

STRICTLY PRIVATE AND CONFIDENTIAL

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Puppalaguda, Hyderabad -500089

Date: 21 July, 2018 .

To,
The Board of Directors,
Moschip Semiconductor Technology Limited,
Hyderabad- 500034

To,
The Board of Directors,
First Pass Semiconductors Private Limited,
Hyderabad- 500081

To,
The Board of Directors,
Gigacom Semiconductor Private Limited,
Vishakapatnam- 530003

**Fair Value of the Equity Shares of "First Pass Semiconductors Private Limited" and
"Gigacom Semiconductor Private Limited" as at March 31, 2018**

Dear Sirs,

As requested by you, and in accordance with the terms of our engagement letter dated July 12th 2018 with Moschip Semiconductor Technology Limited, we have undertaken a valuation exercise to determine the fair market value of the fully paid up equity shares of Rs. 10 each of First Pass Semiconductors Private Limited and the fair market value of the fully paid up equity shares of Rs. 10 each of Gigacom Semiconductor Technology Limited as at March 31, 2018.

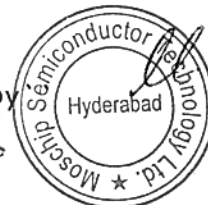
1 Scope and Purpose of this Report

- 1.1. Moschip Semiconductor Technology Limited (herein after referred to as "Moschip") is a publicly listed Company engaged in the business of development and design of System on chip Technologies (Semiconductor) and Internet on Things (IOT) with registered office situated in Hyderabad.



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- 1.2. Moschip proposes to acquire **First Pass Semiconductors Private Limited**, a Private Limited Company incorporated in India with its registered office at Hyderabad (hereinafter referred to as "FPS") and in this connection has entered into a term sheet dated July 2, 2018 with FPS.
- 1.3. Moschip also proposes to acquire **Gigacom Semiconductor Private Limited**, a Private Limited Company incorporated in India with its registered office at Vishakapatnam (hereinafter referred to as "Gigacom India") and in this connection has entered into a term sheet dated July 4, 2018 and an addendum to term sheet dated July 6, 2018 with Gigacom India.
- 1.4. Both FPS and Gigacom India are not related parties of Moschip and there are no significant common shareholders. However, there are common shareholders between FPS and Gigacom India.
- 1.5. As per the term sheet with FPS, Moschip proposes to purchase 2,28,750 equity shares of FPS at a price of Rs. 205.52 per share aggregating to Rs. 470.127 lakhs and acquire the balance 10,21,250 shares of FPS by way of merger by issue of 46,65,000 fully paid up equity shares of Moschip under a scheme of amalgamation. Moschip also proposes to pay Rs. 330 lakhs to the employees of FPS as a part of the proposal.
- 1.6. As per the term sheet and the addendum with Gigacom India, Moschip proposes to acquire the entire 10,000 fully paid up equity shares of Gigacom India by issue of 22,34,000 fully paid up equity shares of Moschip under a scheme of amalgamation.
- 1.7. Moschip proposes to enter into a draft scheme of amalgamation with FPS and Gigacom India for carrying out the transaction.
- 1.8. As requested, we have carried out an independent valuation of FPS and Gigacom India with a view to arrive at the fair value of equity shares of FPS and Gigacom India and subsequent thereto to arrive at a swap ratio for issue of Moschip equity shares. For the purpose of the swap ratio, the 26 weeks average of the quoted market price of the equity shares of Moschip at the valuation date as applicable to a preferential issue, under the requirements of SEBI (ICDR) Regulations, 2009 is considered.
- 1.9. The information contained herein and this report is absolutely confidential. It is intended only for the sole use and information of your Company and only in connection with the proposed acquisition of FPS and Gigacom India. We are not responsible to any other person / party for any decision of such person or party based on this report. Any person / party intending to provide finance / invest in



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the shares/ business of FPS or Gigacom India shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed transfer of equity shares as aforesaid can be done only with our prior permission in writing.

2. Sources of Information

2.1. For the purposes of the valuation exercise, we have relied upon the following sources of information:

- a. Audited financial statements of FPS and Gigacom India for the financial years 2015-16 and 2016-17.
- b. Provisional financial statements of FPS and Gigacom India for the financial year 2017-18 as provided by the management of these Companies.
- c. Projected financial statements prepared and furnished by the managements of FPS and Gigacom India for the financial years 2018-19 to 2022-23 indicating the future financial performance of these Companies.
- d. Such other information and explanations, which we believed were relevant to the present exercise and which have been provided by the management of FPS and Gigacom India.

3. Assumptions

3.1. The primary assumptions pertaining to the valuation under various methods detailed in this report are enclosed as **Annexure 1**.

3.2. We have carried out an independent evaluation of the aforesaid documents and information and have determined the fair value of the equity shares of FPS and Gigacom India, taking into account the assumptions as mentioned in Annexure 1

4. Exclusions and Limitations

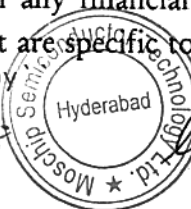
4.1. This report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

4.2. Our work does not constitute an audit, due diligence or certification of the historical financial statements including the working results of FPS, Gigacom India or their business undertakings referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report. Valuation analysis and result are specific to the purpose



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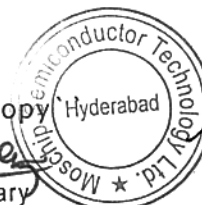
of valuation and the valuation date is as agreed per terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity. The Valuation engagement does not include any procedures designed to discover any defalcations or other irregularities, should any exist.

- 4.3. Valuation analysis and results are also specific to the date of this report. A valuation of this nature involves consideration of various factors including but not restricted to industry trends in particular. Our report is issued on the understanding that FPS and Gigacom India have drawn our attention to all the matters, which they are aware of concerning the financial position of their Companies and any other matter, which may have an impact on our opinion, on the fair value of the equity shares of these Companies, including any significant changes that have taken place or are likely to take place in the financial position of the Companies subsequent to the proposed acquisition. We have no responsibility to update this report for event and circumstances occurring after the date of this report.
- 4.4. In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data. We have evaluated the information provided to us by FPS and Gigacom India, through broad inquiry analysis and review (but have not independently investigated or otherwise verified the data provided). The terms of our engagement were such that we were entitled to rely upon the information provided by FPS and Gigacom India. Also, we have been given to understand by the management of FPS and Gigacom India that they have not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility for any errors in the above information furnished by FPS and Gigacom India and their impact on the present exercise. It is further assumed that there is full compliance with all applicable central, state, and local environmental regulations and laws.
- 4.5. No investigation of FPS and Gigacom India's claim to title of assets has been made for the purpose of this valuation and its claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 4.6. We have not conducted or provided an analysis or prepared a model for any fixed assets valuation and have wholly relied on information provided by FPS and Gigacom India's management in that regard.



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5. Brief background of FPS and Gigacom India

- 5.1. **First Pass Semiconductors Private Limited** is a Private Limited Company incorporated under the Companies Act, 1956 on 3rd November 2010 engaged in the business of providing ASIC design services. Its registered office is situated at Plot No 11, Galton Centre, Shipli Valley, Vittal Rao Nagar Rd, Vittal Rao Nagar, Madhapur, Hyderabad, Telangana 500081. FPS is promoted by **Mr. Srinivasa Rao K** and **Mr. Giri Kondaveeti**.
- 5.2. **Gigacom Semiconductor Private Limited** is a limited liability Company incorporated under the Companies Act, 1956 on 12 September 2012 primarily started as a service delivery centre for Gigacom Semiconductor LLC. Its registered office is situated at 8th Floor, MVR's Vinayagar Trade Center, VIP Road, Vishakapatnam, Andhra Pradesh - 530003, India. The Company is promoted by Mr. Venkata Sudhakar Simhadri.
- 5.3. The paidup share capital of **First Pass Semiconductors Private Limited** as on 31st March 2018 is Rs. 1,25,00,000 comprising of 12,50,000 Equity Shares of Rs.10 each fully paid up and the paid up capital of **Gigacom Semiconductor Private Limited** as on 31st May 2018 is INR 100,000 comprising of 10,000 Equity Shares of INR 10 each fully paid up.
- 5.4. The revenue of FPS for the year ended 31 March 2018 as per the provisional financials is Rs. 1,243 lakhs and the profit before tax is Rs. 100.21 lakhs. The revenue of Gigacom India for the year ended 31 March 2018 as per the provisional financials is INR 398 lakhs and the profit before tax is Rs. 50.41 lakhs.

6. Valuation Approach

- 6.1. Valuation by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions. There can therefore be no standard formulae to establish an indisputable value, although certain formulae are helpful in assessing reasonableness.

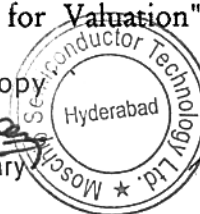
There are two internationally accepted valuation methodologies for arriving at the fair value of a share namely, the income approach and the market approach.

Guidance is also available from the Institute of Chartered Accountants of India (ICAI) which has published a "Technical Guide for Valuation" in 2009 and



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prescribes the approaches for generally accepted valuation methodologies such as the Income approach and the market approach similar to the internationally accepted valuation methodologies. However, ICAI also allows for a third method which is the asset approach for arriving at the fair value of a share.

Ind AS 113, "Fair Value Measurement" prescribes the fair value hierarchy for measuring the fair value of an equity instrument as (i) using the quoted price in an active market for an identical item (ii) other observable inputs like the quoted price in a market that is not active for an identical item and (iii) using valuation techniques such as income approach and market approach.

For the purpose of determining fair value, a valuer may therefore, use any of the approaches as per the generally / internationally accepted valuation methodologies which in its opinion are most appropriate based on the facts of each valuation. Reliance is placed on the case of Dr. Mrs. Renuka Datla vs. Solvay Pharmaceutical B.V. & Ors on 30 October, 2003, in which it was held that, a valuer has to give a justification for selecting or rejecting a method.

The internationally / generally accepted valuation methodologies have been discussed hereinafter, along with the reasons for choice of approach used based on the facts of the case.

6.2. Income Approach

Usually under the Income Based Approach, the methods that maybe applied are Discounted Cash Flow (DCF) Method or the Price Earning Capacity Value (PECV) Method.

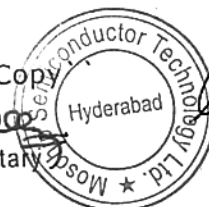
Under DCF method, the future free cash flows of the business are discounted to the valuation date to arrive at the present value of the cash flows of the business or capitalized using a discount rate depending on the capital structure of the company. This approach also takes into account the value of the business in perpetuity by the calculation of terminal value using the exit multiple method or the perpetuity growth method, whichever is appropriate.

Under PECV method, the average earning on the basis of past 3 to 5 years are first determined, adjustments are then made for any exceptional transactions or items of non- recurring nature. The adjusted average earning are then capitalized at an appropriate rate to arrive at the value of business. The capitalization rate so factored has to be decided depending upon various factors such as the earning trend in the industries, P/E prevailing in the industries etc.



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6.3. Market Approach

Under this approach the valuation is done on the basis of the quoted market price of the company in case it is a publicly traded company, or publicly traded comparable businesses / date is reviewed in order to identify a peer group similar to the subject company and then their multiples are applied to the entity being valued to determine the fair value.

Usually under the market based approach, the methods that maybe applied are Market Price Method, Comparable Multiple Method (CMM), Comparable Transaction Method (CTM) or Price of Recent Investment Method (PORI). Under CMM method various multiple like EV/Sales, EV/EBITDA, P/BV, P/E, Price/Sales can be used to value a business depending upon the facts and circumstances of the cases.

6.4. Assets Approach

Under this approach, the book value / replaceable value / realizable value of the underlying assets of the company is determined to arrive at the value of the business, depending on the facts and circumstances applicable to a company. This methodology is likely to be appropriate for businesses which derive value mainly from the underlying value of its assets rather than its earnings, such as in the case of real estate business or investment business.

Usually under the assets based approach, the methods that maybe applied are Net Book Value Method, Net Replaceable Value, Net Realizable Value.

6.5. Basis and conclusion for adoption of approach

Since, FPS and Gigacom India are services driven organizations; with profits in the past and the belief of the management to meet the future projections; we have considered to take an average of both the Income approaches by giving more weightage to DCF and lesser weightage to PECV.

The market approach is not relevant in the current case, as FPS and Gigacom India are not publicly traded and there are no market quotations or a similar peer group.

The assets approach is also not relevant in the current case, as the value of the Business of FPS and Gigacom India are not derived by the assets held and the Business is not capital intensive.

For the purpose of valuation of Moschip, the Income approach is not considered as Moschip has not made any profits in the past. The assets approach is also not relevant as the Business of Moschip is not derived by the assets held by the Company. Since, Moschip is a publicly listed Company and the equity shares of Moschip are widely traded, we have considered the market price approach for the fair valuation of equity shares of Moschip.



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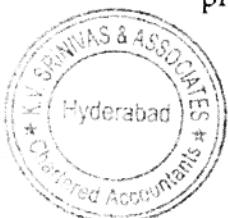
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7. Valuation Analysis - DCF

- 7.1. Discounted Cash Flow model indicates the fair market value of a business based on the value of cash flows that a business is expected to generate in future. This method involves the estimation of post-tax "Operating cash flows (EBITDA)" for the projected period, after taking into account the business's requirement of reinvestment in terms of capital expenditure and incremental working capital. In this method, the cash flows are projected for a definite period into the future, which generally is an extra-ordinary growth period and after this definite period, a terminal value is computed assuming a stable growth period. The cash flows for the discrete period and the terminal value are aggregated as on the valuation date to arrive at the Value under the DCF method. The DCF technique is essentially based on cash flow projections, discount rate and the terminal value.
- 7.2. The management of FPS and Gigacom India have prepared financial projections for the period of 5 years from Financial Year 2018-19 to Financial Year 2022-23. We have relied on these projections and the respective managements assured that the projections are the best estimates taking into account various macro conditions and micro factors like competition, demand projections, capacity, earning capability, management bandwidth etc.
- 7.3. We adopted a discount rate of 19.05% and growth rate of 2.65% for the purposes of discounting the future cash flows and the same is arrived as detailed in Annexure 1.

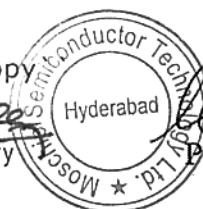
8. Valuation Analysis - PECV

- 8.1. Under the PECV method, value of a Business is arrived at by capitalizing its future maintainable profits after adjusting for non-recurring, unusual, abnormal items of income and expenditure.
- 8.2. Thus the PECV method requires the determination of three relevant parameters of the Business being valued. These are "future maintainable profits", "the appropriate future tax rate" and "the capitalization rate". The PECV is a multiple of the maintainable profits and the capitalization rate.
- 8.3. For this purpose we have considered the maintainable profits for the Financial Years 2015-16, 2016-17 and 2017-18 and obtained the weighted average maintainable profits.



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8.4. The capitalization rate for the above purposes is arrived at by taking average PE ratio of Software Small and Medium Companies listed in the BSE and having a turnover between INR 50 Crores and INR 255 Crores, which stood at 25.465 times for the year ended 31 March 2018.

9. **Valuation Analysis – Market price method**

9.1. Under the market price method, the higher of the average of the weekly high and low of the closing prices of the equity shares quoted on the Stock exchange during 26 weeks preceding the relevant date OR 2 weeks preceding the relevant date.

9.2. The relevant date for this valuation is 23rd July, the day on which the proposed scheme of amalgamation is proposed to be placed before the Board of Directors of Moschip for approval.

10. **Recommendation of fair value of equity shares for the proposed acquisition:**

10.1. Though different values have been arrived at under each of the above two methodologies, for the purposes of recommending a fair market value of the shares of FPS and Gigacom India, it is necessary to arrive at a single value for the equity share of the Companies. It is however important to note that in doing so, we are not attempting to arrive at the absolute value of the equity shares of FPS and Gigacom India, but an indicative fair market value based on accepted valuation methodologies. Considering the fact that business of FPS and Gigacom India are intended to be continued on a “going concern” basis and the Business is at a stage where the management expects it to grow, we have taken the weighted average of the values determined under DCF method and PECV method, in arriving at the fair market values.

10.2. The average fair market value is to be divided by the number of outstanding equity shares of FPS and Gigacom India to arrive at the Fair value of each equity share of FPS and Gigacom India.

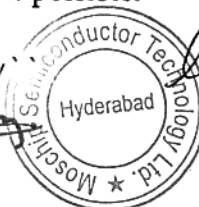
10.3. In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. quality and integrity of the management, present and prospective competition, yield on comparable securities and market sentiment etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of the share. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.



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10.4. In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove referred to earlier in this report, in our opinion, the fair value of equity shares is arrived as under:

- a. FPS - Rs. 2,455.39 Lakhs (Calculations are enclosed as Annexure 2)
- b. Gigacom India - Rs. 761.02 Lakhs (Calculations are enclosed as Annexure 3)

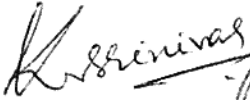
The value per equity share is arrived as under:

- a. FPS - Rs. 196.43 (considering the total number of shares outstanding at 12,50,000 as on 31 March 2018).
- b. Gigacom India - Rs. 7,610.17 (considering the total number of shares outstanding at 10,000 as on 31 March 2018).
- c. Moschip - Rs. 33.36 (Average of 26 weeks as at 21st July 2018)

11. Swap ratio:


- 11.1. The swap ratio for FPS based on the fair value of the equity share is at 4.86 i.e. 4.86 shares of Moschip for one share held in FPS. The swap ratio for Gigacom India based on the fair value of the equity share is at 228.12 i.e. 228.12 shares of Moschip for one share held in Gigacom India. (Calculations are enclosed as Annexure 4)
- 11.2. The swap ratio of FPS as prescribed by Moschip is at 4.57 and it is within the limits of the swap ratio of 4.86 arrived at in this valuation.
- 11.3. The swap ratio of Gigacom India as prescribed by Moschip is at 223.4 and it is within the limits of the swap ratio of 228.12 arrived at in this valuation.

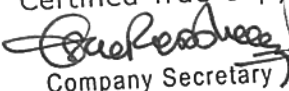
Yours faithfully
for K.V. Srinivas & Associates,
ICAI Firm Registration No. 016283S

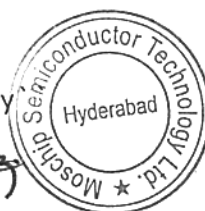

K. Vijay Srinivas
Proprietor
M. No. 211565



Yours faithfully


CA Bhavani Shankar Mylavarapu
Practicing Chartered Accountant
M. No.216663

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Annexure 1 - Assumptions

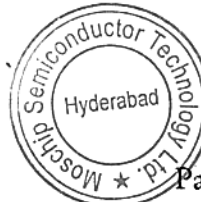
S.No	Particulars	Adopted	Remarks
1	Projected Financials		The projected financials are based on the workings provided by the management. Explicit growth period of 5 years considered.
2	Cash Flows considered for DCF method		EBIDTA / Working capital change / Capex renewal / Taxes in India etc.
3	Risk Free Return	7.17%	India 10 year Bond coupon rate
4	Equity Risk Premium	5.08%	Equity Risk Premium is from www.stern.nyu.edu/~adamodar/pc/datasets/ctryprem.xls , published by Aswath Damodaran from NYE Stern School of Business.
5	Country Risk	2.19%	Country Risk is from www.stern.nyu.edu/~adamodar/pc/datasets/ctryprem.xls , published by Aswath Damodaran from NYE Stern School of Business
6	Beta	1.15	Beta is calculated as a co-variance of BSE 500 Index to BSE Small Cap for 3 years.
7	Cost of Equity (3+4+5)*6	16.55%	Cost of Equity is arrived by applying the following formula: (Risk Free Return + Equity Risk Premium)
8	Additional Risk Premium for Unlisted Status	2.50%	Additional discounting for unlisted status of the Company
9	Total Cost of Equity (7+8)	19.05%	Additional risk premium of 2.50% towards unlisted status of the Company is added to cost of equity at S.No 7
10	Projected GDP Growth Rate	7.50%	http://www.grantthornton.in/globalassets/1.-member-firms/india/assets/pdfs/grant_thornton-valuation_insights-october_2015.pdf
11	Projected Inflation Growth Rate	4.85%	https://www.statista.com/statistics/271322/inflation-rate-in-india/
12	Growth Rate (10-11)	2.65%	Growth rate (Projected average growth rate of 7.5% for the Indian economy after adjusting for inflation of 4.85%) which is deducted from the total cost of equity for computing the terminal value.



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Annexure 2 - Valuation of FPS

A. DCF method:

Discounted cash flow	T-2	T-1	T0	T1	T2	T3	T4	T5	Terminal
INR lakhs	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	Value
Revenue (A)	599	942	1,243	2,023	2,598	3,244	4,128	5,345	
EBIDTA (B)	132.44	111.06	113.90	267.86	538.52	703.84	936.06	1,262.30	
EBIDTA % (C)	22.12%	11.79%	9.17%	13.24%	20.73%	21.69%	22.67%	23.62%	
NOPAT (D)	87.98	65.38	71.53	193.65	386.46	503.16	667.17	900.49	
Adjustments:									
Depreciation (E)				3.90	6.78	10.01	14.43	16.61	
Working capital adjustment (F)				(169.29)	(124.00)	(139.18)	(190.52)	(262.17)	
Estimated capital expenditure (G)				(15.60)	(11.51)	(12.92)	(17.68)	(24.34)	
Free cash flows (H=D+E+F+G)				12.66	257.72	361.07	473.40	630.60	630.60
Discount factor (I)				0.92	0.77	0.65	0.54	0.46	0.46
Present value of free cash flows (J=H*I)				11.61	198.41	233.50	257.16	287.74	287.74
Terminal value (K)									1,755
Sum of present value of cash flows	988.41								
Present value of terminal value	1,754.69								
Enterprise value	2,743.10								
Cash balance (FD balances)	79.00								
Entity value as per DCF	2,822.10								

B. PECV method:

INR lakhs	T-2	T-1	T0
	FY 15-16	FY 16-17	FY 17-18
Reported profit before tax and other income	107.69	87.97	93.29
Weights	1	2	3
Weighted profits	107.69	175.94	279.87
Maintainable PBT	93.92		
Tax rate (28%)	26.30		
Maintainable PAT	67.62		
PE multiple	25.47		
Capitalised value of Business as per PECV	1,721.95		

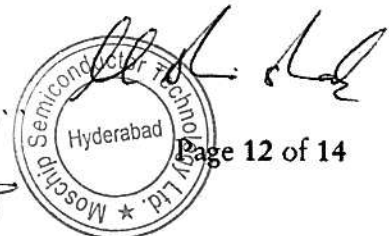
C. Summary:

Valuation Methodology	Amount	Weights	Value
DCF method	2,822.10	2	5,644.21
PECV method	1,721.95	1	1,721.95
Total		3	7,366.16
Weighted average valuation			2,455.39



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Annexure 3 - Valuation of Gigacom India**A. DCF method:**

Discounted cash flow		T-2	T-1	T0	T1	T2	T3	T4	T5	Terminal
INR lakhs		FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	Value
Revenue (A)		198	291	398	557	780	1,092	1,420	1,846	
EBIDTA (B)		21.00	19.40	56.89	77.72	113.41	164.04	217.07	286.55	
EBIDTA % (C)		10.61%	6.67%	14.29%	13.95%	14.54%	15.02%	15.29%	15.53%	
NOPAT (D)		16.58	8.22	32.73	58.99	83.88	119.21	156.22	205.28	
Adjustments:										
Depreciation (E)					0.80	1.91	3.47	5.11	6.44	
Working capital adjustment (F)					(6.49)	(9.09)	(12.72)	(13.36)	(17.36)	
Estimated capital expenditure (G)					(3.18)	(4.46)	(6.24)	(6.55)	(8.52)	
Free cash flows (H=D+E+F+G)					50.11	72.25	103.72	141.42	185.84	185.84
Discount factor (I)					0.92	0.77	0.65	0.54	0.46	0.46
Present value of free cash flows (J=H*I)					45.93	55.62	67.07	76.82	84.80	84.80
Terminal value (K)										517
Sum of present value of cash flows	330.24									
Present value of terminal value	517.12									
Enterprise value	847.36									
Cash balance (FD balances)	-									
Entity value as per DCF	847.36									

B. PECV method:

INR lakhs		T-2	T-1	T0
		FY 15-16	FY 16-17	FY 17-18
Reported profit before tax and other income		16.40	12.45	50.41
Weights		1	2	3
Weighted profits		16.40	24.90	151.23
Maintainable PBT	32.09			
Tax rate (28%)	8.98			
Maintainable PAT	23.10			
PE multiple	25.47			
Capitalised value of Business as per PECV	588.33			

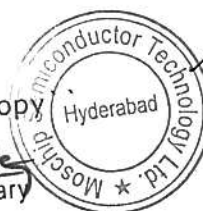
C. Summary:

Valuation Methodology	Amount	Weights	Value
DCF method	847.36	2	1,694.72
PECV method	588.33	1	588.33
Total		3	2,283.05
Weighted average valuation			761.02



K. Srinivas

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 Company Secretary



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Annexure 4 - Swap ratio

Company	FPS	Gigacom India
Total paid up equity shares (A)	1,250,000	10,000
No. of shares purchased against cash consideration (B)	228,750	-
Value of cash consideration (INR lakhs) (C)	800	-
Number of shares to be acquired in swap (D=A-B)	1,021,250	10,000
Fair value as per valuation in INR lakhs (E)	2,455	761
Fair value per share of Moschip (F)	33.36	33.36
Number of shares of Moschip at the fair value (G=(E-C)/F*10 ⁵)	4,962,190	2,281,226
Swap ratio at fair value (H=G/D)	4.86	228.12
Swap ratio proposed by Moschip (I)	4.57	223.40



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