

***Valuation of equity shares of Thinkink
Picturez Limited as per the provisions of the
Securities and Exchange Board of India
("SEBI") (Issue of Capital and Disclosure
Requirements) (Amendment) Regulations,
2022 ("ICDR Regulations")***

14th November 2022

Rashmi Shah FCA
Registered Valuer (Securities or Financial Assets) with IBBI
Registration No.: IBBI/RV/06/2018/10240

Date: 14th November 2022

To,
The Board of Directors
Thinkink Picturez Limited
Bungalow No. 8/71, Mhada,
S V P Nagar, 4 Bungalow Mhada,
Andheri (West), Mumbai - 400053

Dear Sirs,

Sub: Valuation of equity shares of Thinkink Picturez Limited for preferential allotment

Thinkink Picturez Limited (“TPL” or “the Company”) intends to issue equity shares to certain investors.

In this regard, Rashmi Shah FCA, Registered Valuer with IBBI Registration No. IBBI/RV/06/2018/10240 (‘RVS’ or ‘Independent Valuer’) has been appointed to determine fair value of equity shares of TPL under Regulation 165 & Regulation 166A of the Securities and Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022 (“ICDR Regulations”) (‘SEBI ICDR Regulations’) (‘Valuation Purpose’).

The Valuation Date as informed to us by the Management of TPL (‘the Management’) for computation of the value of the said equity shares to be issued by TPL is 11th November 2022 (‘Valuation Date’).

This Report is structured under the following broad heads:

- Background
- Information sources
- Valuation Standards followed and Procedure adopted for Valuation
- Valuation Methodology
- Valuation Analysis and Conclusion
- Scope Limitation
- Annexures



BACKGROUND

Thinkink Picturez Limited

Thinkink Picturez Limited (CIN: L22300MH2008PLC181234) is a company limited by shares incorporated on 16th April 2008 under the Companies Act, 1956, with its registered office at Bunglow No. 8/71, Mhada, S V P Nagar, 4 Bunglow Mhada, Andheri (West), Mumbai - 400053 .

- TPL is engaged in the business of film production it was born out for a passion to create the best content in Film Making, TV and Web Shows, both fiction and Non-Fiction. It is an entertainment provider, operating across television, movies, other entertainment platforms, offers services such as concept development, casting, set designing, scriptwriting, location scouting, photography, editing, sound effects, and mixing service, Film/TV Management services, Event Management, Artist Management etc.
- Equity shares of TPL are listed on BSE Limited (“BSE”).
- The shareholding pattern of TPL as of 11th November 2022 is as under:

Particulars	No. of shares	% Shareholding
Public	29,628,000	100.00%
Total	29,628,000	100.00%



INFORMATION SOURCES

We have relied on the following sources of information and documents as provided to us by the Management of TPL ('the Management') and available in public domain:

- Financial Statements of TPL for the year ended 31st March 2022;
- Other relevant data;
- Our regular discussions with management representatives of TPL
- We have also relied on published and secondary sources of data whether or not made available by the Companies.



VALUATION STANDARDS FOLLOWED AND PROCEDURES ADOPTED FOR VALUATION

- We have performed the valuation analysis, to the extent possible, in accordance with ICAI Valuation Standards 2018 issued by the Institute of Chartered Accountants of India ('IVS'). IVS 301 on Business Valuation deals with valuation of a business or business ownership interest (i.e., it includes valuation of equity shares).
- In connection with this exercise, we have adopted the following procedures to carry out the valuation analysis:
 - Requested and received relevant data from the Management
 - Discussions with the Management on understanding of the businesses of the Company
 - Obtained and analysed data available in public domain, as considered relevant by us
 - Obtained and analysed market prices and other data involving equity shares of TPL and of comparable companies, as applicable and relevant
 - Selection of valuation approach and valuation methodology/ (ies), in accordance with IVS, as considered appropriate and relevant by us
 - Determination of value per equity share of TPL, as relevant
 - Preparation and issuance of this valuation report.



VALUATION APPROACHES AND METHODOLOGIES

- For the purpose of valuation, it is necessary to select an appropriate basis of valuation amongst the various valuation techniques. It is universally recognized that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. The application of any particular method of valuation depends upon various factors including the size of company, nature of its business and purpose of valuation. Further, the concept of valuation is all about the price at which a transaction takes place i.e., the price at which seller is willing to sell and buyer is willing to buy. Accordingly, a fair and reasonable approach for valuing the shares of the company is to use a combination of relevant and applicable valuation methods.
- As per Regulation 165 of the ICDR Guidelines, “Where the shares of an issuer are not frequently traded, the price determined by the issuer shall take into account the valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies. Provided that the issuer shall submit a certificate stating that the issuer is in compliance of this regulation, obtained from an independent valuer to the stock exchange where the equity shares of the issuer are listed”. In light of this Regulation, we have assessed the value of shares of the Company under various applicable valuation methodologies.

As per Regulation 166A of the ICDR Guidelines, “Any preferential issue, which may result in a change in control or allotment of more than five percent of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price.

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

- IVS 301 read with IVS 103 specifies that generally the following three approaches for valuation of business / business ownership interest are used:
 - Cost Approach
 - Market Approach
 - Income Approach



Cost Approach – Net Asset Value (NAV) method

- The value under cost approach is determined based on the underlying value of the assets which could be on book value basis, replacement cost basis or on the basis of realizable value. Under NAV method, total value of the business is based either on net asset value or realizable value or replacement cost basis. NAV methodology is most applicable for the business where the value lies in the underlying assets and not the ongoing operations of the business. NAV method does not capture the future earning capacity of the business. Given the nature and specifics of the business, we have considered the Adjusted NAV method, wherein we have assessed the fair value of the subsidiaries recorded in the books of the Company and replaced the book value with the fair value, as relevant and applicable.

Income Approach – Discounted Cash Flows (DCF) method

- Under the Income Approach, business is valued by converting maintainable or future amount of cash flows to a single current amount either through discounting or capitalization. DCF Method seeks to arrive at the value of the business based on its future cash flows generating capability and the risks associated with the said cash flows. FCFE or free cash flows to the firm (“FCFE”) represents the cash available for distribution to both the owners and the creditors of the business. Risk-adjusted discount rate or Weighted Average Cost of Capital (“WACC”) is applied to free cash flows in the explicit period and that in perpetuity. Adjustments pertaining to debt, surplus/non-operating assets including investments, cash & bank balance and contingent assets/liabilities and other liabilities, as relevant, are required to be made in order to arrive at the value for equity shareholders. The total value for the equity shareholders so arrived is then to be divided by the number of equity shares to arrive at the value per equity share of the company.

We have not considered Discounted Cash Flows (DCF) method under the income approach due to unavailability of business projections of TPL as we understand that projections of TPL would be price sensitive information, which was therefore not made available to us.



Market Approach – Market Price method

- Under the Market Price method, the market price of an equity share as quoted on a recognized Stock Exchange is normally considered as the value of the equity shares of that company, where such quotations are arising from the shares being regularly and frequently traded. Generally, market value is reflective of the investors' perception about the actual worth of the company. However, in certain situations, the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. We understand that the shares are infrequently traded BSE Limited.
- Regulation 164(5) of Chapter IV of SEBI ICDR Regulations reads as under-

For the purpose of this Chapter, “Frequently traded shares” means shares of the issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of the shares of the issuer.

Explanation: For the purpose of this regulation, ‘stock exchange’ means any of the recognized stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.”

The equity shares of the Company are traded on the BSE. However, as per Explanation to regulation 164(5) of the SEBI ICDR Regulations, the exchange on which higher trading volume of equity shares during the preceding 90 trading days prior to the relevant date, is recorded, is to be considered for the pricing computation.

Since, TPL is a listed company and equity shares of TPL are traded on BSE Limited over a reasonable period (more than 90 days), we have considered Market Price method to determine the value of equity shares of TPL. However, the shares of the Company do not have a trading history of 240 days and the overall turnover is less than 10% of the outstanding share capital. We therefore understand that the shares of the Company are infrequently traded. We have therefore considered Market Price method and pricing under ICDR guidelines as one of the methods to determine the value of equity shares of the Company and not the primary method. We have been informed by the Management that the valuation date to be considered 11th November 2022.



Market Approach – Comparable Companies' Multiple (CCM) method

- Under CCM Method, the value of shares of the subject company is determined on the basis of multiples derived from valuations of comparable companies. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. The Comparable Companies' Multiple Method arrives at the value of the company by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences, such as growth potential, past track record, size, company dynamics, etc.
- Management has provided us with name/s of listed comparable companies, which we have considered for the said Valuation Purpose.

For arriving at the value per equity share of TPL and considering valuation inputs available for determining valuation under Adjusted NAV method and Market Price, we have applied appropriate weights to arrive at the value per equity share of TPL.



SCOPE LIMITATIONS AND DISCLAIMERS

- Valuation analysis and results are specific to the purpose of valuation mentioned in this report as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date.
- We owe responsibility to only the management of the client that has retained us and nobody else. We do not accept any liability to any third party in relation to the issue of this valuation report. Our valuation report cannot be used for any other purpose. This report has been prepared only for the sole use and information of TPL. Without limiting the foregoing, we understand that TPL may be required to submit this report to the regulatory authorities / stock exchanges in connection with the Proposed Transaction.
- Our analysis is based on the market conditions and the regulatory environment that currently exists. However, changes to the same in the future could impact the company and the industry it operates in, which may impact our valuation analysis.
- We are not responsible for updating this report because of any events or transactions occurring subsequent to the date of this report.
- We have considered and relied on the information provided to us by the Management including financial information, significant transactions and events occurring subsequent to the balance sheet date. We understand that the information provided to us and the representations made to us (whether verbal or written) are reliable and adequate. We have derived our conclusions and recommendation from the information so provided and we are thus reliant on the given information to be complete and accurate in every significant aspect. We are made to believe that the Management have informed us about all material transactions, events or any other relevant factors which are likely to have an impact on our valuation recommendation.
- In the ultimate analysis, valuation will have to capture the exercise of judicious discretion by the Valuer and judgment taking into account all the relevant factors. There will always be several factors which are not evident from the face of the financial statements, but which will strongly influence the worth of a share. Examples of such factors include quality and integrity of the management, capital adequacy, asset quality, earnings, liquidity, size, present and prospective competition, yield on comparable securities and market sentiment, etc. This concept is also recognized in judicial decisions.
- This Report does not look into the business / commercial reasons behind the transaction. We have no present or planned future interest in the company and the fee for this engagement is not contingent upon the values reported herein. Our valuation analysis should not be construed as an investment advice. We do not express any opinion on the suitability or otherwise of entering into any transaction with the Company
- Any discrepancies in any annexure between the total and the sums of the amounts listed are due to rounding-off.



VALUATION ANALYSIS AND CONCLUSION

- The value per equity share of TPL are based on the various approaches / methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations. We have independently applied methods discussed above, as considered appropriate, i.e., Market Price method and Adjusted NAV method for determining value per share of TPL, as applicable and relevant.
- In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove referred to earlier in this Report for the proposed transaction, in our opinion, we recommend the fair value of equity shares of TPL at **INR 32.69 per equity share**, computed as below.

Valuation of equity shares of TPL			
Valuation approach		Value per share (INR)	Weight %
Asset approach - NAV method	A	11.12	33.33%
Market approach - Market Price Method (ICDR)	B	68.92	33.33%
Market approach - CCM Method	C	18.04	33.33%
Value per share (INR)		32.69	

Yours truly,



Rashmi Shah FCA

Registered Valuer (SFA)

IBBI Reg. No.: IBBI/RV/06/2018/10240

Place: Mumbai

Date: 14th November 2022

ICAI UDIN: 22123478BDNNEQ7383

Enclosed:

Annexure I: Determination of value of equity shares of TPL using Adjusted NAV method;

Annexure II: Determination of value per equity share of TPL using Market Price method (ICDR Pricing Guidelines);

Annexure III: Determination of value per equity share of TPL using CCM Method.



Annexure I – Determination of value of equity shares of TPL using Adjusted NAV method

We have considered Adjusted NAV method to determine the value per equity share of TPL. The value of equity share of TPL using Adjusted NAV method is **INR 11.12 per equity share**.

Refer to the valuation workings below:

Valuation of equity shares of TPL using Adjusted NAV method¹		
Particulars (Amount in INR Lakhs)	Book Value	Fair Value
Assets		
Inventories	2,204.77	2,204.77
Cash and bank Balances	8.41	8.41
Trade Receivables	2,944.10	2,944.10
Loan	23.78	23.78
Current Tax Assests	71.93	71.93
Other Current Assets	943.40	943.40
Total assets	6,196.39	6,196.39
Liabilities		
Provisions	-	-
Deferred tax liabilities	-	-
Trade Payables	2,574.04	2,574.04
Other current liabilities	-	-
Other Financial liabilities	22.36	22.36
Provisions (Current)	-	-
Current Tax Liabilities	305.88	305.88
Total liabilities	2,902.28	2,902.28
Net asset value (INR Mn)	3,294.11	3,294.11
Number of equity shares	2,96,28,000	2,96,28,000
Value per share (INR)	11.12	11.12
Based on the above computation, in our opinion the value of equity shares of TPL is INR 11.12 per equity share for the said Valuation Purpose and as of the said Valuation Date.		

¹ Balance Sheet as of 30th June 2022 as provided to us by the Management



Annexure II – Determination of value per equity share of TPL using Market Price method (ICDR Pricing Guidelines)

Valuation of equity shares of TPL using Market Price method			
Particulars	Annexure Reference	VWAP (INR)	
A] Average of 90 trading days VWAP	Annexure IVA	68.92	
B] Average of 10 trading days VWAP	Annexure IVB	68.73	
Applicable Minimum Price (Higher of the A or B)		68.92	
Based on the above computation, we understand that the value of equity shares of TPL can be considered at INR 68.92 per equity share for the said Valuation Purpose and as of the said Valuation Date, under the ICDR Pricing Guidelines.			
Average of the volume weighted average price (VWAP) of the equity shares of Thinkink Picturez Limited quoted on the NSE Limited Stock Exchange during the 10 trading days preceding the relevant date (considering relevant date as 10-Nov-2022)			
Day	Date	Total Turnover (INR)	Volume of traded shares
1	27 October 2022	8,00,00,782	11,44,446
2	28 October 2022	8,46,35,639	11,92,127
3	31 October 2022	5,16,60,113	7,40,964
4	01 November 2022	5,82,38,723	8,48,674
5	02 November 2022	5,04,61,997	7,37,878
6	03 November 2022	5,21,61,491	7,63,678
7	04 November 2022	8,34,49,828	12,32,417
8	07 November 2022	5,19,70,912	7,69,433
9	09 November 2022	3,85,85,926	5,75,779
10	10 November 2022	3,68,34,291	5,49,577
	Total	58,79,99,702	85,54,973
VWAP of 10 trading days volume weighted average price ("VWAP") preceding the relevant date (INR)			68.73



Valuation of equity shares of Thinkink Picturez Limited

Average of the volume weighted average price (VWAP) of the equity shares of Thinkink Picturez Limited quoted on the NSE Limited Stock Exchange during the 90 trading days preceding the relevant date (considering relevant date as 11-Nov-2022)

Day	Date	Total Turnover (INR)	Volume of traded shares
1	30 June 2022	3,90,55,227	5,86,552
2	01 July 2022	4,06,26,343	6,06,341
3	04 July 2022	3,89,56,864	5,72,363
4	05 July 2022	4,61,51,147	6,85,222
5	06 July 2022	5,22,92,755	7,82,462
6	07 July 2022	3,88,82,702	5,86,562
7	08 July 2022	3,29,96,791	4,97,222
8	11 July 2022	4,28,79,394	6,46,666
9	12 July 2022	10,15,65,264	15,31,973
10	13 July 2022	5,34,67,544	8,10,759
11	14 July 2022	5,27,16,316	7,85,447
12	15 July 2022	7,39,58,384	11,04,574
13	18 July 2022	6,10,98,588	9,06,802
14	19 July 2022	3,20,93,260	4,74,007
15	20 July 2022	4,77,08,998	6,98,236
16	21 July 2022	1,29,61,612	1,89,610
17	22 July 2022	5,37,16,685	7,83,243
18	25 July 2022	5,54,27,949	8,11,292
19	26 July 2022	5,77,78,143	8,46,472
20	27 July 2022	3,17,46,365	4,63,157
21	28 July 2022	4,06,91,583	5,85,413
22	29 July 2022	7,47,01,866	10,77,267
23	01 August 2022	2,50,82,378	3,61,445
24	02 August 2022	3,49,47,732	5,02,503
25	03 August 2022	1,75,49,088	2,52,283
26	04 August 2022	2,59,04,791	3,74,605
27	05 August 2022	1,08,51,094	1,57,089
28	08 August 2022	4,03,03,478	5,81,425
29	10 August 2022	2,79,14,773	4,02,968
30	11 August 2022	2,14,59,340	3,11,792
31	12 August 2022	3,73,57,213	5,38,421
32	16 August 2022	2,38,67,906	3,40,132
33	17 August 2022	3,06,28,856	4,37,069
34	18 August 2022	4,02,47,612	5,75,128
35	19 August 2022	2,98,06,612	4,26,200
36	22 August 2022	3,65,40,990	5,20,576
37	23 August 2022	5,90,91,259	8,41,325
38	24 August 2022	7,75,87,736	11,09,838
39	25 August 2022	2,49,49,898	3,59,417
40	26 August 2022	4,50,40,067	6,42,516
41	29 August 2022	4,40,55,334	6,36,406
42	30 August 2022	4,11,05,788	6,06,511
43	01 September 2022	5,02,85,717	7,41,774
44	02 September 2022	5,68,36,665	8,32,079
45	05 September 2022	7,69,41,687	10,93,772
46	06 September 2022	4,68,18,782	6,64,963
47	07 September 2022	5,92,57,395	8,66,776
48	08 September 2022	7,40,55,953	10,83,662
49	09 September 2022	5,24,36,388	7,67,348
50	12 September 2022	7,07,68,306	10,25,381
51	13 September 2022	8,23,48,944	11,91,679
52	14 September 2022	5,26,33,533	7,54,529
53	15 September 2022	5,91,80,628	8,44,905
54	16 September 2022	9,84,37,351	14,13,998
55	19 September 2022	9,90,76,454	14,12,934
56	20 September 2022	4,05,03,567	5,85,851
57	21 September 2022	3,48,78,658	5,04,165
58	22 September 2022	5,87,83,454	8,45,738
59	23 September 2022	6,22,84,105	8,92,800
60	26 September 2022	8,82,63,814	12,64,827
61	27 September 2022	6,25,72,417	8,98,116
62	28 September 2022	4,80,35,371	6,92,489
63	29 September 2022	9,92,69,922	13,73,830
64	30 September 2022	6,40,30,160	8,92,587
65	03 October 2022	3,50,37,800	5,00,987
66	04 October 2022	7,05,42,859	10,17,357
67	06 October 2022	6,19,35,221	8,99,571
68	07 October 2022	5,43,82,195	8,02,099
69	10 October 2022	6,64,42,913	9,83,077
70	11 October 2022	6,19,89,083	9,04,824
71	12 October 2022	7,59,17,762	10,97,611
72	13 October 2022	6,44,98,336	9,32,987
73	14 October 2022	6,76,21,956	9,68,606
74	17 October 2022	6,72,34,491	9,70,119
75	18 October 2022	4,99,52,805	7,19,497
76	19 October 2022	4,75,18,895	6,87,889
77	20 October 2022	5,55,91,057	7,98,517
78	21 October 2022	7,24,20,281	10,35,814
79	24 October 2022	5,09,90,517	7,29,307
80	25 October 2022	5,67,17,243	8,07,832
81	27 October 2022	8,00,00,782	11,44,446
82	28 October 2022	8,46,35,639	11,92,127
83	31 October 2022	5,16,60,113	7,40,964
84	01 November 2022	5,82,38,723	8,48,674
85	02 November 2022	5,04,61,997	7,37,878
86	03 November 2022	5,21,61,491	7,63,678
87	04 November 2022	8,34,49,828	12,32,417
88	07 November 2022	5,19,70,912	7,69,433
89	09 November 2022	3,85,85,926	5,75,779
90	10 November 2022	3,68,34,291	5,49,577
Total		4,76,02,18,112	6,90,64,561
VWAP of 90 trading days volume weighted average price ("VWAP") preceding the relevant date (INR)			68.92



Annexure III – Determination of value per equity share of TPL using PECV Method

Particulars	2020	2021	2022	
PAT	135.40	-18.84	303.36	
Weightage	1	0	1	
Average Profit				219.38
PE Ratio				24.37
Capitalisation Value				5345.56
No. of Equity Shares				296.28
Value per Share (INR)				18.04

<<End of Report>>

