

Date: 20th February 2024

To,
Board of Director
S & S Power Switchgear Limited
Plot No 14, Cnda Industrial Area Part-II,
Chithamanur Village, Maraimalai Nagar,
Kancheepuram, Chennai, Tamil Nadu,
India, 603209.

Sub: Clarification in relation to observation received from BSE & NSE on the Valuation Report.

Dear Sir/Madam,

1. Confirm the rationale for not considering Income Approach in valuation:

Below is the calculation as per Income Approach – PECV Method. As observed from below table the average PAT of last three years is negative. Hence not yielding positive equity value, accordingly we have not considered the Income Approach in our weighted average calculation.

Profit Earning Capitalization Value Method (PECV Method)

(INR Lakhs)

| Particulars | FY22 | FY23 | Sep 23 - (TTM) | |
|---------------------------------------|-----------|---------|----------------|---------------|
| Profit After Tax (*) | -1,550.29 | -361.27 | 207.01 | |
| Average Profit of Past 3 Years | | | | -568.18 |
| Capitalization | 15.00% | | | -3,787.89 |
| No. of Equity Shares | | | | 62,00,000 |
| Value per share (Rs.) | | | | -61.09 |

(*) Excluding exception income /expenditure.

Capitalization Rate

Organisation Specific Discount Rate

- Cost of Equity of 15.00% is taken as Capitalization rate, calculated using,
- Historical Market Return of BSE 500 from February 01, 1999, to January 20, 2024, is 14.73%

| | Rate | Source |
|---------------------------|--------|--|
| Market Return (Rm) | 14.73% | Return of BSE 500 for the period of Feb 01, 1999, to January 20, 2024. |

Based on the above parameters, the Cost of Equity has been calculated at **15.00 % (Rounded off)**

Thanking you.



Bhavesh M Rathod
Chartered Accountants
M No: 119158
Registered Valuer - Securities or Financial Assets
(Reg No: IBBI/RV/06/2019/10708)
Place: Mumbai

