has been issued, thus fair value per CCPS Series A2 has been considered equivalent to the pre-agreed issue price of Series A2 which is equivalent to per share value of Equity share as on the Valuation Date. Please refer **Exhibit C-1** for detailed analysis.

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VI. VALUATION FRAMEWORK & OPINION

6.1 Valuation Framework

This study is undertaken to determine the fair value of shares of both Companies based on Income and Market Approaches and recommend the share exchange ratio in connection with the proposed amalgamation of the entire business and undertaking of Zfirst with Oxyzo.

The broad framework used in arriving at a value of shares is as follows:

1. **Determine the equity value of Zfirst** by using Discounted Cash flow method. Please refer *Exhibit B-2 and E-2* for the detailed analysis.
2. **Determine the total equity value of Oxyzo** by using Discounted Cash flow method with Exit Multiple – Guideline Public Comparable Multiple Analysis for the terminal value estimation. Also, adjusted the investments and cash and cash equivalents available as of the Valuation Date. Please refer *F-1 and G-1* for the detailed analysis.
3. **Determine the total equity value (including cash proceeds from options granted) of Oxyzo** by adjusting the options proceeds from in-the-money options as of Valuation Date from the total equity value determined above in Step-2. Please refer *Exhibit B-1*.
4. **Determine per share value of each Company** by dividing the number of outstanding common equity shares on a fully diluted basis for the respective Companies from the concluded fair value of equity of the respective Companies as determined in Step-1 and Step-3 above to arrive at per share value of common equity shares outstanding on a fully diluted basis (refer *Exhibit A-1*).
5. **Determine the share exchange ratio** by using per share value of each Company as determined in Step-4 above. Please refer *Exhibit A* for detailed analysis.
6. **Determine the Fair Value of each CCPS Series A1 and Series A2 of Oxyzo** which will get converted on certain terms and conditions as mentioned above in **Section 5.4.2**. Refer *Exhibit C-1* for detailed analysis.

6.2 Valuation Opinion

The share exchange ratio has been estimated based on the relative valuation of both the companies, based on methodologies applied for their valuation (as described in this report above); the qualitative factors relevant to companies, industry and business outlook, and the key underlying assumptions.

Based on the valuation analysis of the businesses of the Companies, in my assessment, the share exchange ratio for the purpose of amalgamation should be:

Summary of computation of share exchange ratio as on March 31st, 2023 is given below:

Share Exchange Ratio between Oxyzo and Zfirst shareholders		
Oxyzo Financial Services Private Limited ("Oxyzo") Instruments to be issued (a)	<u>CCPS Series A1</u>	<u>CCPS Series A2</u>
Per Share Value for Oxyzo (a)	INR 1,125.00	INR 1,125.00
Per Share Value for Zfirst Technologies Private Limited ("Zfirst") (b)	INR 223.7393	INR 223.7393
Rounded Share Exchange Ratio - Number of Oxyzo's CCPS Series A1 for 1 Share of Zfirst	0.1988794	NA
Rounded Share Exchange Ratio - Number of Oxyzo's CCPS Series A2 for 1 share of Zfirst	NA	0.1988794
Consideration towards CCPS Series A1 / A2 (c)	INR 599,859,000	INR 239,387,114
No. of Zfirst' Shares to be Purchased (c)	2,681,062	1,069,938
No. of Oxyzo' CCPS Series A1 / A2 to be Issued (d)	533,208	212,789

Notes:

(a) CCPS Series A1 is immediately convertible upon issuance in 1:1 equity share, thus has been considered equivalent to per share value of Equity Share of INR 1125.0 as concluded in this report. Further, CCPS Series A2 will become convertible only upon certain milestone specified in the proposed commercial agreement. For fair value calculation of CCPS Series A2, refer ***Exhibit C-1***.

(b) Refer ***Exhibit B-2***.

(c) Based on the commercial understanding between the seller and the buyer, consideration of INR 599.86 million will be paid in the form of CCPS Series A1 and the remaining consideration will get paid in the form of CCPS Series A2.

(d) Based on the Share Exchange Ratio determined.

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VII. APPRAISER BIOS AND CREDENTIALS

Manuj Singhal, Registered Valuer – Securities or Financial Assets

B.Tech, PGDM, CFA, FRM

Manuj Singhal is an engineer as well MBA graduate from Lal Bahadur Shastri Institute of Management, Delhi and has been trained with one of the leading finance and accounting business process outsourcing company. His core area of specialization is business valuation for Merger & Acquisition, PPA allocation, Regulatory compliance, ESOP valuation, tangible assets valuation, valuation of complex securities including warrants, preferred instruments and derivatives. Presently, he is dealing with valuation requirements under regulatory, compliance, financial reporting, investments and M&A purposes, primarily for Indian corporates.

During his stint at EXL Services, he lead the valuation team for large US based analytics firm dealing with numerous valuations under Internal Revenue Code (IRC) and US GAAP including 409A Common Stock valuation, 142 Goodwill, 141 Purchase Price Allocation, 133 Derivative etc.

He is also a registered valuer in Asset Class “Securities or Financial Assets” with registration number IBBI/RV/05/2018/10425 and has conducted a large number of valuations under Insolvency and Bankruptcy code, Companies act, Income tax and other regulations.

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VIII. CONDITIONS AND LIMITATIONS

8.1 Valuation Framework

The report is prepared solely for the purpose stated in the Engagement Letter and should not be used for any other purpose. Except as specifically stated in the report, the report and its contents may not be quoted or referred to, in whole or in part, in any registration statement, prospectus, public filing, loan agreement, or other agreement or document without the prior written approval of Registered Valuer. Except as set forth in this report, the report is prepared for Client use only and may not be reproduced or distributed to any third parties without Registered Valuer's prior written consent.

8.2 Scope of Analysis

The appraisal of any financial instrument or business is a matter of informed judgment. The accompanying appraisal has been prepared on the basis of information and assumptions set forth in the attached report, its appendices, underlying work papers, and these limiting conditions and assumptions.

8.3 Nature of Opinion

Neither the opinion nor the report provided or prepared by Registered Valuer are to be construed as a fairness opinion as to the fairness of an actual or proposed transaction, a solvency opinion, or an investment recommendation, but, instead, are the expression of Registered Valuer's determination of the fair value of assets between a hypothetical willing buyer and a hypothetical willing seller in an assumed transaction on an assumed valuation date. For various reasons, the price at which the assets might be sold in a specific transaction between specific parties on a specific date might be significantly different from the fair market value as expressed in the report.

8.4 Basis of analysis and Assumptions considered

Registered Valuer's analysis:

- a) is based on the present financial condition and significant future business plans of the Client and its assets as of the valuation date;
- b) assumes that as of the valuation date the Client and its assets will continue to operate as configured as a going concern;
- c) assumes that the current level of management expertise and effectiveness would continue to be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed; and
- d) assumes that the Company had no undisclosed real or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business, nor had any litigation pending or threatened that would have a material effect on the analysis other than those considered for valuation calculation.

- e) is based on various representations given by the management in relation to the fair value of certain assets & liabilities and future business plans.

8.5 Lack of Verification of Information Provided

With the exception of any provisional financial statements, Valuer has relied on information supplied by the Client without audit or verification. Valuer have assumed that all information furnished is complete, accurate and reflects Client's management's good faith efforts to describe the status and prospects of the Client at the valuation date from an operating and a financial point of view. As part of this engagement, Valuer has relied upon publicly available data from recognized sources of financial, industry, or statistical information, which have not been verified. Moreover, Valuer have very limited information available in respect of fair value the non-marketable investments, hence relied on the book value of the assets. Book Value of assets may or may not be an indicator of fair value.

8.6 Subsequent Events

The terms of engagement are such that Valuer have no obligation to update this report or to revise the valuation because of events and transactions occurring subsequent to the date of the valuation unless Valuer are engaged to provide valuations in the future.

8.7 Legal Matters

Valuer assumes no responsibility for legal matters including interpretations of either the law or contracts. Valuer have not made any investigation of legal title and has assumed that all owners' claims to property are valid. Valuer have given no consideration to liens or encumbrances except as specifically stated in financial statements provided by management. Valuer have assumed that all required licenses, permits, etc. are in full force and effect. Valuer assumes that all applicable federal, state, local zoning, environmental and similar laws and regulations have and continue to be complied with by Client. Valuer assumes no responsibility for the acceptability of the valuation approaches used in report as legal evidence in any particular court or jurisdiction. The suitability of report and opinion for any legal forum is a matter for Client and Client's legal advisor to determine.

8.8 Testimony

Registered Valuer and his team, consultants and agents shall not provide any testimony or appear in any legal proceeding unless Valuer coordinates such testimony.

8.9 Other Limitations

- Registered Valuer has independent of the shareholders, directors and management of the company and do not have any financial association with the shareholders, directors and management of the company other than receipt of fees in connection with the professional services provided.

- The report is based on the financial projections provided to us by the management of the Company and thus the responsibility for forecasts and the assumptions on which they are based is solely that of the Management of the Company and Valuer do not provide any confirmation or assurance on the achievability of these projections. It must be emphasized that profit forecasts necessarily depend upon subjective judgement.
- The valuation worksheets prepared for the exercise are proprietary to 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 engagement.
- I acknowledge that I have no present or contemplated financial interest in the Company. My fees for this valuation are based upon normal billing rates, and not contingent upon the results or the value of the business or in any other manner. I have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.
- The figures presented in the body of report may have been calculated using electronic spreadsheets which calculate figures up to a precision of several decimal points. While rounded figures are carried to the body of the report at each stage, the higher precision unrounded numbers continue to be used in the computations. Any minor difference in figures observed on manual calculation of figures within the body of the report could be attributable to such rounding off.
- I 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.
- I have been informed by management that there are no environmental or toxic contamination problems, any significant lawsuits, or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. I have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.
- The report and conclusion of value are not intended by the valuer and should not be construed by the reader to be investment advice in any manner whatsoever. The conclusion of value represents the considered opinion, based on information furnished to them by the client and other sources. Valuer does not express any opinion on the suitability or otherwise of entering into any transaction with the Company.
- Registered Valuer has made no investigation of title to property, and assume that the owner's claim to the property is valid. Valuer has not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the entity has good title to all assets.

Valuation Exhibits for Determination of Share Exchange Ratio

Determination of Share Exchange Ratio

Exhibit A

Valuation As of 31st March, 2023

Share Exchange Ratio between Oxyzo and Zfirst shareholders		
Oxyzo Financial Services Private Limited ("Oxyzo") Instruments to be issued (a)	CCPS Series A1	CCPS Series A2
Per Share Value for Oxyzo (a)	INR 1,125.00	INR 1,125.00
Per Share Value for Zfirst Technologies Private Limited ("Zfirst") (b)	INR 223.7393	INR 223.7393
Rounded Share Exchange Ratio - Number of Oxyzo's CCPS Series A1 for 1 Share of Zfirst	0.1988794	NA
Rounded Share Exchange Ratio - Number of Oxyzo's CCPS Series A2 for 1 share of Zfirst	NA	0.1988794
Consideration towards CCPS Series A1 / A2 (c)	INR 599,859,000	INR 239,387,114
No. of Zfirst' Shares to be Purchased (c)	2,681,062	1,069,938
No. of Oxyzo' CCPS Series A1 / A2 to be Issued (d)	533,208	212,789

Notes:

(a) CCPS Series A1 is immediately convertible upon issuance in 1:1 equity share, thus has been considered equivalent to per share value of Equity Share of INR 1125.0 as concluded in this report. Further, CCPS Series A2 will become convertible only upon certain milestone specified in the proposed commercial agreement. For fair value calculation of CCPS Series A2, refer **Exhibit C-1**.

(b) Refer **Exhibit B-2**.

(c) Based on the commercial understanding between the seller and the buyer, consideration of INR 599.86 million will be paid in the form of CCPS Series A1 and the remaining consideration will get paid in the form of CCPS Series A2.

(d) Based on the Share Exchange Ratio determined.

Oxyzo Financial Services Private Limited

Zfirst Technologies Private Limited

Exhibit A-1

Determination of Equity Value per Share

Valuation As of 31st March, 2023

Amount in INR, unless stated otherwise				
Valuation Approach	Oxyzo Financial Services Private Limited ("Oxyzo")		Zfirst Technologies Private Limited ("Zfirst")	
	Value per share	Weightage (%)	Value per share	Weightage (%)
Asset Approach*	Not Aplicable	0%	Not Aplicable	0%
Market Approach	Not Aplicable**	0%	Not Aplicable^^	0%
Income Approach ¹	1125.00	100%	223.7393	100%
Weighted Average Value per Common Equity share on a fully diluted basis (in INR)	INR 1125.00		INR 223.7393	
Share Exchange Ratio (Rounded)	0.19887938			

Exchange Ratio:

533,208 CCPS Series A1 of Oxyzo of INR 10 each fully paid up for every 2,681,062 equity shares of Zfirst of INR 10 each fully paid up. Refer to **Exhibit A**.
 212,789 CCPS Series A2 of Oxyzo of INR 10 each fully paid up for every 1,069,938 equity shares of Zfirst of INR 10 each fully paid up. Refer to **Exhibit A**.

* The asset approach is more suitable for companies that are planning to sell their assets or liquidate, rather than companies that intend to continue operating as a going concern. Valuer understands that Oxyzo is an advanced stage company with significant operations, whereas asset approach does not captures the intrinsic value of the business in a "going concern scenario".

** Considering that the Companies are in very high growth stage. Thus, reliance over the market multiple approach has not been considered appropriate.

^^ Zfirst is in the early stage of operations and we didn't find good comparable for the multiples analysis. Hence, Valuer not relied upon Market Approach analysis.

¹ Considering the nature, stage, and size of operations and the availability of long term projections with the Management, we have given 100% weightage to Income approach. Refer to **Exhibit B-1** for Oxyzo **and Exhibit B-2** for Zfirst.

Valuation Exhibits of Oxyzo Financial Services Private Limited

Oxyzo Financial Services Private Limited

Exhibit B-1

Valuation Summary -Income Approach

Valuation As of 31st March, 2023

Amount in INR millions, unless stated otherwise

SHARE VALUATION SUMMARY			
S.No.	Particulars		Amount
A	Total Equity Value (a)	A	78,396
B	Plus: Cash Proceeds from Options exercise (b)	B	4,124
C	Total Equity Value (including Cash proceeds from options granted)	C = A+B	82,521
D	Number of Common Equity Shares (including CCPS and OCRPS) on fully diluted basis (c)	D	73,381,708
E	Concluded Value per Common Equity share on a fully diluted basis (in unit INR) (Rounded)	E = C/D	INR 1,125.0

Notes:

(a) Refer *Exhibit F-1*.

(b) Option outstanding count and weight average exercise price has been considered from the FY 2023 audited statement. Further, remaining counts which are not yet granted has been considered at current stock price.

(c) As per as per the information provided by Management, number of common equity shares on fully diluted basis includes Compulsorily Convertible Preference Shares (CCPS) and Optionally Convertible Redeemable Preference Shares (OCRPS). CCPS and OCRPS or both shall be convertible into equity shares in the ratio of 1:1.

Oxyzo Financial Services Private Limited

Fair Value of CCPS Series A2

Valuation As of 31st March, 2023

Exhibit C-1

Amount in INR, unless stated otherwise

Total Consideration (a)	839,246,114
Aggregate consideration towards CCPS Series A1 (b)	599,859,000
Remaining consideration towards CCPS Series A2 (b)	239,387,114
Pre-agreed issue price of CCPS Series A2 (a)	1,125
Total CCPS Series A2 to be issued	212,789

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Fair Value of Equity at the time of Conversion (c) [a]	INR 500	INR 1,000	INR 1,125	INR 1,500	INR 2,000
Number of CCPS Series A2	212,789	212,789	212,789	212,789	212,789
Pre-agreed issue price of CCPS Series A2 as per board resolution (a) [b]	INR 1,125	INR 1,125	INR 1,125	INR 1,125	INR 1,125
Conversion Ratio - [b] / [a]	2.25	1.13	1.00	0.75	0.56
Number of Equity shares upon conversion of CCPS Series A2	478,774	239,387	212,789	159,591	119,694
Aggregate Fair Value of Converted Equity Shares on Conversion Date (d)	239,387,114	239,387,114	239,387,114	239,387,114	239,387,114

	Milestones	Within 9 Months	Between 9 to 12 months	Between 1 year and 2 year	Between 2 year and 3 year	Between 3 year and 4 year
		3/31/2024	5/31/2024	5/31/2025	5/31/2026	5/31/2027
Number of Branches	more than 125 units	130.00	170.00	210.00	260.00	310.00
Assets under Management (AUM)	more than INR 500 crores	INR 400	INR 650	INR 900	INR 1200	INR 1500
Gross Non-Performing Assets (GNPA)	less than 3.0%	<3.0%	<3.0%	<3.0%	<3.0%	<3.0%
Cumulative Probability (of achieving all milestones) (d)		80%	100%	100%	100%	100%
Term to conversion date		0.75	1.00			
Aggregate Value of Oxyzo' Series A2 CCPS upon conversion		239,387,114				
Consideration Value towards Series A2 CCPS agreed		239,387,114				
Number of shares Oxyzo's CCPS Series A2 Shares based on pre-agreed issue price		212,789				
Fair Value per Oxyzo's CCPS Series A2 (e)		1,125				

Notes:

(a) Based on fair valuation of equity of Zfirst Technologies, the consideration shares to be transferred to Oxyzo are valued at INR 839.24 million.

(b) As per board resolution, we understand that CCPS Series A1 worth INR 599.86 million will get issued and CCPS Series A2 will be issued for the remaining consideration amount. Please refer **Exhibit-A** for detailed analysis.

(c) Based on the proposed commercial agreement between the seller and the buyer.

(d) Estimates are provided by the Management of the Company. Further, considering that the milestone CCPS will get converted within 1 year, we have considered undiscounted value as proxy to the fair value of CCPS Series A2.

(e) In each scenario, Aggregate Value of Converted Equity Shares is equivalent to initial consideration value towards CCPS Series A2, thus fair value per CCPS Series A2 has been considered equivalent to Equity share as on the valuation Date (ignoring time value of money being very short term (less than a year)).

Oxyzo Financial Services Private Limited

Profit and Loss Statement

Valuation As of 31st March, 2023

Exhibit D-1

Amount in INR millions, unless stated otherwise

S.No.	Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
		Apr - Mar Audited	Apr - Mar Audited	Apr - Mar Projected	Apr - Mar Projected	Apr - Mar Projected	Apr - Mar Projected
A	REVENUE						
	Revenue from Operations						
	Interest Income	2,984	5,351	8,827	13,364	17,525	22,027
	Fee and Commission Income	134	170	268	282	295	359
	Net Gain on Fair Value Changes	12	90				
	Total Revenue	3,130	5,612	9,095	13,646	17,820	22,386
	<i>y-o-y Growth (%)</i>	<i>N/A</i>	<i>79.3%</i>	<i>62.1%</i>	<i>50.0%</i>	<i>30.6%</i>	<i>25.6%</i>
B	Interest Expenses	1,430	1,833	3,987	6,547	8,663	10,841
C	Net Revenues	1,700	3,779	5,108	7,098	9,157	11,545
D	EXPENSES						
	Impairment on Financial Instruments	137	277	483	381	390	399
	Employees Benefit Expenses	458	730	852	1,438	2,053	2,625
	General and Administrative Expenses			392	587	721	869
	Other Expenses	154	175	178	301	430	549
	Depreciation, Amortization and Impairment Expense	3	7	10	15	20	25
	Total Expenses	752	1,189	1,917	2,722	3,614	4,468
E	PBT before Investment and Other Income	948	2,591	3,191	4,377	5,542	7,077
	<i>As a % of Revenue</i>	<i>30.3%</i>	<i>46.2%</i>	<i>35.1%</i>	<i>32.1%</i>	<i>31.1%</i>	<i>31.6%</i>
F	Other Income	3	6	217	340	443	548
G	Investment Income			334	295	315	361
	PBT	951	2,597	3,742	5,013	6,301	7,986
H	Tax Expenses						
	Current Tax	271	694	942	1,262	1,586	2,010
	Deferred-tax Charge/(Benefit)	(13)	(63)				
I	PAT	693	1,965	2,800	3,751	4,715	5,976

Oxyzo Financial Services Private Limited

Balance Sheet

Valuation As of 31st March, 2023

Exhibit E-1

Amount in INR millions, unless stated otherwise

S.No.	Particulars	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27
		Audited	Audited	Projected	Projected	Projected	Projected
A	Equity and Liabilities						
A.1	Shareholders' Funds						
	Equity Share Capital	514.77	536.79	536.79	536.79	536.79	536.79
	Instruments Entirely Equity in Nature	75.58	143.83	143.83	143.83	143.83	143.83
	Other Equity	13,332.52	22,269.09	25,069.26	28,820.13	33,534.98	39,510.59
		13,922.87	22,949.71	25,749.88	29,500.75	34,215.60	40,191.20
A.2	Non-Financial Liabilities						
	Provisions	30.23	30.67	30.67	30.67	30.67	30.67
	Other Non-Financial Liabilities	30.97	51.99	51.99	51.99	51.99	51.99
	Current Tax Liabilities (Net)	25.92	80.54	80.54	80.54	80.54	80.54
		87.12	163.20	163.20	163.20	163.20	163.20
A.3	Financial Liabilities						
	Derivatives Financial Instruments	9.42	0.08				
	Borrowings	20,147.87	31,256.96	56,384.85	80,763.16	104,720.00	128,552.38
	Payables and Other Financial Liabilities	224.69	1,406.46	511.12	758.36	1,516.36	1,985.01
	Margin Money from Borrowers	96.35	653.62				
	Interest Accrued but not Due on Margin Money	1.79	11.82				
	Loans Pending Disbursement	76.99	595.24				
	Payables	49.42	145.77				
	Other Liabilities	0.13	-				
		20,381.98	32,663.50	56,895.97	81,521.51	106,236.36	130,537.39
	Total	34,391.97	55,776.40	82,809.04	111,185.46	140,615.15	170,891.79
B	Application of Funds						
B.1	Non-Financial Assets						
	Gross Fixed Assets (including Tangible and Intangible Assets)	14.47	23.02	48.46	93.56	133.86	196.16
	Less: Accumulated Depreciation (including Tangible and Intangible Assets)	6.05	8.78	18.71	33.21	53.12	78.42
	Net Fixed Assets (including Tangible and Intangible Assets)	8.42	14.24	29.75	60.35	80.74	117.74
	Investment Property and Non-Current Assets held for Sale	14.99	13.13				
	Current-tax Assets (Net)	39.79	30.60				
	Deferred-tax Assets (Net)	66.36	134.81	194.27	260.22	327.10	413.01
	Other Non-Financial Assets	8.70	6.03				
		138.25	198.81	224.02	320.57	407.84	530.74
B.2	Financial Assets						
	Derivatives Financial Instruments	2.36	23.11				
	Investments	3,364.81	7,536.26	6,532.99	8,607.11	8,897.52	11,044.58
	Receivables	11.03	-				
	Loans	25,370.50	46,600.40	73,961.67	100,725.79	128,957.88	156,486.72
	Interest Accrued on Loans	30.69	115.55	115.55	115.55	115.55	115.55
	Cash and Cash Equivalents	5,468.94	1,295.57	1,397.62	1,137.97	1,752.76	1,923.21
	Other Financial Assets	5.39	6.70	577.19	278.47	483.60	790.99
	Margin Money Against Borrowings	2.08	-				
	Interest Accrued on Margin Money Against Borrowings	0.01	-				
	Other Assets	3.29	6.70				
		34,253.72	55,577.59	82,585.02	110,864.89	140,207.31	170,361.05
	Total	34,391.97	55,776.40	82,809.04	111,185.46	140,615.15	170,891.79

Oxyzo Financial Services Private Limited

Exhibit F-1

Discounted Cashflow Analysis

Valuation As of 31st March, 2023

Amount in INR millions, unless stated otherwise

DISCOUNTED CASH FLOW METHOD						
S. No.	Particulars		FY 23-24	FY 24-25	FY 25-26	FY 26-27
			Projected Apr-Mar	Projected Apr-Mar	Projected Apr-Mar	Projected Apr-Mar
A	PBT before Investment and Other Income		3,191	4,377	5,542	7,077
B	Less: Current Tax		803	1,102	1,395	1,781
C	Net Income		2,388	3,275	4,148	5,296
D	Add: Depreciation		10	15	20	25
E	Gross Cash Flows to Firm		2,398	3,290	4,167	5,321
F	Period Adjustment		1.0	1.0	1.0	1.0
G	Adjusted Cash Flows to Firm		2,398	3,290	4,167	5,321
H	Less: Capital Expenditure		(25)	(45)	(40)	(62)
I	Add: (Incr)/Dec in Working Capital		(27,494)	(26,218)	(27,679)	(27,368)
J	Add/(Less) Net Borrowings		23,867	24,378	23,957	23,832
K	Free Cash Flows to Equity		(1254)	1405	405	1724
	Discount rate (a)	17.3%				
	Period (in Years)		1.00	1.00	1.00	1.00
	Mid-Year Adjustment (in Years)		0.50	1.50	2.50	3.50
	Discount Factor (Mid-Year)		0.92	0.79	0.67	0.57
L	Discounted Cash Flows		(1,158)	1,106	272	987
M	PV of Annual Cash Flows	1,207				
	Terminal Value Calculation					
	Terminal Year LTM Book Value	40,191				
	Selected Multiple (b)	2.95				
	Exit value	118,478				
	Discount Factor for Exit Terminal year	0.57				
N	PV of Terminal Value	67,840				
O	Operating Equity Value	69,048				
	Add: Investments (c)	7,497				
	Add: Fair Value of Investments in Zfirst (d)	441				
	Add: Cash and Cash Equivalents	1,411				
P	Total Equity Value	78,396				

Notes:

- (a) Refer *Exhibit H-1* for discount rate calculation.
- (b) Oxyzo is a fast-growing NBFC, having a strong presence pan India. The Company has posted tremendous growth in loan book size in recent years and is expecting similar growth in the projected period. Therefore, based on the large size of Oxyzo, the high growth trend observed and expected during the estimation period, and the significant growth estimated in the terminal exit year, Valuer has selected the Price to Book Value multiple between the third quartile and the high range of multiples for the guideline public comparable and applied it to the book value of Oxyzo as of the Valuation Date. Refer *Exhibit G-1* for guideline public comparables' multiple data analysis.
- (b) As information provided by the management, the Company has recently made investments in some companies. As confirmed by the management, we have considered the book value of the investments as proxy to the fair value for our valuation analysis.
- (d) Please refer *Exhibit B-2* for detailed analysis.

Oxyzo Financial Services Private Limited

Exhibit G-1

Public Companies - Multiple Analysis

Valuation As of 31st March, 2023

Guideline Public Comparable							
(In INR millions, except per share data)							
	Stock Price	Market	% of 52-Week		Shares	Book Value	P/BV
Company Name	3/31/2023	Cap	High	Low	Out.	3/31/2023	Multiple
Ujjivan Financial Services Limited	256.20	31,180.0	81.8%	249.0%	—	264.9	0.97x
Spandana Sphoorty Financial Limited	532.85	37,823.4	81.5%	185.9%	71.0	436.6	1.22x
IndoStar Capital Finance Limited	104.05	14,159.1	41.3%	100.9%	136.1	228.6	0.46x
Capri Global Capital Limited	652.45	134,504.4	78.6%	120.4%	206.2	192.8	3.38x
Poonawalla Fincorp Limited	290.91	224,624.7	84.6%	139.1%	767.9	89.6	3.25x
Shriram Finance Limited	1242.02	471,722.2	82.3%	118.5%	374.4	1,162.1	1.07x
Muthoot Finance Limited	959.40	393,399.2	69.3%	105.3%	401.4	539.7	1.78x
						1st Quartile	1.02x
						Median	1.22x
						Mean	1.73x
						3rd Quartile	2.51x
						Low	0.46x
						High	3.38x

Source: S&P Capital IQ

Oxyzo Financial Services Private Limited

Exhibit H-1

Computation of Cost of Equity

Valuation As of 31st March, 2023

Computation of Cost of Equity			
	Cost of Equity as per CAPM Formula		
	Ke	=	RFR + $\beta \times (\text{EMR} - \text{RFR}) + \text{CSRP}$
	where,		
	Ke	=	Cost of Equity
	RFR	=	Risk Free Return
	β	=	Beta Coefficient
	EMR	=	Expected Market Return
	CSRP	=	Company Specific Risk Premium
A	RFR		
	Risk Free Return is taken as rate of return on 10 year Zero Coupon Bonds		7.47%
B	Beta is assumed to be		1.26
	(source: Refer Appendix A.)		
C	ERP		7.00%
	(source: Based on various long term studies conducted internally).		
D	Company Specific Risk Premium		1.0%
	Company Specific Risk Premium or CSRP is the additional risk associated with the company pertaining to its size of operations, leverage, marketability, and other specific operational risks.		
E	Cost of Equity		
	Ke	=	RFR + $\beta \times \text{ERP} + \text{CSRP}$
		=	17.3%

Valuation Exhibits of Zfirst Technologies Private Limited

Zfirst Technologies Private Limited

Exhibit B-2

Valuation Summary

Valuation As of 31st March, 2023

Amount in INR Mn, unless stated otherwise

SHARE VALUATION SUMMARY			
S. No.	Particulars		Amount
A	Enterprise Value	A	1,252.7
B	Add: Cash (a)	B	30.7
C	Less: Debt (a)	C	(3.4)
D	Total Value of Equity Holders (including CCPS)	D = A+B+C	1,280.0
E	Number of Common Equity Shares on fully diluted basis (b)	E	5,721,100
F	Value per Common Equity Share on fully diluted basis	F = D/E	INR 223.7393

Notes:

- (a) Refer **Exhibit D-2**.
- (b) As information provided by the management, the Compulsorily Convertible Preference Shares (CCPS) of the Company will be convertible into equity shares in the ratio of 1:1. **Refer Exhibit G-2.**

Zfirst Technologies Private Limited

Exhibit C-2

Profitability Statement

Valuation As of 31st March, 2023

										Amount in INR Mn, unless stated otherwise		
S. No.	Particulars	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
		Audited 4'Feb-31'Mar	Audited Apr-Mar	Projected Apr-Mar	Projected Apr-Mar	Projected Apr-Mar	Projected Apr-Mar	Projected Apr-Mar	Projected Apr-Mar	Projected Apr-Mar	Projected Apr-Mar	Projected Apr-Mar
A	Revenues											
	Income from Services	-	31.0	126.5	217.4	305.4	389.0	454.0	522.1	574.3	614.5	645.2
	Total Net Revenues	-	31.0	126.5	217.4	305.4	389.0	454.0	522.1	574.3	614.5	645.2
	y-o-y Growth (%)	N/A	N/A	308.8%	71.8%	40.4%	27.4%	16.7%	15.0%	10.0%	7.0%	5.0%
B	Expenses											
	Credit Cost	-	-	8.1	5.3	7.8	11.8	13.2				
	Employee Benefit Expenses	-	3.8	62.1	77.0	97.6	103.7	116.1				
	Other Expenses	0.9	13.7	50.1	72.4	95.3	124.0	132.7				
	Total Expenses	0.9	17.5	120.2	154.8	200.6	239.5	262.1	301.4	331.5	354.7	372.5
C	EBITDA	(0.9)	13.5	6.3	62.7	104.7	149.5	191.9	220.7	242.8	259.7	272.7
	As a % of Net Revenues	0.0%	43.5%	5.0%	28.8%	34.3%	38.4%	42.3%	42.3%	42.3%	42.3%	42.3%
	Capital Expenditure (a)	-	5.2	18.5	3.5	36.1	9.0	3.9	4.5	5.0	5.3	5.6
	Working Capital (a)	1.0	14.9	25.3	43.5	61.1	77.8	90.8	104.4	114.9	122.9	129.0
	As % of Revenue	0.0%	48.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
	Change in Working Capital	-	(13.9)	(10.5)	(18.2)	(17.6)	(16.7)	(13.0)	(13.6)	(10.4)	(8.0)	(6.1)

Notes:

(a) Capital Expenditure and Working Capital estimates are based on discussion with Management.

Zfirst Technologies Private Limited

Exhibit D-2

Balance Sheet

Valuation As of 31st March, 2023

Amount in INR Mn, unless stated otherwise

S.No.	Particulars	31-Mar-22	31-Mar-23
		Audited	Audited
A	Equity and Liabilities		
A.1	Shareholders' Funds		
	Equity Share Capital	3.1	37.5
	Compulsory Convertible Preference Shares (CCPS)	19.7	19.7
	Reserves & Surplus	(0.9)	(8.0)
		21.9	49.2
A.2	Non-Current Liabilities		
	Lease Liability	-	2.3
		-	2.3
A.3	Current Liabilities		
	Trade Payables	0.0	3.5
	Customer Repayment	-	0.9
	Others Financial Liabilities	-	1.7
	Lease Liability	-	1.1
	Other Current Liabilities	0.0	1.8
		0.0	8.9
	Total	21.9	60.5
B	Application of Funds		
B.1	Non-Current Assets		
	Fixed Assets		
	Gross Fixed Assets (including RoU)	-	5.2
	Less: Accumulated Depreciation	-	1.1
	Net Fixed Assets	-	4.0
	Other Financial Assets	1.0	0.3
	Deferred-tax Assets	-	3.0
		1.0	7.4
B.2	Net Current Assets		
	Trade Receivable	-	16.6
	Cash and Cash Equivalents	20.9	30.7
	Other Current Assets	-	5.8
		20.9	53.1
	Total	21.9	60.5

Zfirst Technologies Private Limited

Discounted Cashflow Analysis

Valuation As of 31st March, 2023

Exhibit E-2

Amount in INR Mn, unless stated otherwise

DISCOUNTED CASH FLOW METHOD												
S. No.	Particulars		FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	Terminal
			Projected Apr-Mar	Projected Apr-Mar	Projected Apr-Mar	Projected Apr-Mar	Projected Apr-Mar	Projected Apr-Mar	Projected Apr-Mar	Projected Apr-Mar	Projected Apr-Mar	Projected
A	EBITDA		6.3	62.7	104.7	149.5	191.9	220.7	242.8	259.7	272.7	286.4
B	Less: Tax Depreciation		(3.5)	(6.0)	(10.6)	(14.4)	(11.2)	(8.6)	(7.2)	(6.4)	(6.1)	(6.1)
C	EBIT		2.8	56.7	94.2	135.1	180.7	212.1	235.6	253.3	266.7	280.3
D	Less: Current Tax		0.0	13.1	23.7	34.0	45.5	53.4	59.3	63.8	67.1	70.5
E	Net Income		2.8	43.5	70.5	101.1	135.2	158.7	176.3	189.6	199.6	209.8
F	Add: Depreciation		3.5	6.0	10.6	14.4	11.2	8.6	7.2	6.4	6.1	6.1
G	Gross Cash Flows to Firm		6.3	49.5	81.0	115.5	146.4	167.3	183.5	196.0	205.6	215.8
H	Period Adjustment		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
I	Adjusted Cash Flows to Firm		6.3	49.5	81.0	115.5	146.4	167.3	183.5	196.0	205.6	215.8
J	Less: Capital Expenditure		(18.5)	(3.5)	(36.1)	(9.0)	(3.9)	(4.5)	(5.0)	(5.3)	(5.6)	(6.1)
K	Add: (Incr)/Dec in Working Capital		(10.5)	(18.2)	(17.6)	(16.7)	(13.0)	(13.6)	(10.4)	(8.0)	(6.1)	(6.5)
L	Free Cash Flows to Firm		(22.6)	27.9	27.4	89.8	129.5	149.2	168.1	182.6	193.9	203.3
	Discount rate (a)	13.5%										
	Period (in Years)		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
	Mid-Year Adjustment (in Years)		0.50	1.50	2.50	3.50	4.50	5.50	6.50	7.50	8.50	
	Discount Factor (Mid-Year)		0.94	0.83	0.73	0.64	0.57	0.50	0.44	0.39	0.34	
M	Discounted Cash Flows		(21.2)	23.0	19.9	57.6	73.3	74.3	73.8	70.7	66.1	
N	PV of Annual Cash Flows	437.5										
	Terminal Value Calculation											
	Long Term Sustainable growth rate (b)	5.0%										
	Discount Rate (a)	13.5%										
	Capitalization Factor	11.8										
	Terminal Year Value	2,391.8										
O	PV of Terminal Value	815.2										
P	Enterprise Value	1,252.7										

Notes:

- (a) Refer *Exhibit F-2* for discount rate calculation.
- (b) We found long term company growth rate at par with long term GDP rate i.e. approximately 5.0%.

Zfirst Technologies Private Limited

Exhibit F-2

Computation of Cost of Capital

Valuation As of 31st March, 2023

Computation of Cost of Capital				
	Cost of Equity as per CAPM Formula			
	Ke	=	RFR +	β *(EMR - RFR) + CSRP
	where,			
	Ke	=	Cost of Equity	
	RFR	=	Risk Free Return	
	β	=	Beta Coefficient	
	EMR	=	Expected Market Return	
	CSRP	=	Company Specific Risk Premium	
A	RFR			
	Risk Free Return is taken as rate of return on 10 year Zero Coupon Bonds			7.47%
B	Beta is assumed to be			1.26
	(source: Refer <i>Appendix A</i>).			
C	ERP			7.00%
	(source: Based on various long term studies conducted internally).			
D	Company Specific Risk Premium			5.0%
	Company Specific Risk Premium or CSRP is the additional risk associated with the Company pertaining to its early stage of development, very small size of operations, lack of market presence, forecast achievement risk embedded in high growth forecasts, and other operational risks.			
E	Cost of Equity			
	Ke	=	RFR +	β *ERP+ CSRP
		=		21.3%
F	Cost of Debt			
	Based on discussion with the Management, the cost of debt is considered at			
	Kd	=		10.0%
G	WACC	=	Kd * (1-Tax) * D/(D+E) + Ke * E/(D+E)	
		=	13.5%	
	Based on median capital structure of guideline public comparables. Refer <i>Appendix A</i> .			

Zfirst Technologies Private Limited

Shareholding Pattern

Exhibit G-2

Amount in INR

SHAREHOLDING PATTERN				
S.No.	Particulars	No. of Shares	Face Value	Amount
A.	<u>Common Equity Shares</u>			
1	Ashish Sharma	1,752,000	10	17,520,000
2	Ashish Ojha	1,071,000	10	10,710,000
3	Abhishek K Sharma	928,000	10	9,280,000
4	Oxyzo Financial Services Private Limited	100	10	1,000
		3,751,100		37,511,000
B.	<u>Compulsory Convertible Preference Shares (CCPS)</u>			
1	Oxyzo Financial Services Private Limited	1,970,000	10	19,700,000
		5,721,100		57,211,000

Zfirst Technologies Private Limited

Appendix A

Guideline Public Comparables - Beta Calculation

Valuation As of 31st March, 2023

COMPANY NAME	Ticker Symbol	Levered Beta (a)	Market Capitalization (MM)	Interest Bearing Debt (MM)	Total Capital	Effective Tax Rate	Unlevered Beta	Equity to Capital
Ujjivan Financial Services Limited	BSE:539874	1.53	31,180.0	46,823.3	87,150.8	25%	0.65	36%
Spandana Sphoorty Financial Limited	NSEI:SPANDANA	1.26	37,823.4	51,188.0	89,013.4	25%	0.62	42%
IndoStar Capital Finance Limited	NSEI:INDOSTAR	0.85	14,159.1	56,040.0	70,199.1	25%	0.21	20%
Capri Global Capital Limited	BSE:531595	0.70	134,504.4	63,623.9	198,128.3	25%	0.52	68%
Poonawalla Fincorp Limited	NSEI:POONAWALLA	1.98	224,624.7	124,399.1	349,056.8	25%	1.40	64%
Shriram Finance Limited	BSE:511218	1.77	471,722.2	1,011,318.3	1,483,040.5	25%	0.68	32%
Muthoot Finance Limited	NSEI:MUTHOOTFIN	1.01	393,399.2	494,328.0	892,225.2	25%	0.52	44%
Mean		1.30				25%	0.66	44%
Median		1.26				25%	0.62	42%

Note:

(a) 5 year beta

	Unlevered Beta	Target Equity Market Value	Target Interest Bearing Debt	Tax Rate	Relevered Beta
Mean	0.66	44%	56%	25%	1.29
Median	0.62	42%	58%	25%	1.26

Zfirst Technologies Private Limited

Guideline Public Comparables - Business description

Valuation As of 31st March, 2023

Appendix B

Company Name	Description
Ujjivan Financial Services Limited	Ujjivan Financial Services Limited provides financial services to economically active poor in India. It offers micro and rural finance products, housing loans, personal loans, vehicle loans, institutional loans, gold loans, agri loans, and staff loans, as well as secured and unsecured loans to micro and small enterprises. The company also provides guarantees; and invests in bank deposits, money market instruments, and government securities. As of March 31, 2022, it operated 575 branches. The company was formerly known as Ujjivan Financial Services Private Limited and changed its name to Ujjivan Financial Services Limited in November 2015. Ujjivan Financial Services Limited was incorporated in 2004 and is headquartered in Bengaluru, India.
Spandana Sphoorty Financial Limited	Spandana Sphoorty Financial Limited engages in the microfinance business in India. It provides income generation loans for low-income households; loans against the property; personal loans for business development, purchase of livestock, house construction/renovation, and other needs; gold loans for agriculture, business, and short-term liquidity needs; and interim loans, as well as business loans. The company also offers loans for women to expand their existing income-generating activities, smoothening household cash flows, and acquiring productive assets. It serves low-income customers in semi-urban and rural areas with approximately 1,049 branches. The company was founded in 1998 and is based in Hyderabad, India.
IndoStar Capital Finance Limited	IndoStar Capital Finance Limited, a non-banking financial company, engages in the provision of various financing services to corporates, small and medium enterprises (SMEs), and individual customers in India. The company operates through four segments: Large Corporate, SME, Commercial Vehicle, and Housing Finance. It offers vehicle finance services, including loans for commercial vehicles, farm equipment, four and two-wheelers, and construction equipment, as well as housing finance. The company also provides SME lending products for working capital, business expansion, or any other financing requirement; and corporate lending products, including secured corporate lending, real estate financing, capital market financing, special situation and acquisition financing, and debt capital market solutions. It operates through 404 branches in 22 states across India. The company was incorporated in 2009 and is based in Mumbai, India. IndoStar Capital Finance Limited is a subsidiary of BCP V Multiple Holdings Pte. Ltd.
Capri Global Capital Limited	Capri Global Capital Limited, a non-banking financial company, provides financial services in India. It offers home loans; micro, small, and medium enterprises (MSME) loans; housing loans; construction finance for real estate developers; small business loans for women; emergency credit line guarantee scheme for MSMEs; and gold loan. The company was formerly known as Money Matters Financial Services Limited and changed its name to Capri Global Capital Limited in July 2013. Capri Global Capital Limited was incorporated in 1994 and is based in Mumbai, India.
Poonawalla Fincorp Limited	Poonawalla Fincorp Limited, a non-banking financial company, provides asset finance services in India. It offers loans for CA, CS, doctors, salaried and government employees, home renovation, wedding, travel, and medical emergency; business loans for working capital, MSME, proprietorship, and women; cars, medical equipment, and home loans; loan against property; and auto leasing services. The company also provides insurance products. It operates a network of 242 branches. The company was formerly known as Magma Fincorp Limited and changed its name to Poonawalla Fincorp Limited in July 2021. Poonawalla Fincorp Limited was incorporated in 1978 and is based in Pune, India. Poonawalla Fincorp Limited is a subsidiary of Rising Sun Holdings Pvt Ltd.
Shriram Finance Limited	Shriram Finance Limited, a non-banking financial company, primarily provides commercial vehicle financing services in India. The company offers commercial vehicle loans for commercial goods vehicles, passenger vehicles, tractors and farm equipment, and construction equipment; and multi-utility vehicle, three-wheeler, two-wheeler, gold, and personal loans. It also provides business loans; and working capital loans, including tyre, tax, fuel, and toll finance, as well as vehicle insurance and repair/top-up loans; and fixed and recurring deposits. In addition, the company offers challan discounting services. It serves first time buyers, small road transport operators, and individuals; and micro, small, and medium enterprises (MSMEs) customers consisting of self-employed professionals, wholesale and retail dealers, merchants, builders, small and medium scale manufacturing concerns, and service providers. The company was formerly known as Shriram Transport Finance Company Limited and changed its name to Shriram Finance Limited in November 2022. Shriram Finance Limited was incorporated in 1979 and is based in Mumbai, India.
Muthoot Finance Limited	Muthoot Finance Limited operates as a gold financing company in India. The company offers personal and business loans secured by gold jewelry, or gold loans primarily to individuals and micro finance. It also provides housing finance, gold coins, money transfer, and foreign exchange services; mutual funds and non-convertible debentures; health, home, vehicle, life, and travel insurance products; and vehicle, corporate, and SME loans. In addition, the company generates electric power through windmills in Tamilnadu. As of March 31, 2022, it operated through approximately 4,617 branches in 23 states and 6 Union Territories. The company was founded in 1887 and is headquartered in Kochi, India.

End of Exhibits
