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Private and Confidential

Date: November 3, 2022

To,
Mr. Ashish Kedia
Company Secretary - N. B. I. Industrial Finance Company Limited
21 Strand Road, Ground Floor,
Kolkata – 700001

Sub: Clarification to the query raised by National Stock Exchange of India Limited (“NSE”)

Dear Mr Kedia,

We refer to:

- Our report bearing reference number RVA2223BOMREP163 dated September 21, 2022 (“Report”) recommending the Share Exchange Ratio for proposed amalgamation of Western India Commercial Company Limited (“WICCL”) into N.B.I. Industrial Finance Company Limited (“NBIFCL”).
- Your email dated October 28, 2022, requesting our response for certain clarifications sought by the NSE vide their letters NSE/LIST/32753 dated October 27, 2022 and NSE/LIST/32753 dated October 4, 2022, regarding the draft scheme of amalgamation between WICCL and NBIFCL and their respective shareholders and creditors (the “Scheme”).

Please find hereinunder the reply to the clarification sought by NSE

1) Why Market Approach has not been considered.

1.1. Market Price Method:

Equity shares of NBIFCL and WICCL are listed on the NSE and CSE respectively. However, as brought out in our Report:

- NBIFCL: While the equity shares of NBIFCL are traded on the NSE, the trading volume is irregular and erratic, and;
- WICCL: Since CSE has been derecognized as a stock exchange, the equity shares of WICCL are not traded.

The trading volumes of equity shares of NBIFCL on NSE over the 12-month period ending September 20, 2022, was ~ 13.7% of its paid-up equity capital. However, it may be noted that:

- ~ 82.5% of the volumes traded was over 8 trading days;
- The trading volumes for balance ~ 240 trading days represented only ~ 2.4% of the NBIFCL’s paid-up equity capital

For details refer Annexure 1.

Considering the aforementioned and in particular, the irregular and erratic volumes of trading of NBIFCL shares and non-trading of equity shares of WICCL, in our professional judgement, we have not adopted market price method for the present valuation exercise.



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It may also be noted that the market price of equity shares of NBIIFCL on NSE was significantly lower as compared to its relative fair value of INR 6,609 per equity share, as set out below:

Particulars for the period ending September 20, 2022	INR per share
90 trading days' VWAP	1,920
10 trading days' VWAP	1,819

Source: NSE website

Accordingly, the resultant share exchange ratio without adopting the Market price method is not considered detrimental to the interest of the minority shareholders of NBIIFCL.

1.2. Comparable Companies Multiple Method/ Comparable Transaction Multiples Method:

Considering inter-alia, the business of Specified Companies (investments holding companies), lack of comparable listed companies, we have not adopted this method for the present valuation exercise.

2) Why Income Approach has not been considered.

NBIIFCL and WICCL are primarily engaged in investment in shares, securities of listed and unlisted companies and primarily derive their income from dividend and profits on sale of investments. Due to the nature of the business of the Companies, significant uncertainties are involved in preparation of the medium/long term forecast and its future income cannot be estimated reliably. Thus, the Management of the Companies were unable to provide the financial projections of the two Companies.

Considering the aforementioned, we have not adopted the Income Approach for the valuation.

3) As requested, we enclose Annexure 2 for the summary of the asset valuations considered in the Asset Approach

We enclose, Annexure 1 providing analysis of trading volumes of NBIIFCL on the NSE and the Annexure 2 for the summary of the asset valuations considered in the Asset Approach.

Thank You.

For RBSA Valuation Advisors LLP

Ravishu Shah
Partner
Place: Mumbai



Encl: As above

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Annexure 1

Analysis of Trading Volumes

N.B.I Industrial Finance Company Limited

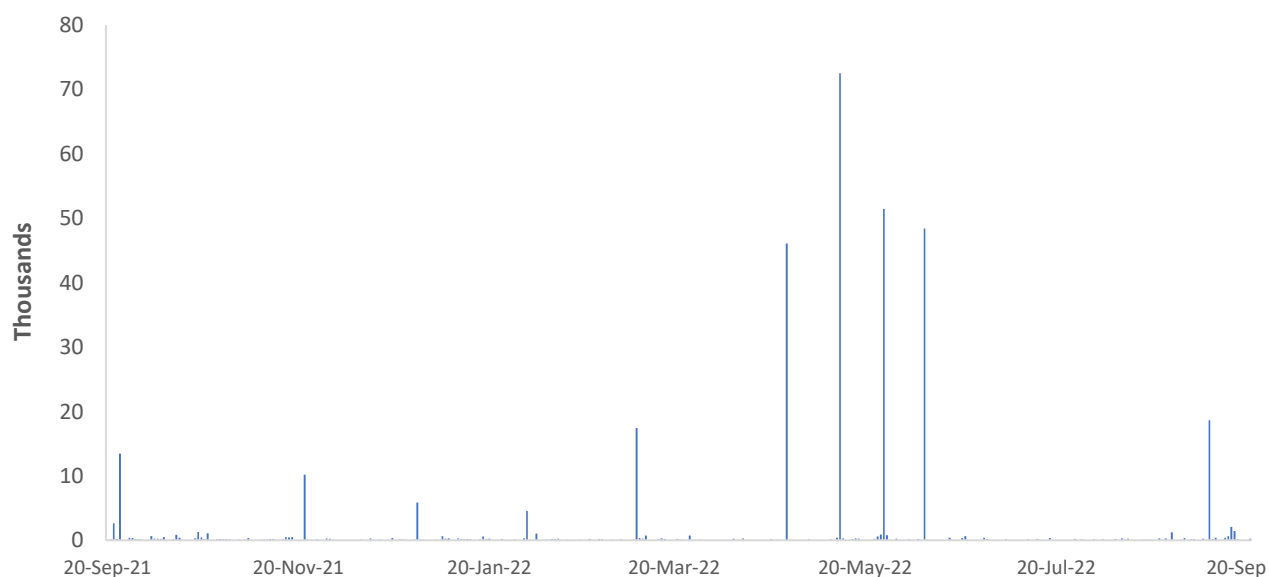
Trading Volume on NSE

Volume (21 Sep 21- 20 Sep 22)	3,37,194
Total Number of Shares	24,56,806
Trading %	13.7%

Date	Volume
24-Sep-21	13,471
22-Nov-21	10,205
08-Mar-22	17,432
25-Apr-22	46,087
12-May-22	72,545
26-May-22	51,433
08-Jun-22	48,422
07-Sep-22	18,656
	2,78,251
21 Sep 21 - 20 Sep 22	3,37,194
Trading % on above 8 days to 12 months volume	82.5%

Trading volume in rest of the 12 months period	58,943
Total Number of Shares	24,56,806
Trading % (excluding above 8 days)	2.4%

Trading Volumes



Source: nseindia.com



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Annexure 2

N.B.I Industrial Finance Company Limited

N.B.I Industrial Finance Company Limited - NBIIFCL - Net Asset Value Method

(in INR Lakhs)

Particulars as of June 30, 2022	Amount
Property, Plant & Equipment	0.4
Cash and Cash Equivalents (including Bank Balance)	45.5
Current and Non-Current Assets (excluding Investments)	93.3
Fair Value of Investments (Refer note below)	1,63,887.4
	1,64,026.7
Less:	
Current Liabilities	
Deferred Tax Liability (Net)	1,592.1
Others	64.6
Adjusted NAV	1,62,370.0
Number of equity shares	24,56,806
Fair Value per equity share (Face value INR 5 each)	6,609.0

Note: Fair Value of Investments

(INR Lakhs) @

Listed Companies

- Shree Cement Ltd*	1,43,043.0
- Western India Commercial Co. Ltd.	3,896.5
- Other listed companies	15,450.3

Unlisted Companies

- Alfa Buildhome Pvt. Ltd.	248.0
- Aqua Infra Projects Ltd.	645.4
- Karmayog Properties Pvt. Ltd.	242.7
- Ramgopal Holdings Pvt. Ltd.	43.4
- Tanushree Logistics Pvt. Ltd.	290.5
- Other unlisted companies	27.6

Total **1,63,887.4**

@ Net of Capital gain tax

* Net of holding company discount



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Western India Commercial Company Limited

Western India Commercial Company Limited - WICCL - Net Asset Value Method (in INR Lakhs)

Particulars as of June 30, 2022	Amount
Cash and Cash Equivalents (including Bank Balance)	18.3
Current and Non-Current Assets (excluding Investments)	262.8
Fair Value of Investments (Refer note below)	37,399.2
	37,680.3
Less:	
Current Liabilities	
Deferred Tax Liability (Net)	404.3
Others	2.2
Adjusted NAV	37,273.7
Number of equity shares	18,000
Fair Value per equity share (Face value INR 100 each)	2,07,076.0

Note: Fair Value of Investments (INR Lakhs) @

Listed Companies

- Shree Cement Ltd*	33,797.7
- Other listed companies	2,598.6

Unlisted Companies

- Alfa Buildhome Pvt. Ltd.	358.2
- Karmayog Properties Pvt. Ltd.	106.3
- The Kamla Company Limited	100.2
- Other unlisted companies	438.2

Total 37,399.2

@ Net of Capital gain tax

* Net of holding company discount

