



SPA Capital Advisors Ltd

(formerly SPA Merchant Bankers Ltd.)

SEBI Registered Category – I Merchant
Bankers

Corporate & Transaction
Advisory Services
(CTAS)



Intangible assets valuation



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SPA Group Profile

SPA Capital Advisors Limited

(Formerly SPA Merchant Bankers Ltd.)

- **Category I Merchant Banker** registered with SEBI
- *Offering comprehensive Investment Banking solutions and highest quality independent financial advice to Corporate sector and Entrepreneurs **since last 10 Years***

SPA Capital Services Limited

- **A leading distributor of Mutual Fund Schemes**
- Asset under Management of approximate Rs. 180 billion as on March 31, 2015,
- Received various awards for highest mobilization and recognition from leading Asset Management Companies

SPA Securities Limited

- **Member of NSE and BSE** for Equity and Future & Option segment
- Empanelled with almost all the Commercial Banks, Insurance Companies and Mutual Funds

SPA Insurance Broking Services Limited

- An **IRDA Registered Insurance Broker** engaged in both Life & General Insurance business.
- Risk Management – Understanding the risk environment, identification & analysis of all the risks that may pose on your business

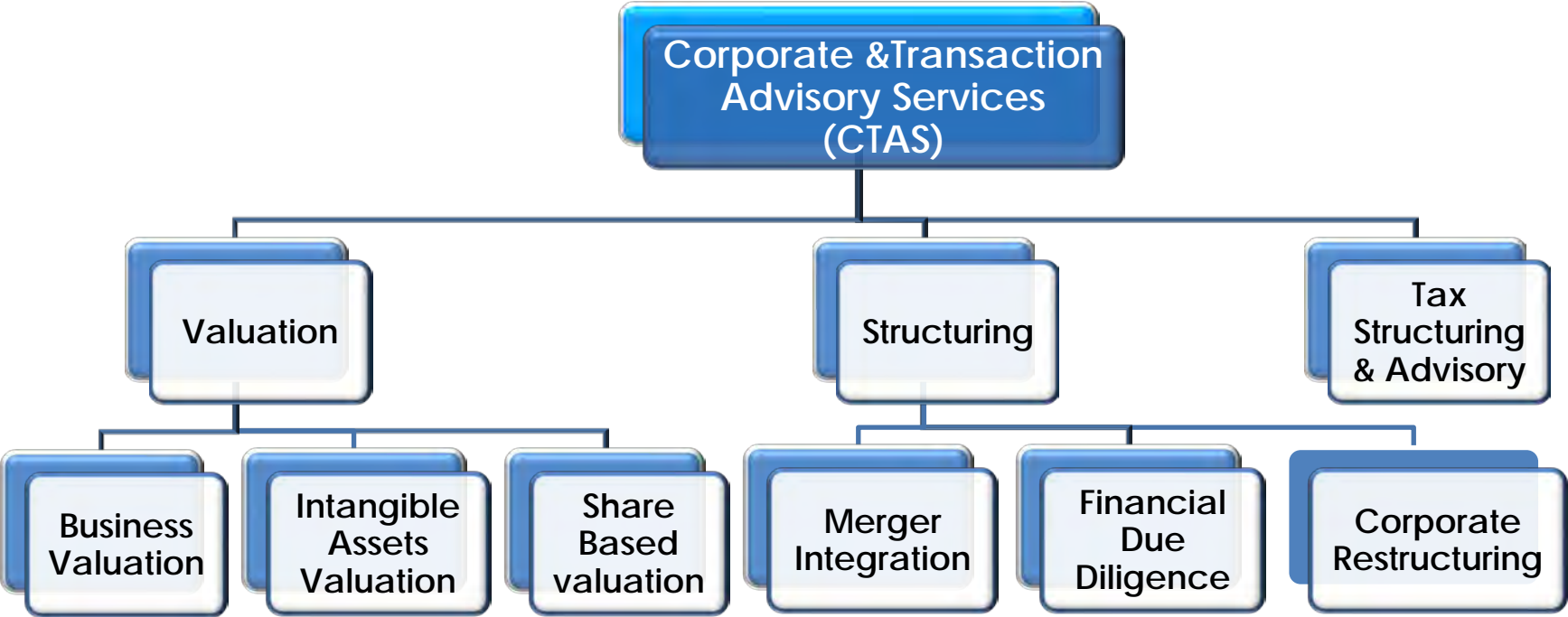
SPA Com Trade Private Limited

- **Commodities Broking arm** of the group, a member of NCDEX & MCX.

Gamut of Services

Wealth Management and Distribution	Investment Banking	Corporate & Transaction Advisory	Issue Management
<ul style="list-style-type: none"> ▪ Wholesale Debt Market ▪ Capital Markets ▪ Equity Derivatives ▪ Mutual Funds ▪ Public Issues ▪ Bonds ▪ Debt Issues ▪ Fixed Deposits ▪ Capital Gains Bond ▪ Infrastructure Bonds ▪ Tax Free Bonds ▪ Other financial products ▪ On-Site Financial ▪ Real Estate Planning & Distribution 	<ul style="list-style-type: none"> ▪ Corporate Finance ▪ Debt Syndication/ Restructuring <ul style="list-style-type: none"> ▪ Loan Syndication & Project finance ▪ Private Placement of Debts ▪ Short Term Debt <ul style="list-style-type: none"> ▪ Commercial Paper ▪ Corporate Deposits ▪ Working Capital Loan/ECB / Term Loans ▪ Financial structuring & Reengineering ▪ Equity & Debt Research ▪ Financial Consultancy & Advisory ▪ Retirement Fund Advisory ▪ Investment Advisory ▪ Take out finance & Debt Refinancing 	<ul style="list-style-type: none"> ▪ Structuring <ul style="list-style-type: none"> ▪ Merger Integration ▪ Financial Due Diligence ▪ Corporate Restructuring ▪ Tax Structuring & Advisory ▪ Private Equity Advisory ▪ ESOPs Advisory ▪ Valuation Services <ul style="list-style-type: none"> ▪ Business Valuation ▪ Intangible Asset Valuation ▪ Share-Based Valuation ▪ Fairness Opinion ▪ Project Management Advisory & Consultancy 	<ul style="list-style-type: none"> ▪ IPO / FPO ▪ Rights Issue ▪ Private Placement-Debt ▪ Public Issue of NCD ▪ QIP deals ▪ Management of Delisting, Buyback & Open offers <div data-bbox="1394 768 1790 846" style="background-color: #003366; color: white; text-align: center; padding: 5px;"> Insurance & Risk Management </div> <ul style="list-style-type: none"> Distribution of <ul style="list-style-type: none"> ▪ Life Insurance ▪ General Insurance Risk Management lenders Insurance agent

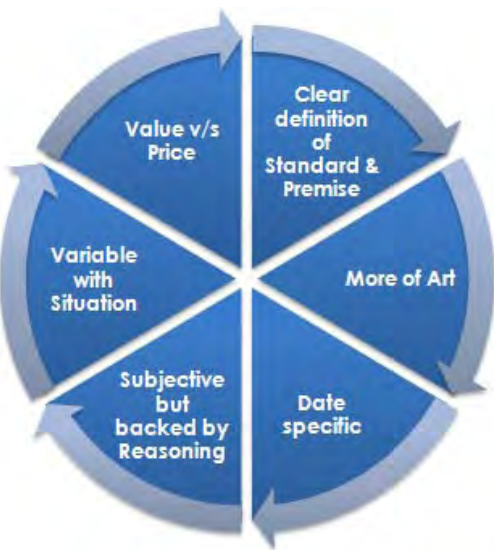
SPA CTAS Model



SPA CTAS - Introduction



- SPA's CTAS Group is a team of highly experienced professionals with specific skills and capabilities focused on the nuances of each transaction. This group goes the extra mile and has the roll-up the shirt sleeves mentality that must exist to successfully complete transactions.
- SPA possesses particular **strengths in advising companies** in transactions. Our seasoned professionals have initiated several transactions in this market. Our experience covers most industry groups and we are equally skilled at representing buyers as well as sellers.
- SPA provides general and special **advisory in mergers, acquisitions, dispositions, leveraged buyouts, ESOPs and spin-offs of publicly-traded and/or closely-held companies.**
- **Independent valuation services** utilizing internationally accepted valuation methodology to produce well reasoned, supportable valuation and financial consulting services
- Valuation exercise undertaken to reach an **accurate value conclusion** – such that a good business valuation **can be successfully defended and supported under critical scrutiny**
- The team consists of Chartered Accountants, CFAs, Company Secretaries **and ICAI Certified Valuation experts**, we have done approx. **2000 valuations** across various sectors, industries and compliance needs.
- Our clientele consist of domestic and multinational companies including **various Fortune 500 companies.**
- **Referrals** from existing clients constitute the **largest single source of clients for SPA.**
- We understand that, clients require more than just the report. We also provide advisory and support before and after the rendering of services.



Mélange of Services - CTAS

The Advisory services we provide broadly cover the following:

M&A

- Analyzing Client Requirements and rationale for the transaction
- Ideation and appropriate advisory for structuring/ executing of the transaction
- Conducting Due Diligence and Valuing company/ies commensurate with transaction
- Identifying potential partners for the transaction and conducting negotiations
- Documentation and Regulatory Compliance
- Deal conclusion and Post Deal support

Internal Restructuring

- Understanding Group structure and objectives – doing probable impact analysis of proposed transaction on other companies in the group
- Designing Restructuring plan for the Board/ management
- Assisting company/ies to finalize business restructuring plan
- Assistance in legal compliance and other aspects of the transaction
- Assistance in regulatory compliance – Disclosure to Stock Exchanges, Assistance in preparation and submission of documents for the purpose of Scheme of Arrangement, Obtaining In Principle approval from Stock Exchanges and Implementation of the Scheme

Fairness Opinion

- Appointed by various companies to offer Fairness opinion on various Schemes of Restructuring – internal, mergers, acquisitions, demerger
- Opinions on Swap Ratio and Valuation of respective company/ies involved in the transaction

Mélange of Services - Valuations

The valuation services we provide broadly cover the following:

Business Valuation

- Acquisition- Domestic & Cross Border
- Merger - Assessment of Swap Ratio
- Fairness Opinion
- Valuation of business segments/divisions for spin off/restructuring
- Share Purchase/Investment/Fund Raising
- Good will & Asset Impairment testing (US GAAP/IFRS/Indian GAAP)
- Fair valuation for statutory/regulatory purposes
- Forensic Valuations including court cases and legal proceedings
- Valuations for Family settlements

Intangible Asset Valuation

- Brand valuation
- Intellectual property valuation
- Asset valuation for purchase price allocation for accounting for business combinations (US GAAP/IFRS)
- Carried Interest valuation
- Derivative Valuation under IFRS

Share- Based Valuation

- Equity Shares/Common Stock for Perquisites taxation
- Sweat Equity
- Stock Options through Black Scholes and Binomial or Lattice technique
- Share based payment awards valuation under IFRS



Valuation under IFRS/ IAS

With IFRS all set to come to India, emphasis will be more on fair value accounting than cost based accounting. Some of the standards where there will be need of fair valuation opinions are:

- Share-based Payment (IFRS 2)
- Business Combination (IFRS 3)
- Financial Instruments Presentation (IAS 32 & IFRS 7)
- Impairment of Assets (IAS 36)
- Financial Instruments Measurement (IAS 39)
- Investment Properties (IAS 40)

SPA provides **Valuation Report, which serves the purpose of financial reporting**, including, but not limited to, the effective date of valuation, the methods and significant assumptions applied in estimating fair value



Intangible Asset Valuation

Intellectual property (IP) and intangible asset (IA) are touching nearly all aspects of a company, from product development to human capital, and staff functions such as legal, accounting, finance to line operations such as R&D, marketing and general management.

Valuation, as noted by Lord Kelvin, provides the potential to enhance our knowledge of intellectual property and to bridge the gap between these disciplines by providing a common set of methods to capture and describe the business, legal and financial aspects of the intangible asset in question. While the applications and even the vocabulary of these field can differ, the underlying valuation methods bear striking similarities, which in turn reduces complexity and helps shed light on key management issues.

We, at SPA, provide **Valuation Report** which uses internationally accepted complex methods but is still easily understandable.



Valuation for RBI under FEMA

As per Notification No. FEMA 120/ RB-2004 & Notification No. FEMA 20 /2000-RB dated 3rd May 2000 , we provide valuation report:

- For remittances under approval route
- For remittances under automatic route
- For Investment in a foreign security by swap/ exchange of shares of an Indian company
- For Transfer by way of gift/ sale by person resident in India to person resident outside India
- For FDI Instruments with optionality clauses

As per Circular No.49, dated May 04, 2010, we provide valuation for:

- Transfer by Resident to Non Resident
- Transfer by Non Resident to Resident

SPA has **extensive knowledge of valuation theory and practical experience** in valuing Foreign and domestic companies; with relevant Expertise in relevant laws



Valuation For Shares of Closely held companies

The Finance Act, 2012 inserted clause (viib) in section 56(2) of Income-tax Act, 1961 wef April 1, 2012 to bring to tax premium received by a company (other than a company in which public are substantially interested), on issue of its shares in excess of Fair Market Value of such shares.

Further, it has been provided that been amended to provide that the valuation for the purposes of clause (viib) has to be certified either by

- a Fellow member of the Institute of Chartered Accountants of India (FCA), who is not be a tax auditor or statutory auditor of the company OR
- by a merchant banker

SPA issues FMV certificate which is in compliance with provisions of Income tax law and circulars issued by Indian Government.



Valuation For Perquisites Taxation

In the Finance Bill 2009, FBT has been abolished, but ESOPs will continue to be taxed as perquisites, basis of which shall remain Fair Market Value. CBDT has issued a notification that in a case where, on the date of exercise of the option, the share in the company is not listed on a recognized stock exchange, the Fair Market Value shall be such value of the share in the company as determined by a Merchant Banker on the specified date.

SPA issues FMV certificate which is in compliance with provisions of Income tax law and circulars issued by Indian Government.

Valuation of ESOP for accounting & other purposes



As per SEBI (ESOP Scheme) 1999, accounting value of options shall be equal to the aggregate, over all employee stock options granted during the accounting period, of the intrinsic value of the option or, if the company so chooses, the Fair Value of the option.

The fair value shall be estimated using an option-pricing model (e.g. Black-Scholes or Binomial Model) that takes into account as of the grant date various parameters to measure the value of the option

SPA assists in designing appropriate equity incentive plans and developing robust models that determine the accounting cost of stock plans.



Valuation under Alternate Investment Funds Guidelines, 2012 by SEBI

SEBI notified the SEBI (Alternative Investment Funds) Regulations, 2012 wef from May 2012. Regulations specify :

- ❑ All AIFs whether operating as Private Equity Funds, Real Estate Funds, Hedge Funds, etc. must register with SEBI under the AIF Regulations.
- ❑ SEBI (Venture Capital Funds) Regulations, 1996 ("VCF Regulations") have been repealed.
- ❑ Existing funds not registered under the VCF Regulations will not be allowed to float any new scheme without registration under AIF Regulations.

SPA assists in compliance to procedures and Regulations of AIF having rich knowledge of laws and regulations

Also, the Alternative Investment Fund shall provide to its investors, a description of its valuation procedure and of the methodology for valuing assets. Category I and Category II Alternative Investment Funds shall undertake valuation of their investments, atleast once in every six months, by an independent valuer appointed by the Alternative Investment Fund.

SPA assists in appropriate Valuations of Investments of the fund adapting appropriate valuation techniques.

Companies Act, 2013 – New Era

Companies Act, 2013 has introduced the concept of Registered Valuer to assess the fair value for certain transactions

Section 62

- Issue of further shares by way of preferential allotment the pricing needs to be in accordance with valuation report obtained from a registered valuer.

Section 192

- Valuation of assets acquired for consideration other than cash either by the director of the company or its holding, subsidiary or associate company or by the company.

Section 230 & 232

- Where a compromise or arrangement is proposed, valuation by the registered valuer is required in respect of the shares and the property and all assets (tangible / intangible / movable / immovable).

Section 236

- Purchase of minority shareholding - Purchase price to be ascertained on the basis of the valuation done by a registered valuer.

Section 281

- In case of winding up, the liquidator needs to submit the report from the registered valuer in respect of the valuation of the assets of the Company.

Section 305

- In case of a Company being wound up voluntarily, a declaration of solvency shall be accompanied by a report of the valuation of the assets of the Company by the registered valuer.

Section 319

- The interest of the shareholder of a Company who did not vote in favour of the special resolution for transfer or sale of property of the Company shall be determined by the registered valuer.

Section 325

- In the winding up of an insolvent company, the value of annuities and future and contingent liabilities shall be determined by the Registered Valuer.

CTAS – select clientele

Transaction
advisory
&
Valuation



Acme Tele Power
(Mauritius) Pvt. Ltd. -
**Investment in Series F
Preference Shares**
\$ 30 mn
eSolar, Inc.




The Blackstone Group®
Blackstone GPV Capital
Partners (Mauritius) V-
H, Ltd. -
Investment in Equity
\$ 64 mn
Gateway Rail Freight Pvt
Ltd




GlobalLogic
Innovation by Design
. GlobalLogic Inc. -
Investment in Equity
\$ 6 mn
Rofous Software (India)
Pvt. Ltd




Marksans Pharma
Marksans Pharma UK
Ltd
Investment in Equity
£ 8.6 mn
Relonchem Limited




R Systems International
Ltd
Investment in Equity
Computaris International
Ltd




Quattro
Beyond the existing
Quattro BPO Solutions
Pvt. Ltd.
Investment in Equity
£ 5.5 mn
Quattro Interactive
Entertainment Solutions
Pvt Ltd



OnMobile
OnMobile Global Ltd
Sale of 9% Equity in
Verse Innovation Private
Limited
to
Omidyar Mauritius




Vertex
Vertex Customer
Services India Pvt. Ltd
**Acquisition through
100% subsidiary in**
Vertex Administration
Limited



Neilsoft
Neilsoft Ltd.
(Aarchforce Inc.)
Merged into
Cadforce, Inc.




Mphasis Ltd
**Foreign Acquisition
through Mphasis Europe
BV & subsidiaries**
Wyde Inc.



CTAS – select clientele

Fairness
opinion-
M&A


 <p>PVR Limited – merger of Leisure World Private Limited (LWPL)</p>	 <p>Axis IT & T Ltd For Corporate Restructuring within Group Companies Axis IT&T Ltd, Axis Aerospace Ltd, Tayana Digital Pvt Ltd, Cades Digital Pvt Ltd</p> 	 <p>Kama Holdings Ltd for proposed Corporate restructuring of Group Companies</p>	 <p>ZEE Entertainment Enterprises Limited for proposed merger of 9X with ZEE Entertainment Enterprises Limited</p> 	 <p>East Coast Steel Ltd for merger of East Coast Steel Ltd. (ECSL) and Mind Factory Entertainment Pvt. Ltd. (MFEPL)</p>
 <p>Jayaswal Neco Industries Ltd for proposed merger of Jayaswal Neco Industries Ltd (JNIL) and Inertia Iron & Steel Industries Pvt. Ltd. (IISPL)</p>	 <p>Bajaj Hindusthan Sugar and Industries Ltd (BHSIL) For Corporate Restructuring Phenil Sugars Private Ltd. (PSPL)</p>	 <p>J&K Sugar Ltd For merger with Dhampur Sugar</p> 	 <p>Network 18 for proposed merger/demerger of Network 18, Infomedia 18 & Television 18</p> 	 <p>Tilak Industries Limited for proposed Amalgamation of Vahni Distilleries Private Limited</p>


CTAS – select clientele

Corporate
Restructu-
-ring

moserbaer™
Moser Baer Investment Limited
(Photovoltaic Holding Plc)
Investment in Equity
\$ 16.1 mn
Moser Baer Solar Plc


moserbaer™
Moser Baer Investments Limited
Investment in Equity
Solaria Corporation
(Nicofly Limited)


moserbaer™
Moser Baer Investment Limited
Purchase of Stake from Peraround Ltd in
SolFcus Inc


Empanelled as
Transaction Advisors for
international Merger &
acquisition

NMDC Ltd

Advisors for preparing
their Business
Restructuring plan

KIOCL Ltd

Empanelled as Financial
& Transaction Consultant
for Business Expansion

MOIL Ltd

Transaction Advisor-
Merger, INR 8,000 Mn

FDC Ltd
Under Process

**Demerger of Solar
Division**

**NKG Infrastructure
Limited**
Under Process

**Composite scheme
of re-structuring**
(Pre & Post High Court
Order compliance)

Under Process
**Jindal Stainless
Limited**

Scheme of demerger
(Pre & Post High Court
Order
compliance)

Under Process
**Mohit Industries
Limited**

Business Valuation – select clientele

Aerospace / Defense



Automobiles



BFSI



Consumer Durables



E-commerce



Education



Business Valuation – select clientele

Food & Beverages



Entertainment & Leisure



Healthcare



Infrastructure



IT & ITES



Business Valuation – select clientele

Media & Entertainment



Mining



Real Estate



Retail



Tele-communication



Others



Client Credentials



"Kept to deadlines, and excellent self explanatory report" – Director Finance, of Media Company

"We are using SPA Capital Advisor's services for share valuations for more than 2 years now. I would have to accept that the services we receive are at par with the best in the industry. The turnaround time is excellent and the technical understanding of complex issues is superb!!" – Finance Controller, MNC IT Solutions Company

"Timely and clear communication, during process and final product was worth the money" - CFO, Telecommunication Company

"This is to place on records our deep appreciation for 'professional services' provided to us from time to time in respect of professional assignments given to you.

In view of your 'valuable services' provided to us, we look forward and expect same in future also" – VP- Secretarial, Media and Entertainment Company

"What they delivered was beyond the assignment, it had a touch of advisory, which was priceless" - CEO, Healthcare Company

"We have been using services of valuation of the shares since 2009. We commend the services provided by them in this regard, which has been professional in content and prompt in delivery." – Financial Advisor, leading Semiconductor Industry player

Registered & Corporate Office

New Delhi

*25, C-Block, Community Centre
Janak Puri, New Delhi -110 058*

Corporate Office

Mumbai

*101, 10th Floor, Mittal Court, A Wing
Nariman Point, Mumbai -400 021*

Branch

Kolkata | Chennai | Bangalore | Hyderabad | Noida | Chandigarh | Agra | Patna | Ahmadabad | Gurgaon



We thank our clientele for having patronized and believing in us for the value added professional & financial leveraged services

and

hope that we shall continue to get the business opportunities based on our merits and credentials.