AN

INVESTOR UPDATE

VOL I

SEP 2023

Promotes the progress of science and technology

Advances national health and prosperity

Helps to secure and lead in key strategic technologies

The IIT Alumni Group's objective in setting up the Fund:

Create a rotating corpus to fund technological interventions in the social sector to catalyse national development. This is like a NGO with a fixed large corpus. But similar to a hundred conventional NGOs.

Replicate the governance structure of a corporate in a highly transparent investment company structure similar to the one followed by Berkshire Hathaway. Perpetual sustainability which is personality free is important.

Create a highly efficient investment program which is characterised by low fees and operating overhead. - achieved through volunteer teams rather than salaried employees. And its ability to access transactions on a preferential basis.

It does so through

Research in frontier and exponential technologies like biosciences and data sciences

Validation studies for ancient wisdom in the context of new discoveries and understanding

Startup funding to develop key technologies in defence, climate change, health, inclusion etc.

PanIIT Fund places purpose over profit and impact over revenue. This is done through:

Making financial and technological interventions to correct market failure in areas like climate change and health.

Creating an elaborate structure that can cater to all sources of social funding - CSR, 80G, grants, equity.

Enabling patient investing without any short term exit needs. The Fund proposes to maximise impact by transferring investments to interested parties at reasonable transfer terms.

Howdy Modi 2019

C19 Task Force 2020

Ayushca Hospotels 2021

Shambhala Forests 2022

Net-Zero fuels 2023

Ease of doing business 2024

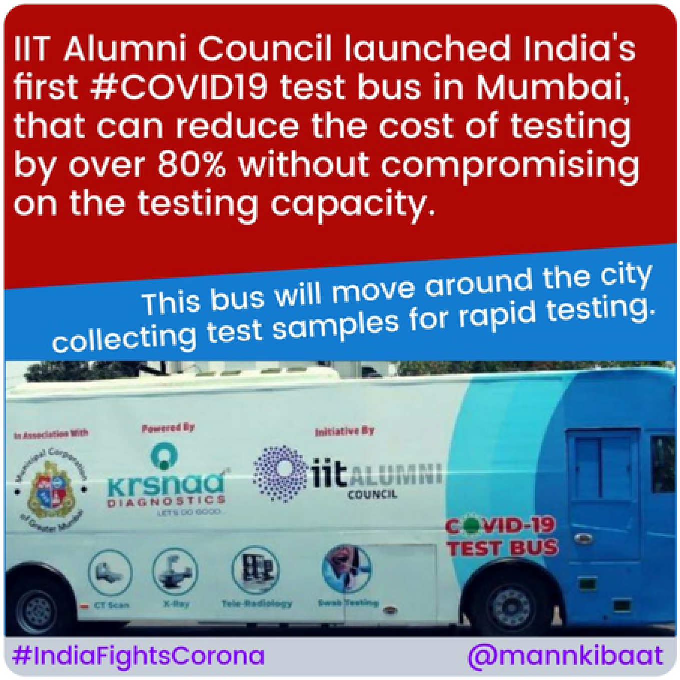
The PanIIT Fund helped conceive and organise the Howdy Modi event in 2019, the Rs 700 crore covid initiative in 2020, the 50,000 bed medical tourism infrastructure initiative in 2021, the 100K sqKm forest revival mission in 2022 and the net zero fuel innovations in 2023.


nrg stadium
HOWDY, MODI !!
HOUSTON, TX
Welcome to
nrg park
WE ARE TEXANS
Coca-Cola
ZERO SUGAR
WM
WASTE MANAGEMENT
UNITED AIRLINES
Ford
reliant
an NRG company


Howdy, Modi!


nrg stadium
UD LIGHT PLAZA

The mass genetic testing initiative of the C19 Task Force helped create cost effective indigenous testing capacity.



Mental Health of patients in particular and the home locked population in general was one of the primary challenges facing the Covid task force. To address this, the Council organised music competitions and arranged live events at the covid centres.

Sneak Peak Into Mumbai's Jumbo COVID Facility At NSCI | Coronavirus P...

The sprawling stadium of the National Spor...

www.youtube.com

https://www.youtube.com/watch?v=gTDYdyh-if0&t=0s

1:27 PM

IIT Alumni Council Announces the Winner of Global Challenge on Covid19 Pool Testing Strategy

Please find enclosed the Press Release from IIT Alumni Council.

IIT Alumni Council is the largest global body of alumni, students and faculty across all 23 IITs having 100+ city chapters.

With over 20,000 active technologist participants, the Council rallies the considerable resources of the global IIT alumni to catalyze technological and financial interventions towards nation building.

We look forward to your support in making this movement stronger.

Regards

Media Cell
IIT Alumni Council
media@iitalumnicouncil.org
www.iitalumnicouncil.org
M : +91 93155 2123
T : +1 650 9008833

10:41 PM

Tata Hosp treats Covid-positive cancer patients at NSCI Dome

Mumbai: When 33-year-old Gopal Bhakta, a farmer from West Bengal, came to Mumbai for cancer treatment eight months back, he hadn't expected to spend nine days in isolation. "I didn't have any symptoms, but when I went for my 11th chemotherapy session to Tata Memorial Hospital in Parel, I tested positive for Covid-19," said Bhakta, who was diagnosed with bone soft tissue cancer on his left hand in 2019.

On May 7, he was transferred to the 500-bed Covid care centre at NSCI Dome in Worli set up by surgeon Dr Muffazal Lakdawala. A 50-bed section is reserved for cancer patients who are treated by oncologists from Tata Memorial Hospital. "Doctors from Tata check on us daily," said Bhakta, who is among the 60-odd cancer patients—some as young as two years old—who have been treated at NSCI Dome over the last couple of weeks.


Patients leave NSCI Dome at Worli after discharge

While Tata Memorial Hospital has been treating Covid-19 patients who tested positive during treatment, the NSCI extension has been helpful, said doctors. "Our doctors have also been treating cancer patients who tested positive for Covid at Nair Hospital," said Tata Memorial Hospital's cancer surgeon Dr Pankaj Chaturvedi, who is overseeing the hospital's NSCI section.

Said Dr Lakdawala: "We are a Covid care centre-2, taking care of mild to asymptomatic patients. We have treated 700 patients so far, 300 of whom have been discharged. As pregnant women and cancer patients are refused admission in private hospitals, we decided to make space for them." The NSCI centre is in the process of adding a 50-bed ICU. TNN

10:41 PM

When the game is speed and grading is relative, there is no other technocrat group with the speed, hunger and resources of the IIT Alumni group. The virus was a competitor worthy of a fight. 27,000 alumni joined the movement.


DIGESTIVE HEALTH INSTITUTE

IIT ALUMNI
MegaLab
community megalab.in

IIT Alumni Council

PanIIT Incubator Pvt Ltd

PanIIT Alumni Pvt Ltd

PanIIT Institute Pvt Ltd

PanIIT Foundation

PanIIT Forum

The PanIIT Fund seed-funded the creation, revival or upgradation of the most effective IIT alumni network entities. The primary focus of these entities is national development and not giving back to the alma mater or to the already well-off alumni community.

COUNCIL

GLOBAL UMBRELLA BODY OF IIT ALUMNI INTERESTED IN CONTRIBUTING TO NATIONAL DEVELOPMENT

IITalumnicouncil.org

With over 42,000 members across 100 city chapters globally, the IIT Alumni Council is the largest alumni body of IIT graduates and post graduates in the world.

The Council organised the HowdyModi event in September 2019 and the Rs 700 crore covid initiative in Mumbai which was covered by WHO, Man Ki Baat of PMO and even the Kapil Sharma Show.

PanIIT Fund is proud to be the first and only institutional investor in the IIT Alumni Council.

IIT ALUMNI COUNCIL

IIT Alumni Council is a privately funded, independent, autonomous and non-profit organisation registered under Section 8 of the Indian Companies Act.

IITAlumniCouncil.org

IIT Alumni Council was launched on Independence Day 2019 as the anchor organisation for a global movement of IIT Alumni who were committed to

SUPPORTING
socio-economic development of India through technological and financial interventions

PROMOTING
Brand India and
Brand IIT Alumni, and

IMPLEMENTING
venture capital and startup paradigms for the above

How it all began ...

It was a simple thought that stoked this movement in the year 2017...

"Can we as alumni shift our focus from merely looking after the 'well-off' alumni or 'well funded' alma mater to serving the country? Not as donors but as solution providers to pressing socio-economic challenges."

"United, we can act as a force multiplier like no other community can."

"It is high time that we catalysed & enabled greater reach of technology to solve complex national challenges."

IIT Alumni Council is now the largest global body of alumni across all the twenty-three IITs and partnering Universities.

The IIT Alumni Council aspires to align Alumni resources towards catalysing India's technological renaissance for a digital society.

The member alumni actively participate in social ventures that are configured to solve key national challenges through the deployment of appropriate technologies using the well-proven venture capital-funded start-up format.

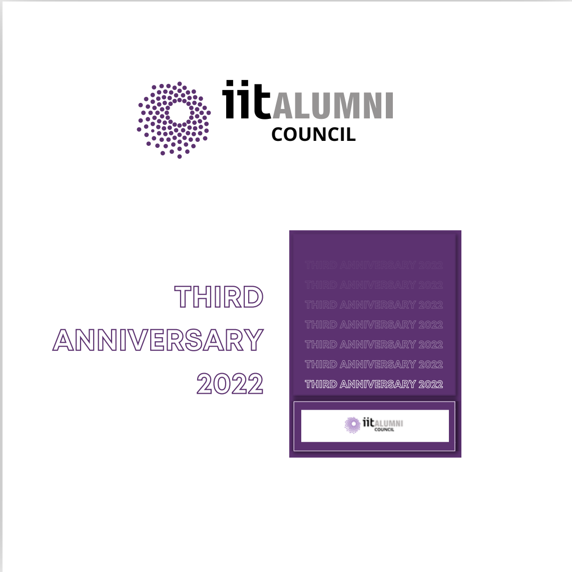
Ravi Sharma
President
& Chief Volunteer

iit ALUMNI COUNCIL

IIT ALUMNI COUNCIL -3RD ANNIVERSARY

the council celebrated ITS 3rd ANNIVERSARY on AUG 15 .2022

anniversary.iitac.online



The first two years of the Council were dedicated to activities relating to the Covid pandemic. In the third year, the Council pivoted back to it's original vision of creating a deeptech ecosystem which would contribute to national development.

In furtherance of this objective, the Council created six mission organisations which have now been rationalised to three mission organisations and three mission facilitators.

mission organisations

megaLab.in

megaFund.in

megaReach.in

MEGALAB

HEALTHSPAN ENHANCEMENT INITIATIVE

megalab.in

The C19 Task Force was set up by the IIT Alumni Council as a Rs 700 crore initiative to catalyse the national fight against Covid. The C19 Task Force morphed into the MegaLab mission in August 2021.

MegaLab advances preventive health and longevity through a fusion of traditional medicine systems with cutting-edge technologies and artificial intelligence.

MEGAFUND

MEGALAB

MEGAREACH

MegaFund is a consortium of funds which includes the PanIIT Fund. It also interfaces with the two other mission organisations under the quality of life initiative - MEGAREACH and MEGALAB

MEGAREACH

GLOBAL ALUMNI OUTREACH AND PARTICIPATION

megareach.in

MEGAREACH

MegaReach
for an outreach to IIT alumni around the world who can help in the identification, development and deployment of key technologies involved in the MegaFund's target areas for investment.

iitALUMNI COUNCIL

megaSpheres

QUALITY OF LIFE INITIATIVE
OF THE IIT ALUMNI COUNCIL

. IIT Alumni Council initiatives .

In pursuit of its mission, MegaFund supports three facilitator organisations - FORUM, INCUBATOR & INSTITUTE

FORUM

.PROJECT EXECUTION.

INCUBATOR

.STARTUP ACCELERATOR.

INSTITUTE

.APPLIED RESEARCH .

FORUM

PROJECT IMPLEMENTATION AGENCY

forums.org.in

A central project implementation and compliance platform which implements pilot projects for technology demonstration and validation. The Forum also does esg, environment and concurrent audits for impact assessment studies.

INCUBATOR

TECHNOLOGY STARTUP ACCELERATOR

incubator.org.in

Startup accelerator, which works on a venture studio model to pivot or incubate projects in identified areas with the objective of catalysing the creation of professionally-managed, board-run companies which are build ground-up for early stage listing on a stock market.

INSTITUTE

APPLIED RESEARCH ORGANISATION

institute.net.in

A research platform which identifies appropriate resources from industry, research institutions and academia to meet the needs of ventures and projects supported by the various mission organisations and facilitators of the IIT Alumni Council.

PanIIT Fund undertakes three core activities through these linkages:

It promotes the development of appropriate technologies

It facilitates the creation of a deeptech startup ecosystem to commercialise the technologies

4

It catalyses the creation of entities like incubators & project implementation entities to fill gaps in the existing deeptech ecosystem

PanIIT Fund-supported projects include

ayushca
AN IIT ALUMNI COUNCIL INITIATIVE

ayushca.iitac.online

Shambhala
SACRED LUXURY

shambhala.iitac.online

COAL2CNG

MICROBIAL METHANATION OF COAL TECHNOLOGY

coal.iitac.online

AYUSHCA

HEALTH VILLAGE WITH SUSTAINABLE HABITATS

ayushca.org

Ayushca is conceptualised as a next-generation, self-contained private biosphere to accommodate up to 50,000 residents. The smart health villages have been configured to fit in three land parcel sizes - 30 acres, 125 acres and 300 acres. IIT Alumni Council proposes to build twenty-five Ayushca Health Villages over the next fifteen years.

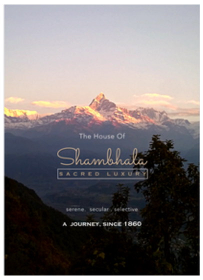
It is currently a part of the PanIIT Foundation - a Section 8 company

SHAMBHALA

SUSTAINABLE FORESTRY & VALUE ADDED PRODUCTS

shambhala.net.in

Shambhala
SACRED LUXURY



Shambhala has been conceptualised in the context of the current climate changes challenges. Shambhala proposes to positively impact 100,000 sq kms of forest area in India and around twenty five million people. Shambhala proposes to create a livelihood ecosystem from the monetisation of forest produce, eco-tourism and carbon credits.

COAL2CNG

MICROBIAL METHANATION OF COAL TECHNOLOGY

coal.iitac.online

COAL2CNG

COAL2CNG initiative envisages converting underground coal into CNG at a global scale with an ambition to make India the largest producer of CNG within ten years.

The energy basket envisaged includes coal, thorium and solar with all the coal being converted to CNG and thorium being used as a fuel for nuclear energy.

The initiative is currently housed in the PanIIT Forum which is the Project Management Unit for the initiative

In addition to the above, the MegaFund is supporting the startup cohorts of the Incubator.

KODOY

PLATINAE ANCHORAGE

KYROGENE

SITADAL

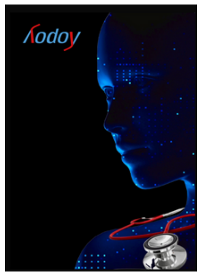
BREW FACTORY

BATUA TECHNOLOGIES

KODOY

DIGITAL TWIN TECHNOLOGY

kodoy.com



KODOY was conceptualised in the context of the covid pandemic. The kodoy digital platform helps users to achieve their longevity goals by better management of their well-being using digital twin paradigms.

PLATINAE ANCHORAGE

AYURVEDA INSPIRED CUTTING EDGE BIOLOGICS

platinae.com

Cutting-edge biologics include mRNA technologies which rely on liposomal RNA delivery to catalyse the production of antigens by the human body. This in turn leads to production of antibodies by the body - which help prevent occurance of the disease. Platinae emulates the same working mechanism as mRNA by using a combination of topical skin applications, oral ayurvedic medicines and food supplements.

SITADAL TECHNOLOGIES

GREEN HYDROGEN TECHNOLOGY BASED ON THERMOLYSIS

sitadal.com

Sitadal is building a demonstration power plant based on ai assisted thermolysis of water to produce hydrogen and oxygen without any electricity at a heat energy consumption of 45 KWH per kg of hydrogen. The gases are combined in an Ionique fuel cell to produce 32 KWH of electricity per kg of hydrogen.

BREW

PRECISION FERMENTATION TECHNOLOGY

brewfactory.co.in

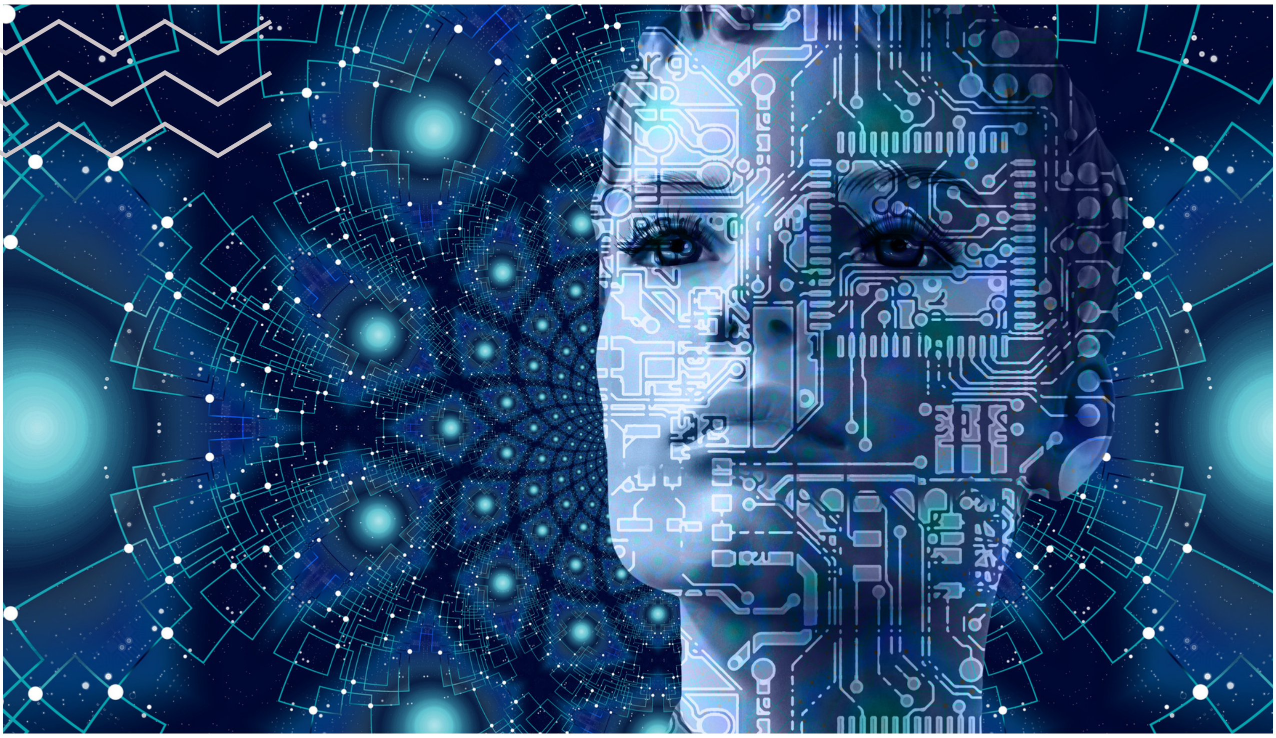
BREW has been conceptualised in the context of the covid pandemic. BREW has developed a microbial platform based on precision fermentation which can be used for a wide range of applications from mRNA in healthcare to microbial reactors for bioconversion and methanation.

BATUA TECHNOLOGIES

FINANCIAL MANAGEMENT SYSTEM FOR PROJECTS AND STARTUPS

batuatech.com

BatuaTech has been conceptualised as a fully automated AI powered stack for the financial management of projects, startups & social initiatives. The cloud based SaaS solution is fully compatible with legacy accounting systems like Tally and has been built ground up for automated concurrent audit, automated compliance filings and banking systems interface. The overall objective is to minimise the effort involved thus contributing to better compliance, lower leakage and ease of doing business.



PanIIT Fund as a anchor of the MegaFund initiative aspires to act as a catalyst to promote the progress of science and technology by:

increasing commercial orientation in existing institutions

accelerating development and deployment of indigenous technologies

promoting the funding of startup's which are focused on deeptech

catalysing the creation of a world class research university offering doctoral programs in frontier technology areas

PanIIT Fund is working to advance national healthspan and longevity through:

creation of appropriate infrastructure for global medical tourists

incubation of startup's focused on wellness and longevity

activation of interlinked digital platforms for capturing and tracking health data

facilitating research in preventive and precision medicine.

At a macro level, MegaFund and the PanIIT Fund work with various stakeholders to increase prosperity through:

The creation of high-paying jobs in the deep tech sector which will reverse brain drain

create a prosperous deeptech based economic base in areas like contract reseach - especially in frontier technologies.

especially in sectors like contract research for domains like data sciences and bio sciences

MegaFund helps to secure key strategic technologies including those required for:

Import Substitution

Export promotion

Space and defence

Global leadership in frontier areas

In addition to investing in grassroot development of core technologies, the MegaFund helps startup's to leapfrog in the area of existing proven technologies

by partnering global leaders and

licensing commercially available technologies

directly from their developers

in addition to accessing patient capital for long runway projects

2023 UPDATE

Update Content

i. Audited financial statements of the Fund for 31st March
ii. Explanatory statement to the audited financial statements
iii. Latest copy of Private Placement Memorandum
iv. Latest copy of AoA and MoA
v. Latest copy of Contribution Agreement for countersigning by the Investor.
vi. Latest valuation report – both under IPEV guidelines as well as from an impact valuation perspective
vii. Financial information of investee companies in the form of a financial summary of the balance sheet and Profit/Loss statement.
viii. Risk report which includes concentration risk, market risk, forex risk, realisation risk, strategy risk, reputation risk and impact risks including environmental, social, and governance risks.
ix. Change in key people associated with the Fund as employees, volunteers or contractors.
x.Financial transactions during the year
xi. Updated investor register
xii. Updated investment register with details of SSA signed, exits etc
xiii. Industry-wise split of investments
xiv. Break up of pre-operative investments in terms of fund set up and management costs, costs incurred on behalf of existing and proposed portfolio companies.
xv. Reporting of materially adverse events.
xvi. Brochures of key investees
- Kodoy
- Shambhala
- Ionique
- Batua Technology (stealth mode)

Enclosures are in compliance with the Annual Report clause of the Contribution Agreement. The enclosures are divided into two volumes - this one and a second volume.

Contents of vol II

Contents of this Volume

v.Latest copy of Contribution Agreement for counter signing by the Investor.
vi.Latest valuation report – both under IPEV guidelines as well as from a impact valuation perspective
vii.Financial information of investee companies in the form of a financial summary of the balance sheet and Profit/Loss statement.
viii.Risk report which includes concentration risk, market risk, forex risk, realisation risk, strategy risk, reputation risk and impact risks including environmental, social, governance risks.
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xv.Reporting of materially adverse events.

This document is the First Volume and is available in Print and PDF form. The Second Volume contains documents that are available in the public domain. It is available as a PDF and a printed version can be sent on request. A complete PDF with all enclosures in one place is also available.

Enclosures are in compliance with the Annual Report clause of the Contribution Agreement.

Contribution Agreement

Enclosure v

SHAREHOLDER AGREEMENT

UPDATED TILL

SEPTEMBER 30 2023

This agreement is entered into between:

PanIIT Fund Pvt Ltd, a company registered with the Registrar of Companies, India at New Delhi identified by PAN number ……… and hereinafter refered to as the Fund

AND

………………., a company registered with the Registrar of Companies, India at …….. identified by PAN number ……………. And hereinafter refered to as the Institutional investor.

Whereas the communication address of the entities is:

PanIIT Fund Pvt Ltd, Office of Legal Counsel, c/o PanIIT Incubator Pvt Ltd, 8 NSEZ, Noida, Uttar Pradesh, India 201305.

……………………………………………………………

Whereas the Institutional investor by virtue of this agreement has agreed to make a Fund Contribution of Rs ……………… in the form of Social Units during the tenure of the PanIIT Fund Pvt Ltd (on or before 31.3.2042)

Whereas this agreement will be governed by the exclusive jurisdication of the courts of Noida, Uttar Pradesh, India which will also serve as the seat and venue of any arbitration or mediation.

Whereas this agreement has been signed by:

…………………

On behalf of PanIIT Fund Pvt Ltd

…………………

On behalf of the Institutional Investor.

A. Background

PanIIT Fund is a Social Fund. The Fund places purpose over profit and impact over revenue. These are the two primary considerations for any investment to be made by the Fund. The Contribution Agreements are being signed again in FY 2023-24 as the Fund moves to being a Large Value Fund for Accredited Investors with a minimum contribution agreement per Institutional Investor of Rs 70 crores.

The Fund is structured as a Fund registered under the Companies Act 2013 of India and is a company with limited liability with restrictions on transfer of shares as applicable to private limited companies in India. Contributions to the Fund can be in the form of grants or subscription to shares of the Fund Fund. Grants have to be of a minimum value of Rs 10 lacs. Contribution to share capital has to be a minimum of Rs one crore over the fund tenure (with a limit of Rs 25 lacs for certain categories of individuals such as employees of the manager/fund/sponsor related to functioning of the fund)

The Fund has a three tier structure comprising of the fund company, funding foundations and operating entities. The Fund company is PanIIT Fund Pvt Ltd which is regulated as a Category 1 AIF under the Social Fund category. The funding foundations or subfunds are eligible to accept CSR from corporates and are structured as subsidiaries or downstream entities of the fund. The operating entities are typically companies in areas like climate change, health and strategic technologies for solving pressing social problems. The operating companies could be social ventures or social enterprises depending on whether they are for profit or not for profit technically. In Indian Company law, not for profit companies are called Section 8 companies and they are not barred from making profits/surplus but are barred from distributing dividends. A regular company with a clause in the articles saying that the company will not distribute any dividend makes the company similar in purpose to a Section 8 company. However, only Section 8 companies are eligible for tax benefits under Section 80G and 12A.

Being a social impact fund, some of the portfolio entities may not have any present or future revenue. This would happen in any entity which is doing charitable work such as providing free drinking water or healthcare or education. The valuation of such a Fund using traditional valuation guidelines and procedures would thus be zero. This is because traditional valuation procedures are based on an evaluation of financial parameters such as profit and growth rate in revenue. However, this does not mean that these companies have failed or that they are not valuable to entities who seek to invest in entities which can do social, financial and technological interventions at scale. These could include global foundations, corporate foundations and different type of ESG investors. Thus in any portfolio investment, there are three types of metrics – cost, IPEV based valuaton and Impact valuation. The cost is an accounting figure and relates to the actual cost incurred by the Fund – both direct and indirect – in acquiring an investment. The IPEV based valuation is a standard valuation done by an independent registered valuer based on financial metrics including but not limited to past financial performance and anticipated future performance. The impact valuation is done by a social auditor and quantifies the benefit measured through externalities that are not captured in the financials. To illustrate the point, consider a toll road. Conventional valuation involves estimating the valuation of the toll road based on toll revenues. If the toll is zero (or road is toll free) – then the IPEV valuation may be zero. However the existence of the road would impact the quality of life of the residents and the revenue of the businesses which are connected by the road. It could even impact tax collections by the government positively. These benefits do not accrue to the toll road builder but to society at large. The impact valuation process attempts to capture and quantify this impact.

A core strategy of the Fund is to enable rotation of money, by offering all portfolio investments for sale at the highest of cost, IPEV valuation and Impact valuation. This not only provides liquidity for future investments but also provides investment avenues for investors looking for social investments that have or could have impact at scale.

B. Definitions

Accredited Individual Investor: Is an individual with a net worth of Rs 7.50 crores out of which not less than Rs 3.75 crores is in the form of financial assets.

Accredited Institutional Investor: Is a body corporate or AIF Fund or investment vehicle or family office/trust with a net worth of Rs 50 crores.

Associate: Is a company or LLP or body corporate in which a director/sponsor/manager of PanIIT Fund or a director/partner/manager of the manager/sponsor holds more than 15% of the paid up equity capital (on an individual or collective basis)

Co-investment: means investment made by a manager/sponsor in a portfolio entity where the PanIIT Fund makes an investment.

Corpus: means the "fund contribution" as defined. Target corpus refers to the quantum of corpus targeted by the Fund in its tenure. The fund shall have a minimum corpus of Rs 20 crores or a sum as specified by SEBI.

Designated Date: is the date of final closure or the date on which the Fund stops signing more contribution agreements. It is the date so designated by the Manager or the date on which the entire corpus of the fund along with the greenshoe option has been placed.

Equity linked instrument: Includes instruments and costs incurred which are convertible to equity shares or share warrants, preference shares, debentures of any type. This specifically includes costs incurred prior to establishment of the entity which have been borne by the Fund and to be subsequently recovered in the form of securities from the portfolio entity.

For profit social enterprise: means a company operating for profit which is a social enterprise which is not incorporated under Section 8 of the companies act. Such an enterprise can raise funds from the capital markets/ stock exchange (other than social stock exchange)

Fund Commitment: refers to the amount of funding actually transferred to the PanIIT Fund in terms of a non-refundable advance, grant, share application money etc in cash or in the form of securities of social enterprises.

Fund Contribution: refers to the amount of money proposed to be contributed to the corpus of the PanIIT Fund in its entire tenure by virtue of a contribution agreement. The contribution may be in the form of grants or subscription to the share capital of the fund.

Institutional Investor: refers to a body corporate who is engaged in the business of investing as it's core activity.

Investible Funds: means the sum of the funds available for investment which is equal to the total funds drawn less amount to be paid out (whether paid out or not) as fees on an accrual basis.

Large Value Fund for Accredited Investors: means an AIF in which each investor (other than the manager/sponsor/employees/directors of the AIF or Manager) is an accredited investor and invests not less than Rs 70 crores.

Manager: refers to Cheekotel Hedge Fund Management LLP, a partnership firm registered with the Registrar of Companies, India

Not for profit organisation: means a social enterprise which could be a charitable trust (under Indian Trust Act or state public trust act), charitable society under Societies Act, Section 8 company etc. Such organisations can raise funds through a Social Stock exchange.

Portfolio entity: means any company or SPV (created or yet to be created) in which the PanIIT Fund makes an investment or has committed to make an investment.

Social enterprise: means either a not for profit organisation or a for profit social enterprise which has established primacy of its social intent by working in the areas specified for CSR contribution, supporting other platforms that strengthen the non profit ecosystem, promoting livelihoods/ sustainable affordable habitats/ disaster management/ financial inclusion/ equality/ bridging digital divide. The social enterprise shall target underserved or or less privileged population segments. The social enterprise shall have at least 67% of its activities qualifying as eligible activities as measured by preceding 3 year revenues or expenditure or customer base. Corporate foundations, political/religious organisations, professional/trade associations, housing companies (other than affordable housing) would not be classified as Social enterprises.

Social Units: means shares in PanIIT Fund Pvt Ltd. Investors in the shares agree to receive only social returns or benefits and no financial returns against their contribution. At the end of the tenure of the Fund, all amounts recovered from disposal of the assets of the Fund would be contributed to the corpus of the IIT Alumni Council (a Section 8 company registered in India) or any designated Section 8 companies nominated by the Manager in consultation with the Investors.

Social Venture: means a trust, society, company or venture capital undertaking or LLP formed with the purpose of promoting social welfare or solving social problems or providing social benefits and includes trusts, societies and Section 8 companies

Sponsor: refers to Mr Satish Mehta, an Indian resident/national who will hold a continuing interest in the equity capital of the Fund personally or through his family office or personal investment vehicle or associate or company promoted by him or LLP where he is a partner.

Venture Capital Undertaking: means a domestic company which is not listed on a recognised stock exchange at the time of making the investment.

All definitions, other than the ones included above would be based on those used in:

- The Companies Act 2013 or any later version
- AIF Regulations 2012 issued by SEBI
- ICDR 2018 issued by SEBI
- The income tax act of India

C. Preamble

1. This Shareholder Agreement ("this Agreement") contains the standard terms and conditions relating to Subscription, Allotment, and Issue of Equity Shares of PanIIT Fund Pvt. Ltd. ("the Fund"). The Company is registered under the Companies Act and regulated by SEBI under the AIF Regulations 2012 as a Social Impact Fund.
2. In addition, this Shareholder Agreement provides the framework for decision making in the Company relating to its Main Object of setting up and operating an investment pooling vehicle in the form of an Alternate Investment Fund ("AIF"). "AIF" is defined in terms of the SEBI (Alternate Investment Funds) Regulations 2012 as amended from time to time ("the AIF Regulations").
3. The company is registered with and regulated by SEBI as a Category 1 AIF. It is under the Social Impact Fund category of the AIF Regulations. PanIIT Fund has a target investment corpus over its fund life of Rs 3,000 crores plus a green shoe option of Rs 2,000 crores.
4. The key clauses of this Shareholder Agreement have been made an integral part of the Articles of Association of the Company, as amended from time to time, and therefore binding on the Company, its existing shareholders, and all future investors in the Company (individually referred to as "the Consenting Investor" and collectively referred to as "the Consenting Investors"). In the interests of investor confidentiality, the complete terms are to be included in the articles of association at any time based on a decision of the Board but no later than the date of listing of the Fund on a stock exchange. In the interim, these terms can only be shared with the regulator or with law enforcement agencies on demand or with authorized representatives of the investors prior to or after making an investment in the fund.
5. These terms may need to be updated or modified if the same are found to be inconsistent with the regulations. The pertinent regulations here are the Alternate Investment Fund regulations of SEBI or the Companies Act of the Government of India.

D. Parties to the Agreement

6. This Shareholder Agreement is entered into on the --- day of ----, 20... by and between the Fund and ------------ referred to as the Consenting Investor.

E. Definitions and Interpretations

7. Terms used in this Agreement will have the meaning assigned to them in the Companies Act, 2013 or the AIF Regulations, as the case may be.
8. Other terms used in the Agreement are defined in the Agreement itself.
9. The definitions included in this agreement over ride those that may be used in the AIF Regulations or the Companies Act or the Income Tax Act or the ICDR Regulations for the limited purpose of interpretation of this agreement.

F. Background

9. The Fund has received approval from the SEBI vide registration number IN/AIF1/19-20/0693 on 7 May 2019 to operate as a Social Fund under Category I AIF as defined in the AIF Regulations.
10. The 20-year lifecycle of the AIF will comprise of five distinct phases which include a 20-year window for investment and divestment of holdings:

    a) Set-up, Planning and Pre-operative phase commencing from the date of SEBI approval till 31 March 2022, or such later or earlier date as the Fund may determine. The end of this phase is called the "Start date" which has been settled as 1.4.2023 to take into account the disruption caused by the covid pandemic.

b) Funding, Investment and Seeding phase for the next 5 years, (1.4.23 to 31.3.28) which includes the Designated Date in the window.
c) Growth and Value Creation phase for the subsequent 5 years, (1.4.28 to 31.3.32)
d) Scale up phase for the next 5 years (1.4.32 to 31.3.37)
e) Concept replication and duplication phase for the concepts which scaled successfully (1.4.37 to 31.3.42)
f) Disbursal of terminal value as grant to nominated Section 8 entities.

11. In line with the Main Object of operating an AIF as specified in its Memorandum of Association and in line with the mandate given by its shareholders, the Board of the Fund will raise funds and grants from time to time from Consenting Investors to achieve the targeted financial close.
12. The first close of the AIF is proposed at Rs. 3,000 crore (Rupees Three Thousand crore) with a Green Shoe option of Rs. 1,500 crore (Rupees One Thousand crore) beyond the first close, expandable to Rs 2,000 crores (ie making the total fund size Rs 5,000 crores).
13. The fifteen-year investment to scale up phase starts from the "Start date". By the end of the first five year period (1.4.23 to 31.3.28) of the Designated Date (whichever is earlier), the fund would have:

a) Completed placing the entire fund or truncated or enlarged corpus of the Fund. At this stage this amount is proposed to be Rs 3,000 crores
b) Created the necessary downstream SPVs as required for the smooth operation of the Fund.
c) Since the Fund is a Social Fund, it would have identified or set up or aligned with the target investment areas
d) Since the Fund proposes to have sub-funds, it would have set up these sub funds in the form of funding foundations or domain entities in areas like health, education and BFSI.
e) Finalized plans to list the fund either on an Indian stock exchange or through creation of appropriate entities on an overseas bourse such as NYSE or LSE or Singapore Stock Exchange or Nasdaq Nordic or Tokyo Stock Exchange.
f) Appointed a Compliance Manager to act as concurrent valuer, compliance manager, placement agent and custodian for the Fund in addition to acting as a back-office organization for documentation and misc allied tasks related to investor relations and investee company monitoring. The Compliance Manager would be a company or an LLP.

G. Subscription, Allotment, and Issue of Equity Shares

14. Consenting Investors may invest moneys in the Fund ("the Contribution Amount") with an intent to acquire equity shares of the Company (together referred to as "the Financial Instruments") or to give the same as grants to the Fund. Such an investment would create a right to subscribe to the equity shares of the Fund in favour of, and at the option of, the Consenting Investors. This right will not be transferred to the succeeding shareholder in the event of transfer of securities by the consenting investor. The cap table of the Fund on the Designated Date would serve as the perpetual table of allottees for the entire target corpus of the Fund. As mentioned above, the Designated Date would precede the date of listing of the Fund and the articles of association of the Fund will incorporate the terms of this agreement prior to the Start Date.

15. When such a right is exercised by the Consenting Investors, subject to terms contained in this agreement, the price at which underlying equity shares will be issued and allotted by the Fund in respect of the Financial Instruments would be computed as the highest of book value, IPEV guideline based valuation and Impact Valuation.
16. Any allotment and subsequent issue of equity shares in the Fund against the Subscription Amount received from the Consenting Investors will be contingent upon the Fund increasing its authorized capital by following due process compliant with the requirements of applicable regulations including but not limited to the Companies Act.
17. In line with its Articles of Association, the Fund may, at its option, increase its authorized capital at any time through an ordinary resolution at a shareholders meeting, to enable the allotment and issue of equity shares to any Consenting Investor in respect of the Subscription Amount invested by such Consenting Investor. The Consenting investor will be required to and agrees to support a vote for increase in authorized capital when required.
18. Any Consenting Investor who has executed these Standard Terms is deemed to have no objection to any allotment and issue of equity shares to any other future Consenting Investor and also expressly agrees to renounce their right to acquire further shares in the Fund in favour of such future Consenting Investors, if so requested.
19. Any shares issued during the first phase, viz. the pre-operative phase will be subject to a lock-in until the completion of that phase, ie. 31 March 2022 or such date as may be decided to be the Start Date. In any event this lock-in will not end prior to September 30, 2021 and will not go beyond the 31st of March 2028 unless the same is specified by the regulator as part of the Listing process on a Stock Exchange. Since the minimum investment in a AIF is Rs one crore – the Institutional Investor will not transfer his holding in blocks with an issuance price (par value plus premium if any) of less than Rs one crore.

H. Management of the AIF

20. The operation and management of the Fund will be carried out in accordance with the provisions of the Companies Act, 2013, the Articles of Association of the Fund, the placement memorandum of the AIF, this Agreement as well as in compliance with the AIF Regulations of SEBI. In the event of an inconsistency, the AIF Regulations and Companies Act will supersede the Articles of Association and the placement memorandum.
21. At a cardinal level, the Fund will have a clear four-way separation of shareholders, investment committee, Board, and management. Even though majority of the Investment committee members are representatives of the shareholders, each investor has only one vote irrespective of the percentage ownership in the voting capital of the Fund – as far as proceedings of the Investment committee are concerned. Induction of independent members both at the Board level and Investment Committee level ensures that the four-way separation works to ensure governance, transparency, and business effectiveness without adding to red tape and bureaucratic lag.

I. Investments by the Fund/ AIF

22. The Fund is a passive investor and does not get directly involved in the day-to- day management of its investee entities or investment companies set up as sub- funds. The Fund is a long horizon investor and may appoint a Board member in its investee entities or act as market maker or underwriter for IPOs of its investee entities. Thus,

the primary activity of the Fund is to make investment and divestment decisions through the Investment Committee/Manager framework. Other than this, the Fund must carry out routine administrative tasks associated with managing, tracking, and analyzing the investments to provide decision support for the investment or divestment decisions.

23. The Fund Manager shall be adequately staffed with fund managers and other professional staff commensurate with the scale and complexities of its operations. The management staff will support the Investment Committee, Compliance Managers, and the Board of Directors in the preparation of various reports and other documents required for the investment and divestment activities of the AIF, including providing oversight on the investee companies.
24. The Board of Directors of the Fund will be responsible on overall basis to provide oversight on the AIF and specifically on the functioning of the Compliance Manager appointed by it as specified in this Agreement. Decisions pertaining to the investment and divestment of holdings would be made by the Investment Committee (hereinafter referred to as "IC").
25. The Fund shall abide by and shall ensure that all its key personnel abide by, the Code of Conduct, as specified in the Fourth Schedule to the AIF Regulations.
26. The Fund will appoint a suitable consulting company to fulfil the role of the Manager as envisaged in the AIF Regulations (the "Compliance Manager"). This role does not include the responsibility or authority to make investment or divestment decisions which would be the sole preserve of the Investment Committee. The Compliance Manager would be rotated every five years. The initial Compliance Manager will hold office till the Start Date.
27. The Fund shall have detailed policies and procedures, as approved jointly by the Compliance Manager and the Board of Directors, to ensure that all the decisions of the AIF follow the provisions of the AIF Regulations, terms of the placement memorandum, agreements made with investors, other fund documents and applicable laws.
28. The Fund shall review the aforementioned policies and procedures and other internal policies, as well as their implementation, on a regular basis or because of business developments, to ensure their continued appropriateness.
29. The Fund will ensure that the Compliance Manager so appointed will commit an investment team for the management of the AIF which has:

    a) adequate experience, with at least one key personnel having not less than five years of experience in advising or managing pools of capital or in fund or asset or wealth or portfolio management or in the business of buying, selling, and dealing of securities or other financial assets, and
    b) at least one key personnel with professional qualification in finance, accountancy, business management, commerce, economics, capital market or banking from a university or an institution recognized by the Central Government or any State Government or a foreign university, or a CFA charter from the CFA institute or any other qualification as may be specified by the SEBI.
    c) At least one key personnel will have passed the NISM exam in merchant banking.

    These requirements of experience and professional qualification may be fulfilled by the same key personnel.

30. The Fund shall pay the Compliance Manager professional fees based on actual time spent by the investment team at fee rates agreed from time to time, plus out-of-pocket expenses incurred on actual basis. The overall fees plus expenses paid to the

Compliance Manager would be capped to a maximum of 0.25% of the fund corpus drawn as at the end of the year for which the fees are paid. In addition, the Fund Manager would be paid a fee of 1.75% of the value of any transaction payable after the transaction payments have been consummated. The Investment Bankers to the Fund would be paid upto 3% of the committed amount as set up fee and 3% as liquidation fee – both being payable when the amount is received by the Fund.

31. The Compliance Manager and Investment Bankers will receive his fees only at the time of final closure of the fund on or after the Designated Date. Final closure is defined as the stage when commitments are received for at least 50% of the proposed target corpus of the Fund. In addition, the Compliance Manager shall appoint, if specifically invited by the Investment Committee, one nominee Director to the Board of the Fund/ AIF to further strengthen its interest in the AIF.
32. In line with the AIF Regulations, the Compliance Manager shall, inter alia:

    a) address all investor complaints
    b) provide to the SEBI any information sought by them
    c) maintain all records as may be specified by the SEBI relating to management of the AIF, including decision making and applicable compliances
    d) co-ordinate with the SEBI on periodic basis in relation to any compliances, submissions, queries, or any approvals, etc.
    e) take all steps to address conflict of interest as specified in the AIF Regulations
    f) ensure transparency and disclosure as specified in the AIF Regulations
    g) ensure compliance of the AIF with applicable tax laws, including timely filing of tax returns.

33. The Compliance Manager shall ensure compliance by the AIF with the Code of Conduct as specified in the Fourth Schedule to the AIF Regulations.
34. The Compliance Manager shall be responsible, jointly, and severally with the members of the Investment Committee, for every decision of the AIF, including ensuring that the decisions follow the provisions of the AIF Regulations, terms of the placement memorandum, agreements made with investors, other fund documents and applicable laws.
35. The Compliance Manager shall be responsible, jointly, and severally with the members of the Investment Committee, for ensuring that every decision of the AIF follows the policies and procedures laid down for the AIF in the AIF Regulations and other internal policies of the AIF, as applicable.

J. Investment Committee

36. The Investment Committee (hereinafter referred to as "IC") will comprise of up to eleven investor nominees and up to five independent professionals.
37. The IC will have one representative each from the eleven largest shareholders of the Fund based on the share roster on the Start Date. In the event there are less than eleven shareholders, then the Investment Committee will comprise of one representative of each of the shareholders. If one or more of the top eleven shareholders decline to appoint a nominee on the IC, then the size of the IC will reduce proportionately as those seats will remain vacant. It is explicitly clarified that only the eleven largest shareholders on the Start Date will appoint nominees even if they cease to hold any shares in the Fund.
38. Each representative of the Investment Committee will have one vote. Votes will not be pro rata based on investment held.
39. Independent professionals in the Investment Committee will include at least one NISM certified Merchant Banker, one Chartered Accountant and one MBA. The

independent professional members whose names are not disclosed in the placement memorandum or in the agreement made with the investors or any other fund document at the time of on-boarding investors shall be appointed to the Investment Committee only with the consent of at least 75% of the investor nominees on the Investment Committee. If the investment committee has less than four members, then it will be based on a simple majority.

40. The investors shall constitute an Investment Committee to approve the decisions of the AIF and such constitution shall be subject to conditions as specified by the SEBI from time to time. It is clarified that the Board of Directors of the Fund will not be able to proceed with any investment or divestment activities without the approval of the Investment Committee.
41. The members of the Investment Committee shall be responsible for ensuring that the decisions of the Investment Committee are in compliance with the policies and procedures laid down by the Fund as mentioned hereinabove.
42. The members of the Investment Committee shall abide by the Code of Conduct applicable to them as specified in the Fourth Schedule to the AIF Regulations.

K. Investor units in the AIF and drawdown

43. The investors will be issued compulsorily convertible debentures on receipt of application money as mentioned in section IX below. These will be converted into fully voting shares on or within sixty days of the "start date" based on the conversion formula indicated in para 15 above.
44. All attempts would be made to list the AIF units within three years of the Start Date on a stock exchange in India or overseas. The investors would be required to lend all possible cooperation to facilitate this listing.
45. The Fund will drawdown on investor commitments in keeping with its investment requirements. In the event, one or more investors are unable to meet an urgent timeline for drawdown, the Fund will be free to meet the same requirement from other investors.

L. Other Standard Terms

46. Severability:

    a) In an event where a part or parts of the Agreement are held to be illegal for any reason, foreseeable or unforeseeable, the remaining provisions of the Agreement shall continue in full force and effect.
    b) If any provision of the Agreement held to be invalid by a competent court and if limiting such a provision would make the same valid, then such provision shall be deemed to be construed as so limited.

47. Binding Effect: The covenants and conditions of the Agreement shall bind the parties and their heirs, legal representatives, successors, agents and permitted assigns of the parties.

48. Entire Agreement: The Agreement between the parties with respect to the transactions shall supersede all prior negotiations, agreements and understanding, if any.

49. Modification and Amendments:
    The Agreement may be modified or amended, but only in writing and must be signed by all the parties to become valid.

The Fund could add parties to the Agreement as and when shareholders are added to the Fund

50. Miscellaneous Provisions: All parties to the Agreement shall perform any acts, including executing any documents, that may be reasonably necessary to fully carry out the provisions and intent of the Agreement.

51. The investor will sign the modified Contribution Agreement annually prior to receipt of the Annual Report of the Fund in verification and acceptance of the terms included therein.

M. Financial Commitment

52. The Consenting Investor agrees to invest Rs. ------ in the financial instruments of the Fund during the tenure of the Fund, of which an initial Subscription Amount of Rs. ----- will be remitted on or before the Designated Date. Shares/social units issued by the Fund will not be transferable till a minimum commitment amount of Rs one crore is received by the Fund from the investor.

N. Irrevocable and permanent approvals granted to the Fund/ Manager/Sponsor by virtue of this agreement.

53. PanIIT Fund Pvt Ltd and its manager/sponsor are hereby authorised to invest in the units of associates or units of AIFs managed or sponsored by its Manager/Sponsor or associates of its Manager/Sponsor.
54. PanIIT Fund Pvt Ltd and its manager/sponsor are hereby authorised to buy or sell investments from and to associates, schemes of AIFs managed or sponsored by its manager/sponsor or associates of its manage or sponsor or to an investor who has committed to invest at least 50% of corpus of the Fund.
55. PanIIT Fund Pvt Ltd is authorised to carry out a valuation exercise only once a year based on the financial statements of the investee companies for the year ended on 31st March of that year.

O. Annual Reporting

56. On or before September 30th in each year, the Fund will provide the investors with an Annual update which will include the following:

i. Audited financial statements of the Fund for 31st March
ii. Explanatory statement to the audited financial statements
iii. Latest copy of Private Placement Memorandum
iv. Latest copy of AoA and MoA
v. Latest copy of Contribution Agreement for counter signing by the Investor.
vi. Latest valuation report – both under IPEV guidelines as well as from a impact valuation perspective
vii. Financial information of investee companies in the form of a financial summary of the balance sheet and Profit/Loss statement and Fund brochure.

viii. Risk report which includes concentration risk, market risk, forex risk, realisation risk, strategy risk, reputation risk and impact risks including environmental, social, governance risks.
ix. Change in key people associated with the Fund as employees, volunteers or contractors.
x. Financial transactions during the year
xi. Updated investor register
xii. Updated investment register with details of SSA signed, exits etc
xiii. Industry wise split of investments
xiv. Break up of pre operative investments in terms of fund set up and management costs, costs incurred on behalf of existing and proposed portfolio companies.
xv. Reporting of materially adverse events.

Acknowledged and Agreed by the Parties to this Agreement:

By signing this document, the parties to this Agreement hereby provide their explicit consent to be bound by the Standard Terms, as may be amended from time to time through amendments to the Articles of Association.

IN WITNESS WHEREOF, the parties upon complete understanding of the Agreement and giving the consent to the same, have caused this Agreement to be executed on xx.

On behalf of the Company	**On behalf of the Consenting Investor**
Authorized Signatory	Authorized Signatory

Place:

Date:

Encl: Board Resolution in favour of authorized signatory in case Consenting Investor is a Fund or authority letter in favour of authorized signatory signed by all designated partners in case the Consenting Investor is an LLP.

Valuation Report

Enclosure (vi)

GAURAV GUPTA
REGISTERED VALUER

VALUATION REPORT

IPEV VALUATION BASED ON AUDITED FINANCIAL OF 31/03/2023

OCTOBER 1, 2023

PAN IIT FUND

202 NILGIRI, 9 BARAKHAMBA ROAD, DELHI, NATIONAL CAPITAL TERRITORY OF DELHI, 110001

ADDRESS: OFFICE NO.306, 4TH FLOOR, WESTEND MALL, DISTRICT CENTER, JANAKPURI, NEW DELHI – 110058 LANDMARK –PICCADILY HOTEL &JANAKPURI WEST METRO STATION
PHONE NO: 01141007487 MOBILE NO: 9711077487
EMAIL: Gaurav.ca2010@icai.org , Gaurav.ca2010@gmail.com

To

The Board of Directors

PAN IIT FUND
202 NILGIRI, 9 BARAKHAMBA ROAD, DELHI, NATIONAL CAPITAL TERRITORY OF DELHI, 110001

Sub: Report on IPEV valuation of PAN IIT FUND

Dear Mam/ Sir(s)

In accordance with your instructions, **CA Gaurav Gupta** has performed valuation of Portfolio of PAN IIT FUND. The following Report presents the valuation analysis of Portfolio as on **31/03/2023**. The valuation is prepared in compliance with IPEV guidelines. Our analysis are primarily based on information and data provided by you. We do not express an opinion or offer any form of assurance regarding its accuracy or completeness. Our work does not constitute an audit and thus we do not express an audit opinion on any of the information contained in our report.

We accept no responsibility or liability to any person other than to PAN IIT FUND or to such party to whom we have agreed in writing to accept a duty of care in respect of this report, and accordingly if such other persons choose to rely upon any of the contents of this report they do so at their own risk. Neither Gaurav Gupta nor any individuals signing or associated with this report shall be required by reason of this report to give testimony or appear in court or other legal proceedings, unless specific separate arrangements have been made.

GAURAV GUPTA, CPA
REGISTERED VALUER- S&FA
R.NO : IBBI/RV/06/2020/13231
ICAI RVO

GAURAV GUPTA
REGISTRATION NO. IBBI/RV/06/2020/13231
UDIN :
Date : 01/10/2023

VALUATION REPORT

1. Our Engagement

I, CA GAURAV GUPTA (Registered Valuer ICAI RVO) have been mandated by PAN IIT FUND to determine the fair value of portfolio as per the IPEV guidelines as on the **valuation date i.e. 31/03/2023.**

2. Purpose of this report

This valuation report is being prepared as per IPEV guidelines.

3. Portfolio of the company

- Refer Annexure 1 for details of portfolio.

- The company was incorporated on Dec 22, 2017 under the name of "**PANIIT FUND PRIVATE LIMITED**" under the Companies Act, 2013 and that the company is limited by shares. The Corporate Identity Number of the company is U74999DL2017PTC327519. The company is registered as AIF with sebi from 2019.

Gaurav Gupta

GAURAV GUPTA, CPA
REGISTERED VALUER- S&FA
R.NO : IBBI/RV/06/2020/13231
ICAI RVO

4. Valuation Objective/Background

Steps included in our analysis	
1	Reviewed the documents received
2	Conducted interviews with Management
3	Performed NAV

General valuation approach

For the shares, we derived a FMV as of 31st March 2023 based on the going concern assumption and from a stand-alone perspective. We did not consider any potential synergies with the buyer in our valuation.

Selected valuation methods

For the purpose of this engagement and in accordance with IPEV guidelines , we have considered the NAV due to non-availability of projections of portfolio companies.

For the purpose of this valuation exercise, we have relied on the following sources of information:

- Audited Financial Statements (Profit & Loss, Balance Sheet) from 1st April 2022 to 31st March 2023.
- Management estimates of PAN IIT FUND for Valuation of WIP (Intangible Asset) as we were not provided details for the same due to NDA signed by fund with portfolio companies.

Gaurav Gupta

GAURAV GUPTA, CPA
REGISTERED VALUER- S&FA
R.NO : IBBI/RV/06/2020/13231
ICAI RVO

5. Valuation Analysis

CALCULATION OF BOOK VALUE

Refer Annexure 2

FAIR MARKET VALUE

1. We've used NAV Method to determine the fair market value of the Equity of company. We considered book Value as NAV in all companies except kodoy as per management estimates of each line book value truly represent the fair value. And there is limitation in data due NDA signed by fund so we considered management estimates. In KODOY management of fund explained and give justification in support of their valuation estimate including valuation of WIP and same is relied by us.

2. Valuation Date – **31st March 2023**

3. Based on the Scope and limitations of work, Sources of information and Valuation methodology of the report and the explanations therein, the fair market value of the company's entire portfolio is 66.60 crore. (Calculation in Annexure 3)

GAURAV GUPTA, CPA
REGISTERED VALUER- S&FA
R.NO : IBBI/RV/06/2020/13231
ICAI RVO

GAURAV GUPTA
REGISTRATION NO. IBBI/RV/06/2020/13231
UDIN : 23524688BGWCVL9982
Date : 01/10/2023

ANNEXURE 1 PORTFOLIO OF FUND

Particulars	PANIIT FOUNDATION	PANIIT INSTITUTE	IIT ALUMNI COUNCIL	PANIIT INCUBATOR	PANIIT ALUMNI	PANIIT FORUM	BATUA TECHNOLOGY	KODOY LIMITED	SIFADAL TECH	PLATINAR ANCHORAGE	SHAMBHALA ORGANICS	BREW FACTORY
	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023
Balance Sheet												
Paid up Capital	100,000	100,000	1,450,000	400,000	500,000	100,000	570,000	30,952,170	3,937,490	4,441,350	229,120	100000
Debentures	-	64,451,170	-	-	-	-	-	-	-	-	-	90000
Security Premium	-	-	4,050,000	29,700,000	6,800,000	-	303,106,752	148851506	24,062,119	32,012,650	17,782,880	7200000
Reserve & Surplus	-2,769,658	-2,912,588	-1,926,318	-3,128,872	-2,229,664	-589,803	-7,117,739	-5,464,910	-8,408,887	-5,957,244	-14,203,969	-7679202
Liabilities	2,683,272	24,225,703	11,246,480	39,286,013	10,657,465	90,997,000	92,076,140	345,520,221	9,395,036	4,939,681	11,291,734	28127654
TOTAL	13,614	85,864,285	14,820,162	66,257,141	15,727,801	90,507,197	388,635,243	514,858,987	28,985,749	35,436,437	15,099,765	27798452
Assets	-	-	5,543	-	195,590	-	5,185	1,347	16,771,804	8,655,345	10,980	25093
CWIP	-	-	-	1,743,041	672,250	88,395,289	66,046,005	81,282,250	0	16,453,856	8,574,500	
Misc Exp Assets	-	-	-	-	-	-	-	-	-			
Investment	-	500,210	-	62,784,520	200	-	77,999,939	10,450,000	-	-		
Other Assets	13,614	85,364,075	14,814,619	1,729,580	14,859,761	2,111,908	244,584,114	423,125,190	12,213,945	10,327,236	6,514,285	27773359
TOTAL	13,614	85,864,285	14,820,162	66,257,141	15,727,801	90,507,197	388,635,249	514,858,987	28,985,749	35,436,437	15,099,765	27798452
BOOK VALUE OF COMPANY	-2,669,658	-2,812,588	3,573,682	26,971,128	5,070,336	-489,803	296,559,103	169,338,766	19,590,712	30,496,756	3,808,031	-379202
SHARES OWNED (Amount)	100,000	100,000	5,000,000	7,500,000	7,200,000	99990	60000000	54298000	8999700	17653850	96065584	32176804
SHARES OWNED (Nos)	10,000	10,000	95,000	7,500	40,000	9999	1227	4651140	22499	44135	9475	3499
DEBENTURE OWNED (Amount)		64,451,170										7250000
DEBENTURE OWNED (Nos)		6,445,117										5000

Gaurav Gupta

GAURAV GUPTA, CPA
REGISTERED VALUER- S&FA
R.NO : IBBI/RV/06/2020/13231
ICAI RVO

ANNEXURE 2 CALCULATION OF BOOK VALUE

Particulars	Debenture	Liabilities	TOTAL	Assets	CWIP	Misc Exp A	Investment	Other Assets	TOTAL_1	BOOK VALUE OF COMPANY
PANIIT FOUNDATION		2683272	2683272	-	-	-	-	13614	13614	-2669658
PANIIT INSTITUTE	64451170	24225703	88676873	-	-	-	500,210	85364075	85864285	-2812588
IIT ALUMNI COUNCIL		11246480	11246480	5,543	-	-	-	14814619	14820162	3573682
PANIIT INCUBATOR		39286013	39286013	-	1,743,041	-	62,784,520	1729580	66257141	26971128
PANIIT ALUMNI		10657465	10657465	195,590	672,250	-	200	14859761	15727801	5070336
PANIIT FORUM		90997000	90997000	-	88,395,289	-	-	2111908	90507197	-489803
BATUA TECHNOLOGY		92076140	92076140	5,185	66,046,005	-	77,999,939	244584114	388635243	296559103
KODOY LIMITED		345520221	345520221	1,547	81,282,250	-	10,450,000	423125190	514858987	169338766
SITADAL TECH		9395036	9395036	16,771,804	0	-	-	12213945	28985749	19590713
PLATINAE ANCHORAGE		4939681	4939681	8,655,345	16,453,856		-	10327236	35436437	30496756
SHAMBHALA ORGANICS		11291734	11291734	10,980	8,574,500			6514285	15099765	3808031
BREW FACTORY	50000	28127654	28177654	25,093				27773359	27798452	-379202

Gaurav Gupta

GAURAV GUPTA, CPA
REGISTERED VALUER- S&FA
R.NO : IBBI/RV/06/2020/13231
ICAI RVO

ANNEXURE 3 CALCULATION OF FMV

Particulars	Debenture	Liabilities	TOTAL	Assets	CWIP	Misc Exp A	Investment	Other Assets	TOTAL	BOOK VALUE OF COMPANY	Value of CWIP considered by Management of FUND	FMV after cosidering Mangement estimates	Value of Portfolio (Equity Shares)	Value of Portfolio (Debentures)	Value of Portfolio (Debentures & Equity Shares)
PANIIT FOUNDATION		2,683,272	2,683,272	-	-	-	-	13,614	13,614	-2,669,658	-	(2,669,658.00)	0	0	0
PANIIT INSTITUTE	64,451,170	24,225,703	88,676,873	-	-	-	500,210	85,364,075	85,864,285	-2,812,588	-	(2,812,588.00)	0	64,451,170	64451170
IIT ALUMNI COUNCIL		11,246,480	11,246,480	5,543	-	-	-	14,814,619	14,820,162	3,573,682	-	3,573,682.00	2,341,377.86	0	2341377.862
PANIIT INCUBATOR		39,286,013	39,286,013	-	1,743,041	-	62,784,520	1,729,580	66,257,141	26,971,128	1,743,041.00	26,971,128.00	5,057,086.50	0	5057086.5
PANIIT ALUMNI		10,657,465	10,657,465	195,590	672,250	-	200	14,859,761	15,727,801	5,070,336	672,250.00	5,070,336.00	4,056,268.80	0	4056268.8
PANIIT FORUM		90,997,000	90,997,000	-	88,395,289	-	-	2,111,908	90,507,197	-489,803	88,395,289.00	(489,803.00)	0	0	0
BATUA TECHNOLOGY		92,076,140	92,076,140	5,185	66,046,005	-	77,999,939	244,584,114	388,635,243	296,559,103	66,046,005.00	296,559,103.00	6,382,817.09	0	6382817.088
KODOY LIMITED		345,520,221	345,520,221	1,547	81,282,250	-	10,450,000	423,125,190	514,858,987	169,338,766	681,282,250.00	769,338,766.00	578,037,389.32	0	578037389.3
SITADAL TECH		9,395,036	9,395,036	16,771,804	0	-	-	12,213,945	28,985,749	19,590,713	-	19,590,713.00	1,119,422.40	0	1119422.403
PLATINAE ANCHORAGE		4,939,681	4,939,681	8,655,345	16,453,856		-	10,327,236	35,436,437	30,496,756	16,453,856.00	30,496,756.00	3,030,552.26	0	3030552.256
SHAMBHALA ORGANICS		11,291,734	11,291,734	10,980	8,574,500			6,514,285	15,099,765	3,808,031	8,574,500.00	3,808,031.00	1,574,768.41	0	1574768.406
BREW FACTORY	50000	28,127,654	28,177,654	25,093				27,773,359	27,798,452	-379,202	-	(379,202.00)	0	0	0
													601599682.6	64451170	666050852.6

GAURAV GUPTA, CPA
REGISTERED VALUER- S&FA
R.NO : IBBI/RV/06/2020/13231
ICAI RVO

December 2022

International Private Equity and Venture Capital **Valuation Guidelines**

IPEV

International Private Equity and Venture Capital Valuation Guidelines

Contents

Preface

The International Private Equity and Venture Capital Valuation (IPEV) Guidelines ('Valuation Guidelines') set out recommendations, intended to represent current best practice, on the valuation of Private Capital Investments. The term "Private Capital" is used in these Valuation Guidelines in a broad sense to include privately held (i.e., unlisted) Investments in early-stage ventures, management buyouts, management buyins, infrastructure, credit and similar Investments and Investments in Funds making such Investments.

The Valuation Guidelines, as presented in section I and appendix 1, are intended to be applicable across the whole range of Alternative Funds (seed and start-up venture capital, buyouts, growth/development capital, infrastructure, credit, etc.; hereafter collectively referred to as Private Capital Funds) and financial instruments commonly held by such Funds. They also provide a basis for valuing Investments by other entities, including Fund-of-Funds, in such Private Capital Funds. The Valuation Guidelines have been prepared with the goal that Fair Value measurements derived when using these guidelines are compliant with both International Financial Reporting Standards (IFRS) and United States Generally Accepted Accounting Principles (US GAAP). This has been done in order to provide a framework, which is consistent with accounting principles, that Private Capital Funds should utilise to determine a Fair Value for Investments. Other jurisdictions that use a similar definition of Fair Value, such as "willing buyer and willing seller" may also find these Valuation Guidelines applicable. It should be noted that these Valuation Guidelines may for good reason differ from guidance published by others with respect to valuing privately held securities issued as compensation.

The Valuation Guidelines are included in section I with explanatory comments. The Valuation Guidelines are repeated at appendix 1 without commentary. Section I presents the Valuation Guidelines themselves, shaded, surrounded by a border and set out in bold type, with accompanying explanations, illustrations, background material, context, and supporting commentary to assist in their interpretation. Section II provides application guidance for additional situations.

Where there is conflict between the content of these Valuation Guidelines and the requirements of any applicable laws or regulations or accounting standard or generally accepted accounting principles, the latter requirements should take precedence.

These Valuation Guidelines should be regarded as superseding the previous 2018 Valuation Guidelines issued by the IPEV Board and are considered in effect for reporting periods beginning on or after 1 January 2023. Earlier adoption is encouraged.

Introduction

Private Capital managers may be required to carry out periodic valuations of Investments as part of the reporting process to investors in the Funds they manage. The objective of these Valuation Guidelines is to set out best practice where Private Capital Investments are reported at 'Fair Value' and hence to help investors in Private Capital Funds make better economic decisions.

The increasing importance placed by international accounting authorities on Fair Value reinforces the need for the consistent use of valuation practices worldwide and these Valuation Guidelines provide a framework for consistently determining valuations for the type of Investments held by Private Capital Funds.

Private Capital Funds are typically governed by a combination of legal or regulatory provisions or by contractual terms. It is not the intention of these Valuation Guidelines to prescribe or recommend the basis on which Investments are included in the financial statements of Private Capital Funds. The IPEV Board confirms Fair Value as the best measure for valuing Investments in and by Private Capital Funds. The Board's support for Fair Value is underpinned by the transparency it affords investors in Funds which use Fair Value as an indication of performance of a portfolio in the interim. In addition, institutional investors require Fair Value to make asset allocation decisions and produce financial statements for regulatory purposes.

These Valuation Guidelines differentiate among the basis of valuation (Fair Value), which defines what the carrying amount purports to represent, a Valuation Technique (such as the earnings multiple technique), which details the method or technique for deriving a valuation, and inputs used in the Valuation Technique (such as EBITDA).

Financial reporting standards do not require that these Valuation Guidelines be followed. However, while Valuers must conclude for themselves whether or not their Fair Value measurements are compliant with relevant financial reporting standards, measuring Fair Value in compliance with relevant financial reporting standards can be achieved by following these Valuation Guidelines.

These Valuation Guidelines are intended to represent current best practice and therefore will be revisited and, if necessary, revised to reflect changes in regulation or accounting standards.

Private Capital by its nature utilises confidential, non-public information. However, Investors in Private Capital Funds need sufficient, timely, comparable, and transparent information from their Managers to allow Investors to:

- Exercise fiduciary duty in monitoring deployed Investment capital;
- Report periodic performance to ultimate Investors, beneficiaries, boards, etc., as applicable; and
- Prepare financial statements that are consistent with applicable accounting standards.

Investors may also use the Fair Value information to:

- Make asset allocation decisions;
- Make manager selection decisions; and
- Make investor level incentive compensation decisions.

Readers should note that these Valuation Guidelines address measurable valuation issues only. Increasingly, Funds are being requested to communicate responsible investment practices and valuation impacts pertaining to environmental, social, and governance (ESG) factors. The valuation impact of such factors are conceptually included in these Valuation Guidelines where their impact can be measured. See section 5.17 for additional guidance. A framework for disclosing ESG initiatives qualitatively or disaggregating measurable ESG factors from non-ESG factors is outside the scope of these Guidelines.

These Valuation Guidelines are focused on articulating valuation best practice from a conceptual, practical, and investor reporting standpoint. Given differences in local regulation, they do not seek to fully address best practice as it relates to internal processes, controls and procedures, governance aspects, committee oversights, the experience and capabilities required of the Valuer, or the audit or review of valuations. However, where appropriate the Valuation Guidelines do provide guidance with respect to valuation process best practice as discussed in the following.

Application of the Guidelines

These Guidelines are intended to articulate best practices with respect to valuing all debt and equity Investments of Investment Entities/ Companies. As such, these Guidelines articulate principles which encourage:

- Consistency of valuation methodology at each Measurement Date and for similar Investments;
- Appropriateness of valuation judgments consistent with market participant assumptions;
- Calibrating valuation inputs; and
- Rigour and thoughtfulness of valuation approach.

In addition to the application of the Guidelines presented below, a robust valuation process will incorporate industry best practice regarding the valuation process and documentation. Common and better practice would include, but not be limited to, the following:

- A written robust valuation policy, incorporating these Guidelines, that requires documentation of the procedures and methodologies to be used to determine the Fair Value of each individual Investment in the Fund's portfolio;
- Documentation of the inputs and assumptions included in the valuation analysis and the rationale supporting the conclusion of value;
- Use of an independent internal valuation committee and/or external advisers to review methodologies, significant inputs, and Fair Value estimates for reasonableness; and
- Incorporation of Backtesting as a component of the valuation process.

The best practices listed above are not intended to be all-inclusive, but instead provide consideration for additional steps that should be considered when applying the Valuation Guidelines within the context of a robust transparent valuation policy.

Section I: Valuation Guidelines
including Explanatory Comments

Section I presents the Valuation Guidelines themselves, shaded, surrounded by a border, and set out in bold type, followed by accompanying explanations, illustrations, background material, context, and supporting commentary, to assist in the interpretation of the Valuation Guidelines. Section II provides further application guidance for specific situations.

1. The Concept of Fair Value

1.1 Fair Value is the price that would be received to sell an asset in an Orderly Transaction between Market Participants at the Measurement Date.

1.2 A Fair Value measurement assumes that a hypothetical transaction to sell an asset takes place in the Principal Market or in its absence, the Most Advantageous Market for the asset.

1.3 For actively traded (quoted) Investments, available market prices will be the exclusive basis for the measurement of Fair Value for identical instruments.

1.4 For Unquoted Investments, the measurement of Fair Value requires the Valuer to assume the Investment is realised or sold at the Measurement Date whether or not the instrument or the Investee Company is prepared for sale or whether its shareholders intend to sell in the near future.

1.5 Some Funds invest in multiple securities or tranches of the same Investee Company. If a Market Participant would be expected to transact all positions in the same underlying Investee Company simultaneously, for example separate Investments made in series A, series B, and series C, then Fair Value would be estimated for the aggregate Investment in the Investee Company. If a Market Participant would be expected to transact separately, for example purchasing series A independent from series B and series C, or if Debt Investments are purchased independent of equity, then Fair Value would be more appropriately determined for each individual financial instrument.

1.6 Fair Value should be estimated using consistent Valuation Techniques from Measurement Date to Measurement Date unless there is a change in market conditions or Investment-specific factors, which would modify how a Market Participant would determine value. The use of consistent Valuation Techniques for Investments with similar characteristics, industries, and/or geographies would also be expected.

The objective of measuring Fair Value is to estimate the price at which an Orderly Transaction would take place between Market Participants at the Measurement Date.

Fair Value is the hypothetical exchange price taking into account current market conditions for buying and selling assets. Fair Value is not the amount that an entity would receive or pay in a Forced Transaction, involuntary liquidation, or distressed sale.

Although transfers of shares in private businesses are often subject to restrictions, rights of pre-emption, and other barriers, it should still be possible to estimate what amount a willing buyer would pay to take ownership of the Investment, subject to such restrictions.

The estimation of Fair Value assumes that the time period required to consummate a transaction hypothetically began at a point in time in advance of the Measurement Date such that the hypothetical exchange culminates on the Measurement Date. Therefore, Fair Value should reflect the actual amount that a seller would receive in an Orderly Transaction under current market conditions at the Measurement Date. An additional discount for Marketability (where Marketability is defined as the time required to complete a transaction) is not appropriate.

Fair Value measurements are determined consistent with the ownership structure of the Investment. That means that Fair Value is determined independently for each reporting entity.

Once a Valuation Technique or Techniques have been selected, they should be applied consistently (from Measurement Date to Measurement Date); however, a change in technique is appropriate if it results in a measurement that is more representative of Fair Value in the circumstances. If a change in Valuation Technique(s) is deemed appropriate, the basis for such a change should be clearly documented including, but not limited to, the nature and rationale for the change.

Examples of events that might appropriately lead to a change in Valuation Technique:

- The stage of development of the Enterprise changes (from pre-revenue to revenue to earnings);
- New markets develop;
- New information becomes available;
- Information previously used is no longer available;
- Valuation Techniques improve; and
- Market conditions change.

Further, subject to utilising Market Participant perspectives, Investments with similar characteristics, stages of development, geographies, and/or industries would be expected to be valued using consistent Valuation Techniques.

1.7 Unit of Account

1.7 To estimate Fair Value, the Unit of Account must be determined. The Unit of Account represents the specific Investment that is being measured at Fair Value.

Many Funds make Investments in multiple types of Investment instruments within an entity (such as common stock, various classes of preferred stock, various debt tranches and equity-based options). US and International financial reporting standards require the Fair Value of an Investment to be measured consistently with the level of aggregation (Unit of Account) dictated by the accounting standard requiring or permitting its measurement at Fair Value. The Unit of Account is a level of aggregation concept that was developed for financial reporting purposes, that is, it addresses the way in which assets and liabilities are to be aggregated or disaggregated in the financial statements.

Because financial reporting is meant to portray economic phenomena, the Unit of Account attempts to describe the specific way that an Investment is owned, including the legal rights and obligations of ownership and its relationship to other ownership rights in a complex capital structure. However, actual transactions may not and do not actually have to take place at the Unit of Account level specified by accounting standards.

For valuation purposes, typically, the Unit of Account is determined based on the way a Market Participant would transact for the individual Investment held in a Fund which is also consistent with the aggregation provided to investors in the schedule of Investments.

For private equity and venture capital Investments, value is generally realised through a sale or flotation of the entire Investee Company, rather than through a transfer of individual shareholder stakes. The value of the business as a whole (Enterprise Value) at the Measurement Date will often provide a key insight into the value of Investment stakes in that business.[1]

If value is realised as described above, then Enterprise Value would be used by a Market Participant to determine the orderly price they would pay for an Investment. Alternatively, if a Market Participant would transact for individual instruments, such as individual shares, debt tranches, or a single series of equity, then Fair Value would be more appropriately assessed at the individual instrument level.

See section II 5.1 for further discussion of the Unit of Account.

[1] Some have interpreted International Financial Reporting Standards as requiring the Unit of Account to be a single share of a private company (see discussion of Financial Reporting Standards and Unit of Account in section II 5.1 of these Valuation Guidelines). These Valuation Guidelines do not address a single share Unit of Account conclusion (other than for actively traded securities) as a Fair Value measurement for a single share of a private company generally does not occur in practice and therefore would not reflect Market Participant assumptions and would not provide a meaningful measurement of Fair Value.

2. Principles of Valuation

2.1 The Fair Value of each Investment should be assessed at each Measurement Date.

In the absence of an Active Market for a financial instrument, the Valuer must estimate Fair Value utilising one or more of the Valuation Techniques.

2.2 In estimating Fair Value for an Investment, the Valuer should apply a technique or techniques that is/are appropriate in light of the nature, facts, and circumstances of the Investment and should use reasonable current market data and inputs combined with Market Participant assumptions.

2.3 Fair Value is estimated using the perspective of Market Participants and market conditions at the Measurement Date irrespective of which Valuation Techniques are used.

The following are key considerations when estimating Fair Value using Market Participant perspectives:

- Fair Value should be estimated at each Measurement Date (each time Fair Value based Net Asset Value (NAV) is reported to investors (LPs)).
- The Price of a Recent Investment (if deemed Fair Value) should be used to calibrate inputs to the valuation model(s).
- Calibration is required by accounting standards.
- Market Participant perspectives should be used to estimate Fair Value at each Measurement Date.
- After considering individual facts and circumstances and applying these Guidelines, it is possible that Fair Value at a subsequent Measurement Date is the same as Fair Value as at a prior Measurement Date. This means that Fair Value may be equal to the Price of a Recent Investment; however, the Price of a Recent Investment is not automatically deemed to be Fair Value.

These concepts are more fully described throughout this document.

2.4 Allocating Enterprise Value

2.4 Generally, for Private Capital Investments, Market Participants determine the price they will pay for individual equity instruments using Enterprise Value estimated from a hypothetical sale of the equity which may be determined by considering the sale of the Investee Company, as follows:

i. Determine the Enterprise Value of the Investee Company using the Valuation Techniques;
ii. Adjust the Enterprise Value for factors that a Market Participant would take into account such as surplus assets or excess liabilities and other contingencies and relevant factors, to derive an Adjusted Enterprise Value for the Investee Company;
iii. Deduct from this amount the value, from a Market Participant's perspective, of any financial instruments ranking ahead of the highest-ranking instrument of the Fund in a sale of the Investee Company.
iv. Take into account the effect of any instrument that may dilute the Fund's Investment to derive the Attributable Enterprise Value;
v. Apportion the Attributable Enterprise Value between the Investee Company's relevant financial instruments according to their ranking;
vi. Allocate the amounts derived according to the Fund's holding in each financial instrument, representing their Fair Value.

It is important to recognise the subjective nature of Private Capital Investment valuation. It is inherently based on forward-looking estimates and judgements about the Investee Company itself: its market and the environment in which it operates; the state of the mergers and acquisitions market; stock market conditions and other factors and expectations that exist at the Measurement Date.

Due to the complex interaction of these factors and often the lack of directly comparable market transactions, care should be applied when using publicly available information regarding other entities in deriving a valuation. In order to measure the Fair Value of an Investment, the Valuer will have to exercise judgement and make necessary estimates to adjust the market data to reflect the potential impact of other factors such as geography, credit risk, foreign currency, rights attributable, equity prices and volatility.

As such, it must be recognised that, while valuations do provide useful interim indications of the progress of a particular Investee Company or Investment, ultimately it is not until Realisation that actual results are determined. A Valuer should be aware of reasons why Realisation proceeds are different from their estimates of Fair Value and consider such reasons in future Fair Value estimates. The concept of Backtesting, as described in Section I 2.7, can assist in enhancing the valuation process.

These Guidelines highlight the allocation of Attributable Enterprise Value as a technique to determine the Fair Value of an Investment as it is commonly used. It should be noted that other techniques may be appropriate depending on the facts and circumstances such as considering the value of the Investment from the perspective of a Market Participant with similar Investment objectives, return expectations, and time horizon. Some have articulated this approach as a "step into the shoes" perspective. Ultimately, Fair Value should be determined based on Market Participant assumptions as to the value that would be received for the Investment at the Measurement Date.

Other Adjustments to Enterprise Value

Adjustments to the derived enterprise value to reflect market participant perspectives with respect to "surplus assets" or excess liabilities should be determined. Adjustments may include:

- identifying the amount of steady state working capital that a buyer would require to be delivered when the enterprise is sold
- identifying the amount of excess cash, if any and whether it will be to the good of seller or buyer
- identifying other surplus assets, if any, and how they will be reflected in a transaction for the entity
- consideration of liabilities that may or may not be reflected in the balance sheet such as incentive compensation, bonuses, tax, deferred consideration, pension, etc.
- consideration of ESG related factors, e.g., decommissioning provisions, mandatory contributions, expected legislation

Apportion the Attributable Enterprise Value appropriately

The apportionment should reflect the respective amounts accruing to the holder of each financial instrument and all other financial instruments (regardless of holder) in the event of a Realisation at the Measurement Date. As discussed further in section II 5.9, where there are ratchets or share options or other mechanisms (such as 'liquidation preferences', in the case of Investments in early-stage businesses) in place which are likely to be triggered in the event of a sale of the company at the given Enterprise Value at that date, these should be reflected in the apportionment.

The estimation of Fair Value should be undertaken on the assumption that options and warrants are exercised, where the Fair Value is in excess of the exercise price and accordingly it is a reasonable assumption that these will be exercised. The aggregate exercise price of these may result in surplus cash arising in the Investee Company if the aggregate exercise price is significant.

Where significant positions in options and warrants are held by the Fund, these may need to be valued separately from the underlying Investments using an appropriate option-based pricing model.

Differential allocation of proceeds may have an impact on the value of an Investment. If liquidation preferences exist, these need to be reviewed to assess whether they are expected to give rise to a benefit to the Fund, or a benefit to a third party to the detriment of the Fund.

Determining the value of debt to be deducted

Many investment structures include third party debt that has a higher-ranking claim on the enterprise than the Investment of the Fund. To estimate the attributable Enterprise Value, such debt is deducted from Adjusted Enterprise Value. When deducting outstanding debt from Enterprise Value to calculate the Fair Value of equity Investments, judgement should be exercised to ensure that the amount deducted represents a Market Participant perspective.

For example, if the debt must be repaid upon the sale of the Investee Company, which is often the case in a private equity transaction, then a Market Participant transacting in their economic best interest, may assume that a hypothetical change in control occurs on the Measurement Date and thus deem the amount to be deducted to equal the par or payoff value of debt (i.e. the amount to be repaid). However, a Market Participant may take into account the timing and likelihood of a future actual change in control (that is, assuming that a change in control has not yet taken place as of the Measurement Date but incorporating into the value deducted the existence of the change in control provision).

If debt would not be repaid when the Enterprise is sold, then the amount of debt deducted for purposes of determining the fair value of the equity investment would not necessarily equal the par, payoff, or fair value of debt. It would reflect a Market Participants hypothetical negotiated value taking into account favourable or unfavourable terms (such as interest rate) of the debt, or in other words, the value of debt reflecting the favourable/unfavourable elements would be deducted from Adjusted Enterprise Value.

An additional question arises if the debt includes special features such as a prepayment penalty. In such circumstances, consideration must be given to the price at which Market Participants would transact to maximise value. The prepayment penalty would be incorporated into the amount deducted based on the probability it would be paid. When using a Market Participant perspective, the value deducted may or may not equal the face, par, or payoff value of debt depending on the facts and circumstances.

a. If the debt is required to be repaid upon a change of control with a prepayment penalty, the probability of the prepayment penalty being assessed, based on considerations including but not limited to the expected duration and ability to negotiate with lenders, would be incorporated into the amount deducted.

b. If the debt is not required to be repaid upon a change of control, then the amount deducted would be impacted by any favourable or unfavourable terms (such as interest rate) of the debt in determining the amount that would be deducted from Adjusted Enterprise Value.

Note: If the Investment is in the debt of an Investee Company, the Fair Value of the Debt Investment would be determined using a Market and/or Income Approach taking into account risk, coupon, time to expected repayment, and other market conditions in determining the Fair Value of the Debt Investment, which would generally not be equivalent to par value (see Guidelines 3.6 or 3.8; also see section II 5.6 Debt Investments and appendix 2, Application of IFRS 9 / Accounting Standards Codification (ASC) Topic 946 to Debt Investments).

Where the debt is trading at a discount to par, this lower amount would not be deducted from the Enterprise Value until the Investee Company or the Fund has acquired that Debt in the market at that value and intends to cancel the debt rather than seek repayment at par.

Dilution

A Fair Value estimate reflects Market Participant perspectives. Many Private Capital Investments contemplate potential dilution. For example, dilution occurs because of ownership interests provided to Investee Company management that may vest over time. Vesting as of the Measurement Date would be taken into account in estimating Fair Value.

Dilution may also be expected with early-stage Investments where additional rounds of financing include terms where existing shareholders' ownership percentage is reduced as additional capital is raised. Fair Value reflects the ownership stake at a given Measurement Date. In some circumstances and often in early-stage Investments, value determined through a scenario analysis may need to reflect potential anticipated dilution at ultimate exit resulting from additional rounds of financing.

2.5 Exercising Prudent Judgement

2.5 Because of the uncertainties inherent in estimating Fair Value for Private Capital Investments, care should be applied in exercising judgement and making the necessary estimates. However, the Valuer should be wary of applying excessive caution. The Valuer should consider information that is Known or Knowable as of the measurement date.

Private Capital Funds often undertake an Investment with a view to build, develop, and/or to effect substantial changes in the Investee Company, whether it is to its strategy, operations, management, or financial condition. Sometimes these situations involve rescue refinancing or a turnaround of the business in question. While it might be difficult in these situations to measure Fair Value, it should in most cases be possible to estimate the amount a Market Participant would pay for the Investment in question at a point in time.

There may be situations where:

- the range of reasonable Fair Value estimates is significant;
- the probabilities of the various estimates within the range cannot be reasonably assessed;
- the probability and financial impact of achieving a key milestone cannot be reasonably predicted; and
- there has been no recent Investment into the business.

While these situations prove difficult, the Valuer must still come to a conclusion as to their best estimate of the hypothetical exchange price between willing Market Participants.

Estimating the increase or decrease in Fair Value in such cases may involve reference to broad indicators of value change (such as relevant stock market indices). After considering these broad indicators, in some situations, the Valuer might reasonably conclude that the Fair Value at the previous Measurement Date remains the best estimate of current Fair Value.

Where a change in Fair Value is perceived to have occurred, the Valuer should amend the carrying value of the Investment to reflect the new Fair Value estimate.

Known or Knowable Information

Known or Knowable information pertains to facts, conditions, or observable information which exists as of the measurement date and is available to the valuer or would reasonably be available to valuer through routine inquiry or due diligence. For example, the value of a traded share is known or knowable at the measurement date as it can be obtained from the relevant exchange or reporting service. Information which does not exist at the measurement date, for example the traded value of a share at any date after the measurement date is not known or knowable at the Measurement Date.

Information used by Valuers reflecting the performance of an underlying investment may be one or more months in arrears. For example, for a June 30 measurement date, the reported EBITDA available from an investee company may be as of March 31, April 30, May 31 or some other date. The most contemporaneous information would be used for a June 30 measurement date adjusted for known events or situations. If it is known that the EBITDA available as of a June 30 measurement date, say March 31 EBITDA, is significantly greater or below the estimated June 30 EBITDA, then the March 31 reported results would be adjusted for the known differing trend on performance. While if there are no indications that the reported June 30 EBITDA would differ significantly from the last reported data at March 31, most valuers would use March 31 performance results as the metric in estimating fair value.

Transactions after the Measurement Date

A transaction which is anticipated to sign or close after the Measurement Date may provide an indication of the fair value at the measurement date. Depending on the facts and circumstances uncertainties including but not limited to: changes to the anticipated transaction price, the risk of failure to close, and the time to close the transaction, should be reflected when determining Fair Value at the Measurement Date. The proximity to the Measurement Date of a transaction closing or signing may provide information with respect to the judgments applied with respect to what was known or knowable at the Measurement Date.

2.6 Calibration

2.6 When the price of the initial Investment in an Investee Company or instrument is deemed Fair Value, which is generally the case if the entry transaction is considered an Orderly Transaction, then the Valuation Techniques that are expected to be used to estimate Fair Value in the future should be evaluated using market inputs as of the date the Investment was made. This process is known as Calibration. Calibration validates that the Valuation Techniques using contemporaneous market inputs will generate Fair Value at inception and therefore that the Valuation Techniques using updated market inputs as of each subsequent Measurement Date will generate Fair Value at each such date.

Fair Value should reflect reasonable estimates and assumptions for all significant factors that parties to an arm's length transaction would be expected to consider, including those which have an impact upon the expected cash flows from the Investment and upon the degree of risk associated with those cash flows.

In assessing the reasonableness of assumptions and estimates, the Valuer should:

- note that the objective is to replicate those assumptions that the parties in an arm's-length transaction would make at the Measurement Date;

- take account of events taking place subsequent to the Measurement Date where they provide additional evidence of conditions that existed at the Measurement Date that were known or knowable by Market Participants;
- take account of then current market conditions at each Measurement Date; and
- to the extent the initial entry price is deemed Fair Value, test (or calibrate) the Valuation

Techniques expected to be used at subsequent valuation dates, using input data at inception to ensure that the Valuation Techniques result in an initial Fair Value estimate equal to the entry price (Note: at subsequent Measurement Dates the calibrated Valuation Techniques should be used with then current market inputs reflecting then current market conditions).

Calibration is a powerful tool that can assist in capturing the impacts of control and Liquidity, among other inputs, on a Fair Value measurement. For illustrative purposes, assume an Investment is purchased at Fair Value at an implied 10x EBITDA multiple. At the time of purchase, comparable companies are trading at 12x EBITDA. When compared to the comparable companies, the 10x entry multiple incorporates Liquidity, control, and other differences between the Investment and comparable companies. At future Measurement Dates, judgement would be applied to determine how to move the acquisition multiple of 10x in relation to changes in the multiple of comparable companies.

For example, if the comparable companies moved from 12x to 15x, the Valuer may conclude that the two turns of EBITDA difference at entry (10x vs 12x) should be maintained, resulting in a Fair Value estimate derived by applying a 13x multiple to the Investee Company's updated EBITDA. Similar judgements would be made using inputs for other Valuation Techniques. The Valuer would not automatically use the entry difference (2x) at future valuation dates, but would determine how much a Market Participant would be willing to pay for the Investment using the calibrated entry inputs as a point of reference. Note: the Valuer has discretion, based on the facts and circumstances, to consider, on a consistent basis, whether an absolute movement or a relative (percentage) movement between multiples would be more appropriate.

Similar calibration concepts can be used with an income valuation approach. The discount rate implied at acquisition can be deconstructed into its component parts based on the weighted average cost of capital, which will, in particular, provide a basis for a company specific risk premium, also known as alpha. The components of the weighted average cost of capital would then be updated at future Measurement Dates based on then current market conditions (with adjustments to the alpha based on company specific facts and circumstances) and applied to most likely cash flows at that point in time.

2.7 Backtesting

2.7 Valuers should seek to understand the substantive differences that legitimately occur between the exit price and the previous Fair Value assessment. This concept is known as Backtesting. Backtesting seeks to articulate:

i. **What information was known or knowable as of the Measurement Date;**
ii. **Assess how such information was considered in coming to the most recent Fair Value estimates; and**
iii. **Determine whether known or knowable information was properly considered in determining Fair Value given the actual exit price results.**

Backtesting is the process of comparing an actual liquidity event (sale, IPO, round of financing, etc.) or a new anticipated liquidity event to the most recently determined Fair Value estimate. When the valuation implied by an actual Realisation or liquidity event is compared to Fair Value estimates at the most recent Measurement Dates, the Valuer is provided with additional information to help assess the rigour of the Fair Value estimation process. This does not mean that the exit price should equal the previous Fair Value measurement, but should be used as an input to continuously improve the rigour of the Fair Value estimates.

Backtesting is not used to identify theoretical mistakes, if any, in the valuation process, but rather to encourage the Valuer to assess changes in information, market conditions, Market Participants, etc. that may have occurred between the Measurement Date and the exit date.

Backtesting can provide meaningful insights that could be applied when developing future Fair Value estimates. Over time, Backtesting provides the Valuer with a tool to assess whether there are inherent biases (e.g. overly conservative assumptions) built into the valuation process and thereby identify areas for potential improvement.

Backtesting can also be used to assess the reliability of assumptions used to estimate Fair Value, such as, but not limited to, maintainable EBITDA, normalised net debt, etc. Backtesting is based on information which was known or knowable as of the measurement date.

3. Valuation Methods

3.1 General

3.1 (i) In determining the Fair Value of an Investment, the Valuer should use judgement. This includes consideration of those specific terms of the Investment that may impact its Fair Value. In this regard, the Valuer should consider the economic substance of the Investment, which may take precedence over the strict legal form.

3.1 (ii) Where the reporting currency of the Fund is different from the currency in which the Investment is denominated, translation into the reporting currency for reporting purposes should be done using the bid spot exchange rate prevailing at the Measurement Date.

A number of valuation methods or techniques that may be considered for use in measuring the Fair Value of Unquoted Investments are described in section II 3.3 to 3.8 below. These Valuation Techniques should incorporate case-specific factors affecting Fair Value. For example, if the Investee Company is holding surplus cash or other assets, the value of the business should reflect that fact to the extent a Market Participant would attribute value to such items.

Techniques for valuing Actively Traded Investments are described in section II 3.6 below.

In the Private Capital arena, because value is generally realised through a sale or flotation of the entire Investee Company, rather than through a transfer of individual shareholder stakes, the value of the business as a whole at the Measurement Date will often provide a key insight into the value of Investment stakes in that business. For this reason, a number of the techniques described below involve estimating the Enterprise Value as an initial step. If a Market Participant would be expected to maximise value through the sale of the entire business, the estimation of the Fair Value of individual financial instruments would include an assessment of the allocation of the Enterprise Value to those individual financial instruments.

There will be some situations where the Fair Value will derive mainly from the expected cash flows and risk of the relevant financial instruments rather than from the Enterprise Value. The Valuation Technique used in such circumstances should reflect relevant exit expectations.

There may also be some situations in which determining the Enterprise Value under the assumption that the Enterprise would be sold at the Measurement Date may not be appropriate. For example, if a minority stake is being valued and the other owners' interests are not aligned, it may not be appropriate to assume a sale of the Enterprise and allocation of value as described below. In such circumstances alternative Valuation Techniques would be used as more fully discussed in section II 5.11.

Investee Companies may operate using multiple currencies. Investments may be denominated in currencies other than the Fund's reporting currency. Movements in rates of exchange may impact the value of the Fund's Investments and these changes should be taken into account using a Market Participant perspective.

3.2 Apply Judgement in Selecting Valuation Techniques

3.2 The Valuer should exercise their judgement to select the Valuation Technique or techniques most appropriate for a particular Investment.

The key criterion in selecting a Valuation Technique is that it should be appropriate in light of the nature, facts and circumstances of the Investment and in the expected view of Market Participants. The Valuer may consider utilising further techniques to check the Fair Value derived, as appropriate. When selecting the appropriate Valuation Technique, each Investment should be considered individually. An appropriate Valuation Technique will incorporate available information about all factors that are likely to materially affect the Fair Value of the Investment.

The Valuer will select the Valuation Technique that is the most appropriate and consequently make valuation adjustments on the basis of their informed and experienced judgement. This will include consideration of factors such as:

- the relative applicability of the techniques used given the nature of the industry and current market conditions;
- the quality and reliability of the data used in each Valuation Technique;
- the comparability of Enterprise or transaction data;
- the consistent availability of information necessary to perform that Valuation technique over time;
- the stage of development of the Enterprise;
- the ability of the Enterprise to generate maintainable profits or positive cashflow;
- any additional considerations unique to the Enterprise; and
- the results of testing (calibrating) techniques and inputs to replicate the entry price of the Investment. (**Note:** at subsequent Measurement Dates the calibrated Valuation Techniques should be used with updated inputs reflecting then current market conditions. See also section I 2.6).

In assessing whether a technique is appropriate, the Valuer should maximise the use of techniques that draw heavily on observable market-based measures of risk and return. Fair Value estimates based entirely on observable market data are deemed less subjective than those based on Valuer assumptions. In some cases, observable market data may require adjustment by the Valuer to properly reflect the facts and circumstances of the Investment being valued. Such adjustments should not be automatically regarded as reducing the reliability of the Fair Value estimation.

While accounting standards do not specify a hierarchy of Valuation Techniques, the use of multiple techniques is encouraged by some. In particular, IFRS 13 (and ASC Topic 820) states that "in some cases a single Valuation Technique will be appropriate (e.g. when valuing an asset or a liability using quoted prices in an Active Market for identical assets or liabilities). In other cases, multiple Valuation Techniques will be appropriate. If multiple Valuation Techniques are used to measure Fair Value, the results (i.e. respective indications of Fair Value) shall be evaluated considering the reasonableness of the range of values indicated by those results. A Fair Value measurement is the point within that range that is most representative of Fair Value in the circumstances."[2]

[2] IFRS 13 paragraph 63; Congruent with ASC Topic 820.

Where the Valuer considers that several techniques are appropriate to value a specific Investment, the Valuer may consider the outcome of these different Valuation Techniques so that the results of one particular Valuation Technique may be used as a cross-check of values or to corroborate or otherwise be used in conjunction with one or more other techniques in order to measure the Fair Value of the Investment.

Techniques should be applied consistently from period to period, except where a change would result in better estimates of Fair Value.

The basis for any changes in Valuation Techniques should be clearly understood. It is expected that there would not be frequent changes in Valuation Techniques over the course of the life of an Investment.

3.3 Selecting the Appropriate Valuation Technique

3.3 The Valuer should use one or more of the following Valuation Techniques as of each Measurement Date, taking into account Market Participant assumptions as to how Value would be determined:

A. Market Approach
   a. Multiples (3.4)
   b. Industry Valuation Benchmarks (3.5)
   c. Available Market Prices (3.6)

B. Income Approach
   a. Discounted Cash Flows (3.7, 3.8)

C. Replacement Cost Approach
   a. Net Assets (3.9)

The Price of a Recent Investment, if resulting from an orderly transaction, generally represents Fair Value as of the transaction date. At subsequent Measurement Dates, the Price of a Recent Investment may be an appropriate starting point for estimating Fair Value. However, adequate consideration must be given to the current facts and circumstances, including, but not limited to, changes in significant market conditions or changes in the performance of the Investee Company especially for an Investment that had a long period between signing and closing and the Measurement Date.

Inputs to Valuation Techniques should be calibrated to the Price of a Recent Investment, to the extent appropriate (3.10).

Where the Investment being valued was itself made recently, its cost may provide a good starting point for estimating Fair Value. Where there has been any recent Investment in the Investee Company, the price of that Investment may provide a basis for recalibrating inputs to the valuation model. Use of the transaction price as a starting point for Fair Value assumes that the price reflects Fair Value in the market and that it includes the impact of any changes in the market and the Investee Company that have occurred since the date of the transaction was signed.

The Valuation techniques articulated in section I 3.4 through section I 3.9 may be more applicable to established businesses. The Techniques articulated in section I 3.10 may be more applicable to early-stage Investments.

3.4 Multiples

3.4 Depending on the stage of development of an Enterprise, its industry, and its geographic location, Market Participants may apply a multiple of earnings or revenue or other specific metric used within the industry. In using the multiples Valuation Technique to estimate the Fair Value of an Enterprise, the Valuer should:

i. Apply a multiple that is appropriate and reasonable (given the size, risk profile and earnings growth prospects of the underlying company) to the applicable indicator of value (earnings or revenue) of the Investee Company;
ii. Adjust the Enterprise Value for surplus or non-operating assets or excess liabilities and other contingencies and relevant factors to derive an Adjusted Enterprise Value for the Investee Company;
iii. Deduct from this amount any financial instruments ranking ahead of the highest-ranking instrument of the Fund in a liquidation scenario (e.g. the amount that would be paid) and taking into account the effect of any instrument that may dilute the Fund's Investment to derive the Attributable Enterprise Value;
iv. Apportion the Attributable Enterprise Value appropriately between the relevant financial instruments using the perspective of potential Market Participants. Judgement is required in assessing a Market Participant perspective.

This Valuation Technique involves the application of an appropriate multiple to a performance measure (such as earnings or revenue) of the Investee Company in order to derive a value for the business.

This Valuation Technique is likely to be appropriate for an Investment in an established business with an identifiable stream of continuing earnings or revenue that is considered to be maintainable.

This section sets out guidance for preparing valuations of businesses on the basis of positive earnings. In addition, for businesses that are still in the development stage and prior to positive earnings being generated, multiples of actual or projected revenue may be used as a basis of valuation.

Appropriate multiple

When using the comparable company multiple approach, the Valuer must identify an appropriate set of publicly traded comparable companies to the Investee Company. The best comparable company available may be a direct competitor, in the same industry, or have similar performance metrics. Understanding the comparability of a selected companies may impact the strength of the valuation conclusion from the comparable company multiple approach and thereby whether additional Valuation Techniques are necessary. In addition, once a comparable company set is established, it should be consistently maintained unless other market information becomes available.

By definition, multiples have as their numerator a value, such as price, Enterprise Value, etc., and as their denominator an earnings or revenue figure. The denominator can be the earnings or revenue figure for any specified period of time and multiples are often defined as 'historical', 'current', or 'forecast' to indicate the earnings or revenue used. It is important that the multiple used correlates to the period and concept of earnings or revenue of the Investee Company.

Care should be taken to ensure that the underlying accounting basis for the relevant denominator used in developing a multiple is consistent. For example, research & development costs may be treated differently under different accounting jurisdictions, including, but not limited to, US Generally Accepted Accounting Standards and International Financial Reporting Standards. Other differences may exist based on the timing and application of changes in accounting standards. For example, the timing of implementation of revised accounting standards such as those pertaining to leases and revenue recognition could cause difficulty in identifying comparable multiples.

Use of Earnings multiples

A number of earnings multiples or ratios are commonly used, including price/earnings (P/E), Enterprise Value/earnings before interest and tax (EV/EBIT) and amortisation (EV/EBITA) and depreciation (EV/EBITDA). The particular multiple used should be appropriate for the Investee Company and should conform to Market Participant assumptions. Where EBITDA multiples are available, these are commonly used.

In general, because of the role of financial structuring in Private Capital, multiples are used by Market Participants to derive an Enterprise Value for the Investee Company. The methodology for the calculation of a multiple should be consistent with Market Participant assumptions and should not change without good reason. If a Valuer does determine that a different methodology or multiple provides a more appropriate estimate of Fair Value, the reasoning for the change in the multiple should be appropriately justified.

When EBITDA multiples are not available, P/E multiples may be used since these are commonly reported. For a P/E multiple to be comparable, the two entities should have similar financing structures and levels of borrowing.

Therefore, where a P/E multiple is used, it should generally be applied to an EBIT figure which has been adjusted for the impact of finance costs relating to operations, working capital needs and tax impacts. These adjustments are designed to eliminate the effect of the acquisition finance on earnings and thus on the Enterprise Value since this is subsequently adjusted.

Use of a Revenue multiple

For Enterprises that have sustainable earnings, it would be more appropriate to utilise an earnings multiple; however, for Enterprises that have established operations but have not yet obtained sustainable profitability, a multiple of revenue may be appropriate to determine Fair Value. A revenue multiple is commonly based on an assumption as to the 'normalised' level of earnings that can be generated from that revenue. This Valuation Technique may be applicable to companies with negative earnings, if the losses are considered to be temporary and one can identify a level of 'normalised' maintainable earnings. This may involve the use of adjusted historic revenue, using a forecast level of revenue, or applying a 'sustainable' profit margin to current or forecast revenues.

The most appropriate revenues to use in this Valuation Technique would be those likely to be used by a prospective Market Participant purchaser of the business. Consideration should be given to revenues generated by discontinued operations, terminated customer contracts, one-time special revenue generating project and other non-recurring or ongoing historical revenue sources.

Acquisition multiples vs quoted company trading multiples

The Valuer would usually derive a multiple by reference to current market-based multiples, reflected in the market valuations of quoted companies or the price at which companies have changed ownership. The multiple derived from the acquisition price is calibrated with the multiple of comparable companies expected to be used in on-going valuation estimates. Differences between the acquisition multiple and the comparable companies' multiples are monitored and adjusted, as appropriate, over time, given differences between the Investee Company and the comparable companies.

For example, assume the acquisition price of an Investment was deemed Fair Value (e.g. an Orderly Transaction price) and represented an EBITDA multiple of 8 when comparable company EBITDA multiples were 10. In future periods, when estimating Fair Value judgement is required as to whether or not the 20% discount to comparable company multiples should be maintained or should change at subsequent Measurement Dates based on changes in Investee Company or the comparable companies.

This market-based approach presumes that the comparable companies are correctly valued by the market. While there is an argument that the market capitalisation of a quoted company reflects not the value of the company, but merely the price at which 'small parcels' of shares are exchanged, the presumption in these Valuation Guidelines is that market-based multiples are indicative of the value of the company as a whole.

Identifying similarities and differences

Where market-based multiples are used, the aim is to identify companies that are similar, in terms of risk attributes and earnings growth prospects, to the Investee Company. This is more likely to be the case where the companies are similar in terms of business activities, markets served, size, geography, and applicable tax rate.

The impact of gearing (leverage) and tax on P/E ratios

In using P/E multiples, the Valuer should note that the P/E ratios of comparable companies will be affected by the level of financial gearing (leverage) and applicable tax rate of those companies.

EBITDA multiples and depreciation / amortisation

In using EV/EBITDA multiples, the Valuer should note that such multiples, by definition, remove the impact on value of depreciation of fixed assets and amortisation of goodwill and other intangibles. If such multiples are used without sufficient care, the Valuer may fail to recognise that business decisions to spend heavily on fixed assets or to grow by acquisition rather than organically do have real costs associated with them, which should be reflected in the value attributed to the business in question.

Adjusting for points of difference

It is important that the earnings multiple of each comparable company is adjusted for points of difference between the comparable company and the Investee Company. These points of difference should be considered and assessed by reference to the two key variables of risk and earnings growth prospects that underpin the earnings multiple. In assessing the risk profile of the Investee Company, the Valuer should recognise that risk arises from a range of aspects, including the nature of the company's operations, the markets in which it operates, and its competitive position in those markets, potential positive or negative impacts from legislation, the quality of its management and employees, and, importantly in the case of private equity and venture capital Investments, its capital structure and the ability of the Fund holding the Investment to effect change in the company.

The impact of lack of Liquidity

When considering adjustments to reported multiples, the Valuer should also consider the impact of the differences between the Liquidity of the shares being valued and those on a quoted exchange. There is a risk associated with a lack of Liquidity. The Valuer should consider the extent to which a prospective acquirer of those shares would take into account the additional risks associated with holding an unquoted share.

In an Unquoted Investment, the risk arising from the lack of Liquidity is clearly greater for a shareholder who is unable to control or influence a Realisation process than for a shareholder who owns sufficient shares to drive a Realisation at will. It may reasonably be expected that a prospective Market Participant purchaser would assess that there is a higher risk associated with holding a minority position than a control position.

Calibration

Value attributed to a lack of Liquidity may be difficult to assess. Calibration provides a technique to objectively assess value attributed to a lack of Liquidity. The multiple at the date of acquisition should be calibrated against the market comparable multiples. Differences, if any, should be understood and similar differences may be expected or need to be understood at subsequent valuation dates.

Other reasons for adjustment

Other reasons why the comparable company multiples may need to be adjusted may include the following:

- the size and diversity of the entities and, therefore, the ability to withstand adverse economic conditions;
- the rate of growth of the earnings;
- the reliance on a small number of key employees;
- the diversity of the product ranges;
- the diversity and quality of the customer base;
- the level of borrowing;
- any other reason the quality of earnings may differ; and
- the risks arising from the lack of Liquidity of the shares.

Fair Value measurements should not include a premium or discount that is inconsistent with the instrument (Unit of Account) being valued. Blockage Factors are not allowed by accounting standards. However, investors in private companies generally consider their overall interest and the extent to which they act in concert with other investors. Judgement must be applied to individual facts and circumstances to assess the amount a Market Participant would pay in the context of the potential adjustments to multiples noted above.

Comparable recent transactions

Recent transactions involving the sale of similar companies are sometimes used as a frame of reference in seeking to derive a reasonable multiple. It is sometimes argued, since such transactions involve the transfer of whole companies whereas quoted multiples relate to the price for 'small parcels' of shares, that recent transactions provide a more relevant source of multiples. However, the appropriateness of the use of recent transaction data is often undermined by the following:

- the lack of forward looking financial data and other information to allow points of difference to be identified and adjusted for;
- the generally lower reliability and transparency of reported earnings figures of private companies;
- the amount of time that has passed since the transaction was negotiated/consummated;
- the impact of reputational issues, such as ESG and other factors;
- changes in market conditions; and
- the lack of reliable pricing information for the transaction itself.

It is a matter of judgement for the Valuer as to whether transaction multiples or comparable company multiples or a combination thereof would best reflect market participant perspectives at the measurement date. Deriving a reasonable multiple reflecting current market participant assumptions may consider a single comparable company or a number of companies or the earnings multiple of a quoted stock market sector or sub-sector. It may be acceptable, in particular circumstances, for the Valuer to conclude that the use of quoted sector or sub-sector multiples or an average of multiples from a 'basket' of comparable companies may be appropriate. In times of market dislocation judgment should be applied as it may not be appropriate to use transaction multiples, even if very recent if the market is changing very rapidly.

Maintainable earnings / Maintainable revenue

In applying a multiple to maintainable earnings or revenue, it is important that the Valuer is satisfied that the earnings/revenue figure can be relied upon. While this might tend to favour the use of audited historical figures rather than unaudited or forecast figures, it should be recognised that value is by definition a forward-looking concept, and quoted markets more often think of value in terms of 'current' and 'forecast' multiples, rather than 'historical' ones. In addition, there is the argument that the valuation should, in a dynamic environment, reflect the most recent available information. There is therefore a trade-off between the reliability and relevance of the earnings/revenue figures available to the Valuer.

On balance, while it remains a matter of judgement for the Valuer, a Market Participant perspective should be used either focused on historical earnings/revenue or focused on future earnings/revenue based on the availability and reliability of forward-looking projections and multiples or historical results and multiples.

Whichever period's earnings are used, the Valuer should satisfy himself that they represent a reasonable estimate of maintainable earnings, which implies the need to adjust for exceptional or non-recurring items, the impact of discontinued activities and acquisitions, and forecast material changes in earnings. Such adjustments, if appropriate, should also be reflected in the multiple derived from comparable companies.

The earnings/revenue figure should be adjusted for non-cash or one-time revenue or expenses and calculated on a pro-forma basis reflecting any acquisitions or disposals to the extent a Market Participant buyer would make such adjustments.

3.5 Industry Valuation Benchmarks

3.5 The use of industry benchmarks is only likely to be reliable and therefore appropriate as the main basis of estimating Fair Value in limited situations and is more likely to be useful as a sanity check of values produced using other techniques.

A number of industries have industry-specific valuation benchmarks, such as 'price per bed' (for nursing home operators) and 'price per subscriber' (for cable television companies). Other industries, including certain financial services and information technology sectors and some services sectors where long-term contracts are a key feature, use multiples of revenues as a valuation benchmark.

These industry norms are often based on the assumption that investors are willing to pay for turnover (revenue) or market share, and that the normal profitability of businesses in the industry does not vary much.

3.6 (i) Quoted Investments

3.6 (i) Instruments quoted on an Active Market should be valued at the price within the bid / ask spread that is most representative of Fair Value on the Measurement Date. The Valuer should consistently use the most representative point estimate in the bid/ask spread.

Private Capital Funds may hold Quoted Investments, for which there is an available market price.

For certain Quoted Investments, there is only one market price quoted representing, for example, the value at which the most recent trade in the instrument was transacted.

For other Quoted Investments that trade less frequently, for example certain Debt Investments, there may be two market prices at the Measurement Date: the lower 'bid' price quoted by a market maker, which he will pay an investor for a holding (i.e. the investor's disposal price), and the higher 'ask' price, which an investor can expect to pay to acquire a holding. However, as an alternative to the bid price (where not required by regulation), is the mid-market price (i.e. the average of the bid and ask prices), where this is considered the most representative point estimate in the bid/ask spread.

Determining whether a quoted price is deemed to be from an Active Market requires judgment.

IFRS 13 and ASC Topic 820 define an active market as "a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis." This principles-based definition does not provide specific guidance to indicate what level of frequency and volume is sufficient to provide reliable pricing information, nor does it indicate whether transactions in over-the-counter markets (for example, pink sheets, gray sheets) would meet the definition of an active market. The Valuer will need to apply judgment, based on the nature of the Investment, as to the frequency or volume or both that would be considered to provide reliable pricing information. - If a Fund invests directly in securities that are traded over-the-counter and the Valuer considers this market to be its principal market, the Valuer may consider this level of activity to reflect an active market.

Even if a market is not considered to be active, observable transactions would still provide an indication of value, and would need to be considered in the Fair Value estimate. In addition, when assessing the assumed transaction for measuring Fair Value, the Valuer should consider the way in which Market Participants, acting in their economic best interest, would transact.

As previously noted, Fair Value measurements should not include a premium or discount that is inconsistent with the instrument (Unit of Account) being valued. Blockage Factors are not allowed by accounting standards, see Section 3.6 (ii).

Even in times of market dislocation or public market volatility, actively traded securities are required to be reported, by accounting rules, at P * Q where P is the closing price on the relevant exchange at the measurement date and Q is the quantity of shares held. When public markets are very volatile some may believe the P price is not representative of fair value, however, even in those circumstances the financial reporting rule of P*Q remains in place.

3.6 (ii) Blockage Factors and Discounts

3.6 (ii) Blockage Factors that reflect size as a characteristic of the reporting entity's holding (specifically, a factor that adjusts the quoted price of an asset because the market's normal daily trading volume is not sufficient to absorb the quantity held by the entity) should not be applied.

When an investment is actively traded (sufficient volume and frequency to determine a price) fair value is the market price times the quantity held, P*Q. No discount is allowed even if the position held is large relative to the trading volume of the holding, such that the entire position could not be sold at that price on the Measurement Date.

3.6 (iii) Discounts

3.6 (iii) Discounts may be applied to prices quoted in an Active Market if there is a governmental, or other legally enforceable restriction attributable to the security, not the holder, resulting in diminished Liquidity of the instrument that would impact the price a Market Participant would pay at the Measurement Date.

An example of a restriction deemed attributable to the security would be shares which are not legally registered to be traded on an exchange. As the shares are not registered the hypothetical transaction representing the sale of shares could only take place with a Market Participant in the private market, and thus the restriction would be considered to be a characteristic of the Investment.

An example of a restriction that would be deemed an attribute of the holder would be limitations on sale imposed by holding a Board of Directors seat. As the holder of the security is not mandated to hold a Board seat, it is an attribute of the holder rather than an attribute of the security. Were the holder to sell the security, the limitation on sale would not pass on to the buyer.

When applicable, to determine the level of discount to apply the Valuer should consider the impact on the price that a buyer would pay when comparing the Investment in question with an identical but unrestricted holding. The Valuer may consider using an option pricing model to value the impact of this restriction on Realisation. However, in practice for restrictions that only cover a limited number of reporting periods, this is simplified to a simple mathematical discount to the quoted price. The discount applied should appropriately reflect the time value of money and the enhanced risk arising from the reduced Liquidity. The discount used is a matter of judgement influenced by expected volatility that should reduce to zero at the end of the restriction period.

Contractual Restriction Accounting Differences

In the past contractual restrictions such as an underwriter's lockup have been interpreted by some to be an attribute of the security and by others to be an attribute of the holder of a security. FASB has recently changed their view to prohibit considering restrictions as an attribute of the security.[3] Many believe that IFRS and US GAAP are aligned on this point.

Fundamentally, a Market Participant view should be taken to determine the principal or most advantageous market in which transactions for the security would take place. If the contractual restriction changes the principal or most advantageous market, then fair value would be determined in that market. However, many would conclude that the most advantageous market for a security with a contractual restriction will continue to be the public market and as such under the new US GAAP provisions no discount would be allowed.

[3] In June of 2022 the US Financial Accounting Standards Board (FASB) amended Accounting Standards Codification (ASC) Topic 820 through Accounting Standards Update (ASU) 2022-03. The amendment states that contractual restrictions with respect to equity securities should be ignored when estimating fair value. The amendment is effective for reporting period beginning after December 15, 2023, for Public Companies and beginning after December 15, 2024 for Private Companies; early adoption is allowed. Therefore, while seemingly incongruent, prior to the effective date of ASU 2022-03 based on the facts and circumstances and the valuer's judgment as to a Market Participants view, a discount for a contractual restriction may be applied. After the effective date a discount for a contractual restriction is not allowed.

3.6 (iv) Observable Prices

3.6 (iv) In the absence of an Active Market for financial instruments, but where observable prices are available, the Valuer should consider observable prices in conjunction with estimating Fair Value utilising one or more of the other Valuation Techniques.

In the absence of an Active Market for a financial instrument, the Valuer must estimate Fair Value utilising one or more of the other Valuation Techniques. When a market is deemed not to be active and observable prices are available, the Valuer should consider observable prices supplemented by additional Valuation Techniques to measure Fair Value.

Broker Quotes and Pricing Services

It can be common for Funds investing in Debt instruments and other infrequently traded instruments to use third-party sources, such as pricing services and quotes from brokers or dealers, to assist in their Fair Value estimation process. Funds investing in illiquid instruments may also obtain indicative offers from brokers or dealers or other potential buyers.

The use of quoted prices provided by third parties, such as pricing services or brokers and dealers, is permitted if the reporting entity has determined that the quoted prices provided by those parties are developed in accordance with the Fair Value standard. Therefore, reporting entities that use pricing services need to understand how the pricing information is developed and obtain sufficient information to determine where illiquid instruments fall within the Fair Value hierarchy.

Dealer quotes can be binding or non-binding dependent on whether the dealer stands ready and willing to transact at that price. Brokers, on the other hand, report what they see in the market, but usually are not ready and willing to transact at that price.

The Valuer should understand how a quotation or a price provided by a third-party source was determined. It should understand the source of the information, the inputs and assumptions used and whether or not a quote is binding. Prices should be consistent with the Fair Value measurement objective (that is, the price at which an orderly transaction would take place between Market Participants on the Measurement Date).

In assessing the relevance and reliability of information provided by pricing services, the Valuer should consider a number of factors, including the following:

- Whether the price provided is based on recent market information;
- Whether the price provided is based on transactions of similar or identical instruments;
- The extent and nature of the market information on which the price was based; and
- Whether the price provided by the pricing service is representative of a market to which the entity has access.

In assessing the relevance and reliability of broker or dealer quotes, the Valuer should consider a number of factors, including the following:

- Whether the quote is contemporaneous and actionable (that is, binding or not);
- Who at the broker or dealer provided the quote;
- Is the broker or dealer active in assets of the type for which they provided the quote; and
- What disclaimers from the broker or dealer accompany the quote?

3.7 Discounted Cash Flows or Earnings (of Investee Company)

3.7 In using the Discounted Cash Flows or Earnings (of Investee Company) Valuation Technique to estimate the Fair Value of an Investment, the Valuer should:

i. Derive the Enterprise Value of the company, using reasonable assumptions and estimations of expected future cash flows (or expected future earnings) and the terminal value, and discounting to the present by applying the appropriate risk-adjusted rate that captures the risk inherent in the projections;
ii. Adjust the Enterprise Value for surplus or non-operating assets or excess liabilities and other contingencies and relevant factors to derive an Adjusted Enterprise Value for the Investee Company;
iii. Deduct from this amount any financial instruments ranking ahead of the highest-ranking instrument of the Fund in a liquidation scenario (e.g. the amount that would be paid) and taking into account the effect of any instrument that may dilute the Fund's Investment to derive the Attributable Enterprise Value; and
iv. Apportion the Attributable Enterprise Value appropriately between the relevant financial instruments using the perspective of Market Participants. Judgement is required in assessing a Market Participant perspective.

This Valuation Technique involves deriving the value of a business by calculating the present value of expected future cash flows (or the present value of expected future earnings, as a surrogate for expected future cash flows). The cash flows and 'terminal value' are those of the Investee Company, not those from the Investment itself.

The Discounted Cash Flows (DCF) technique is flexible in the sense that it can be applied to any stream of cash flows (or earnings). In the context of Private Capital valuation, this flexibility enables the Valuation Technique to be applied in situations that other techniques may be incapable of addressing. While this Valuation Technique may be applied to businesses going through a period of great change, such as a rescue refinancing, turnaround, strategic repositioning, loss making, or is in its start-up phase, there is a significant risk in utilising this Valuation Technique.

The disadvantages of the DCF technique centre around its requirement for detailed cash flow forecasts and the need to estimate the 'terminal value' and an appropriate risk-adjusted discount rate. All of these inputs require substantial subjective judgements to be made, and the derived present value amount is often sensitive to small changes in these inputs.

There is no hierarchy of Valuation Techniques required by accounting standards. However, the use of multiple Valuation Techniques is encouraged. Therefore, while many industry participants believe that DCF-based valuations are open to a high level of subjectivity in selecting inputs for this technique when valuing equity Investments for the Private Capital industry, such income-based techniques may be helpful in corroborating Fair Value estimates determined using market-based techniques.

3.8 Discounted Cash Flows (from an Investment)

3.8 In using the Discounted Cash Flows (from an Investment) Valuation Technique to estimate the Fair Value of an Investment, the Valuer should derive the present value of the cash flows from the Investment using reasonable assumptions and estimations of expected future cash flows, the terminal value or maturity amount, date, and the appropriate risk-adjusted rate that captures the risk inherent to the Investment. This Valuation Technique would generally be applied to Debt Investments or Investments with characteristics similar to debt.

This Valuation Technique applies the DCF concept and technique to the expected cash flows from the Investment itself.

Because of its flexibility, this Valuation Technique is capable of being applied to all Private Capital Investment situations. It is particularly suitable for valuing non-equity Investments in instruments such as debt or mezzanine debt, since the value of such instruments derives mainly from instrument-specific cash flows and risks rather than from the value of the Investee Company as a whole.

Risk and the rates of return necessary to compensate for different risk levels are central commercial variables in the making of all Private Capital Investments. Accordingly, there exists a frame of reference against which to develop discount rate assumptions.

Terminal value estimation

The need to make detailed cash flow forecasts over the Investment life (except in circumstances where Realisation is imminent) may, however, reduce the reliability and, crucially for equity Investments, there remains a need to estimate the 'terminal value'.

Where the Investment comprises equity or a combination of equity and other financial instruments, the terminal value would usually be derived from the anticipated value of the Investee Company at Realisation. This will usually necessitate making assumptions about future business performance and developments and stock market and other valuation ratios at the assumed Realisation date. In the case of equity Investments, small changes in these assumptions can materially impact the terminal value. In the case of non-equity instruments, the terminal value will usually be a pre-defined amount, which greatly enhances the reliability of the valuation conclusion.

Based on applicable facts and circumstances, the terminal value should be based upon assumptions of the perpetuity cash flows accruing to the holder of the Investment based on Market Participant assumptions. In some cases, this may be through a steady state growth rate similar to long-term inflation, such as a Gordon Growth Model. In other cases, the terminal value may be more appropriately estimated using an exit multiple, identifying the expected value upon exit at some point in the future.

Realisation imminent and pricing agreed

Where Realisation of an Investment or a flotation of the Investee Company is imminent, and the pricing of the relevant transaction has been substantially agreed, the Discounted Cash Flows (from the Investment) Valuation Technique (or, as a surrogate, the use of a simple discount to the expected Realisation proceeds or flotation value) is likely to be the most appropriate Valuation Technique.

The implied discount rate at initial investment is adjusted over time for changes in market conditions. In selecting a discount rate, it is important to consider not only the various inputs typically used to estimate the cost of capital, but also the differences between the Investee Company and the selected comparable companies used in estimating the discount rate, which might indicate that a higher or lower cost of capital is appropriate. Calibration provides an indication of how Market Participants would value the Investment as of the transaction date given the differences between the Investee Company and the selected comparable companies. The initial implied yield and assumptions can then be adjusted to take into account changes in the Investee Company and the market between the transaction date and each subsequent Measurement Date.

Valuing Debt Investments

The fair value of a debt investment, in the absence of actively traded prices, is generally derived from a yield analysis taking into account credit quality, coupon, and term.

Par value or face value or cost value is not automatically fair value, even if there is sufficient enterprise value to cover the liability.

Debt Investments, other than those traded in an active market, are generally valued using a Discounted Cash Flow Valuation Technique. At initial investment, inputs to value are compared to observable data where available. For example, at inception the internal rate of return (IRR) for a given Debt Investment can be calculated from the price paid and the expected cash flows. An implied spread for the Investment can be derived by subtracting the risk-free rate from the implied IRR. The spread can be compared to observable spreads for issuances with similar duration and credit quality. At subsequent Measurement Dates, the risk-free rate is adjusted based on market conditions and the spread adjusted based on changes in credit quality and changes in market conditions. Observable transactions, if any, are often used to corroborate the results of the DCF analysis.

Because Fair Value assumes a hypothetical transaction at the Measurement Date, amortised cost is not an appropriate methodology for estimating the Fair Value of a Debt Investment. The fact that a Debt Investment may be held to maturity is not relevant when estimating Fair Value as Fair Value presupposes an exit transaction at each Measurement Date.

When debt is a standalone Investment, a Market Participant would take into account risk, coupon, time to expected repayment, and other market conditions in determining the Fair Value of the Debt Investment, which may not be equivalent to Par Value.

Non-performing collateralised Debt Investments are often valued based on the value of underlying collateral, the risk of converting the collateral into cash, and the time required to convert the collateral into cash. Uncollateralised non-performing Debt Investments or Debt Investments expected to be restructured because the Investee Company is a going concern, are valued based on the most likely cash flows discounted at a Market Participant appropriate discount rate.

3.9 Net Assets

3.9 In using the Net Assets Valuation Technique to estimate the Fair Value of an Investment, the Valuer should:

i. **Derive an Enterprise Value for the company using the perspective of a Market Participant to value its assets and liabilities (adjusting, if appropriate, for non-operating assets, excess liabilities, and contingent assets and liabilities);**
ii. **Deduct from this amount any financial instruments ranking ahead of the highest-ranking instrument of the Fund in a liquidation scenario (e.g. the amount that would be paid) and taking into account the effect of any instrument that may dilute the Fund's Investment to derive the Attributable Enterprise Value; and**
iii. **Apportion the Attributable Enterprise Value appropriately between the relevant financial instruments using the perspective of potential Market Participants. Judgement is required in assessing a Market Participant perspective.**

This Valuation Technique involves deriving the value of a business by reference to the value of its net assets (on a Fair Value basis).

This Valuation Technique is likely to be appropriate for a business whose value derives mainly from the underlying Fair Value of its assets rather than its earnings, such as asset intensive companies and Investment businesses (such as Fund-of-Funds as more fully discussed in section I 4. Valuing Fund Interests).

This Valuation Technique may also be appropriate for a business that is not making an adequate return on assets and for which a greater value can be realised by liquidating the business and selling its assets. In the context of Private Capital, the Net Assets Valuation Technique may therefore be appropriate, in certain circumstances, for valuing Investments in loss-making companies and companies making only marginal levels of profits.

3.10 Calibrating to the Price of a Recent Investment

3.10 The Fair Value indicated by a recent transaction in the Investee Companies equity is used to calibrate inputs used with various valuation methodologies. The Valuer should assess at each Measurement Date whether changes or events subsequent to the relevant transaction would imply a change in the Investment's Fair Value. The Price of a Recent Investment should not be considered a standalone Valuation Technique.

Where the Investment being valued was itself made recently, its cost may provide a good starting point for estimating Fair Value. Where there has been any recent Investment in the Investee Company, the price of that Investment may provide a basis for recalibrating inputs to the valuation model.

When calibrating to the price of a recent Investment, care should be taken not to automatically apply the value of a round of financing to other share classes without consideration of different rights and preferences among share classes. When such differences in rights and preferences exist, the other share classes may be subject to different risks and return expectations, impacting the value of those share classes relative to the Investment. In such cases, the post-money equity value may not be equal to the value of a round of financing, and it may be necessary to estimate the post-money value using a valuation technique.

Price of Recent Investment is not a default

At each Measurement Date, Fair Value must be estimated using appropriate valuation techniques. The Price of a Recent Investment is not a default that precludes re-estimating Fair Value at each Measurement Date.

Where the price at which a third party has invested is being considered as an input for estimating Fair Value, the background to the transaction must be taken into account. In particular, the following factors may indicate that the price was not wholly representative of Fair Value at the time:

- different rights attach to the new and existing Investments;
- disproportionate dilution of existing investors arising from a new investor(s);
- a new investor motivated by strategic considerations
- market conditions existing when the price was agreed upon by parties regardless of timing of close
- the transaction may be considered to be a forced sale or 'rescue package'.

In times of Market dislocation, it may no longer be appropriate for recent transaction prices, especially those negotiated before a Market dislocation to receive significant, if any, weight in determining fair value.

Complex Capital Structures

Many early-stage companies are financed by a combination of different classes of equity, each of which provides its holders with unique rights, privileges, and preferences. Often, these portfolio companies issue both preferred and common shares, and options or warrants, with the preferred stock comprising several series resulting from successive rounds of financing, each of which has rights that likely differ from those of other series. When estimating the Fair Value of an investment, the valuer should determine how each class of equity would participate in distributions from a sale or other liquidity event and the implications for the fair value of each class of equity. Typically, portfolio companies with multiple classes of stock divide the classes into two broad categories: preferred and common.

Valuing seed, start-up and early-stage (pre-revenue/pre-earnings) Investments

Early-stage investments, pre revenue or pre earnings, may require additional judgment in determining fair value. Fair value for an early-stage investment is the same conceptually as any other investment, that being the amount that would be received in an orderly transaction at the measurement date. However, early-stage investments often have less measurable key performance indicators and may have limited outcomes: success, liquidation, or failure. In addition, the "headline" value (fully diluted value of all shares times the price paid per share for a recent financing round) rarely takes into account the rights and preferences of more junior share classes. Because of these facts informed judgment is required to conclude upon fair value at dates between significant financing events.

When valuing early-stage investments, at each measurement date, consideration should be given to qualitative factors impacting value, including but not limited to:

- is the investee company performing at, above, or below expectations;?
- is cash burn above, at or below expectations;
- is customer or market acceptance of the product or service meeting expectations;
- has the company changed its strategy or pivoted to a new market;?
- What is the likelihood, timing, and pricing of the next financing round?
- How is the broader market performing with respect to comparable companies?
- How close is an exit and who would be the buyer: IPO, Strategic M&A, Financial Sponsor, Liquidation?

Based on an assessment of these and other factors it can generally be determined whether fair value has increased, decreased or stayed the same. The magnitude of the fair value change or the fair value conclusion can then be determined using calibrated models such as those described in 5.12.

Many seed, start-up or early-stage Investments are valued using a milestone approach, or scenario analysis (see section II 5.12) because there are no current and no short-term future earnings or positive cash flows. For these Enterprises, typically, it is difficult to gauge the probability and financial impact of the success or failure of development or research activities and to make reliable cash flow forecasts.

Consequently, the most appropriate approach to measure Fair Value may be a Valuation Technique that is based on market data, and Market Participant assumptions as to the potential outcomes. Calibrating such scenarios or milestones may result in a Fair Value equal to the transaction value for a limited period of time. Often qualitative milestones provide a directional indication of the movement of Fair Value.

The following valuation techniques may be helpful in estimating Fair Value:

- scenario-based methods, a forward-looking method that considers one or more possible future scenarios. These methods include Simplified Scenario Analysis and Relative Value Scenario Analysis, which tie to the fully-diluted ("post-money") equity value, as well as full scenario analysis, also known as the probability-weighted expected return method (PWERM);

- the option pricing method (OPM), a forward-looking method that considers the current equity value and then allocates that value to the various classes of equity considering a continuous distribution of outcomes, rather than focusing on distinct future scenarios;
- the current value method (CVM), which allocates the equity value to the various equity interests in a business as though the business were to be sold on the Measurement Date; and
- the hybrid method, a hybrid of scenario-based methods and OPM.

While accounting standards do not require a specific model or approach when estimating fair value, practice in certain jurisdictions has evolved to place more weight on a hybrid approach or OPM approach during early stages of an investment when the likely exit would be to another financial sponsor who would take into account rights and preferences of various security classes. As an investment progresses to nearing an exit through an IPO or M&A transaction where all shareholders may receive the same price per share more weight is generally given to a common stock equivalent or fully diluted approach to estimating value.

In applying the valuation techniques, care should be taken to ensure that any allocation reflects market participant expectations for each share class, and appropriately considers the risks and returns of the different share classes. The CVM may be most appropriate in circumstances where the investor has significant influence to effect a liquidity event and a liquidity event for the whole business is anticipated in the near future and therefore an allocation of the equity value to the equity interests can be conducted with relative certainty of a market participants expectations.

Where there is expected to be a longer holding period prior to a sale or IPO (i.e seed stage and early growth stage), share classes may be subject to different levels of risk and return expectations. In such cases, scenario analysis, OPM, or the hybrid method may help to determine the relative value of each share class, while the CVM may not be reflective of a market participant's perspective.

A scenario-based valuation method, properly calibrated, using industry-specific benchmarks/ milestones that are customarily and routinely used for the specific industry of the Investee Company, may be applied to estimate Fair Value where appropriate. Assessing the progress towards achieving milestones allows the Valuer to ascertain changes in the probability of various scenarios and the potential outcome of various scenarios. Missing a benchmark/milestone may provide indication of a decrease in value while exceeding a benchmark/milestone may provide evidence of an increase in value depending on the facts and circumstances.

Note: See section II 5.12

Common milestones / benchmarks

For an Investment in early or development stages, commonly a set of agreed milestones would be established at the time of making the investment decision. These will vary across types of Investment, specific companies and industries, but are likely to include:

Financial measures:

- revenue growth;
- profitability expectations;
- cash burn rate; and
- covenant compliance.

Technical measures:

- phases of development;
- testing cycles;
- patent approvals; and
- regulatory approvals.

Marketing and sales measures:

- customer surveys;
- testing phases;
- market introduction; and
- market share.

In addition, the key market drivers of the Investee Company, as well as the overall economic environment, are relevant to the assessment.

Typical indicators of a change in Fair Value

In applying the milestone analysis methodology, the Valuer attempts to assess whether there is an indication of change in Fair Value based on a consideration of the milestones. This assessment might include considering whether there have been any:

- significant changes in the results of the Investee Company compared to budget plan or milestone;
- changes in expectation that technical milestones will be achieved;
- significant changes in the market for the Investee Company or its products or potential products;
- significant changes in the global economy or the economic environment in which the Investee Company operates;
- significant changes in the observable performance of comparable companies, or in the valuations implied by the overall market; and any internal matters such as fraud, commercial disputes, litigation, changes in management or strategy.

Adjustment to Fair Value in such circumstances

If the Valuer concludes that there is an indication that the Fair Value has changed, they must estimate the amount of any adjustment from the last reported Fair Value. By its very nature such adjustment will be subjective. This estimation is likely to be based on objective data from the company, and the experience of the investment professionals and other investors.

However, the necessity and magnitude of the adjustments are relatively subjective and require a large amount of judgement on the part of the Valuer. Where deterioration in value has occurred, the Valuer should reduce the carrying value of the Investment reported at the previous Measurement Date to reflect the estimated decrease.

If there is evidence of value creation, such as those listed above, the Valuer may consider increasing the carrying value of the Investment. Caution must be applied so that positive developments are only valued when they contribute to an increase in value of the Investee Company when viewed by a Market Participant. When considering these more subtle indicators of value enhancement, in the absence of additional financing rounds or profit generation, the Valuer should consider what value a Market Participant would place on these indicators, taking into account the potential outcome and the costs and risks to achieve that outcome.

DCF technique may be useful as a cross-check

In the absence of significant revenues, profits, or positive cash flows, other methods such as the earnings multiple are generally inappropriate. The DCF methodology may be utilised as a cross-check; however, the disadvantages inherent in this methodology, arising from the high levels of subjective judgement, may render the method inappropriate without corroborating support.

4. Valuing Fund Interests

4.1 General

4.1 In measuring the Fair Value of an interest in a Fund the Valuer may base their estimate on their attributable proportion of the last reported Fund Net Asset Value (NAV) if NAV is derived from the Fair Value of underlying Investments and has been adjusted for significant known or knowable changes in value to the Measurement Date as that used by the Valuer of the Fund interest, except as follows:

i. if the Fund interest is actively traded, Fair Value would be the actively traded price; and
ii. if management of the interest in the Fund has made the decision to sell the Fund interest or portion thereof and the interest will be sold for an amount other than NAV, Fair Value would be the expected sales price.

Fund-of-Funds and investors in Private Capital Funds must value their Interest in an underlying Fund at regular intervals to support their financial reporting. Historically, the Net Asset Value ('NAV') based on the underlying Fair Value of Investments held by a Fund, as reported by the Fund Manager, has been used as the basis for estimating the Fair Value of an interest in an underlying Fund. (Note: As stated in Guideline 4.1 (i), if the Fund interest is actively traded, Fair Value would be determined using the actively traded price).

Financial Accounting Standards Board (FASB) ASC Topic 820 (820-10-15-4 & 820-10-35-59 to 62) allows the use of NAV to measure Fair Value if certain conditions are met:

- the Investment is in a Fund (as defined by ASC Topic 946); and
- underlying Investments are reported at Fair Value as of the Measurement Date.

IFRS is silent on the use of NAV and provides no further guidance on how to measure the Fair Value of a Fund interest. Generally, under IFRS, NAV is used as a starting point with the Valuer assessing that reported net assets are valued compliant with Fair Value principles.

Fair Value for a Fund interest (where the Unit of Account is the equity interest in the Fund), at its most basic level, equivalent to the summation of the estimated Fair Value of underlying Investments as if realised on the Measurement Date. The proceeds from such hypothetical Realisations would flow through to the investor in an amount equal to Fair Value less a deduction for incentive payments/ carried interest due to the Fund Manager based on such hypothetical Realisations. Therefore, NAV, when derived as the Fair Value of underlying Investments and adjusted for incentive payments, etc., provides the best indication of the cash flows an investor would receive at the Measurement Date, and thereby a clear indication of the value of the Fund interest. This concept makes particular sense for closed-end Fund investors who realise cash returns on their Investment when Realisation events occur through the sale of the underlying portfolio companies.

As an investor in a Fund, reliance on a reported NAV provided by the investee Fund Manager can only be used by the investor, to determine the Fair Value of the Fund interest, to the extent that the investor has evidence that the reported NAV is appropriately derived from the Fair Value of underlying Investments taking into account any incentive payments as part of a robust process. Typically, evidence as to a Fund Manager's Fair Value approach, estimation procedures, and consistency of application is gathered via initial due diligence, on-going monitoring, and review of financial reporting and governance of the investee Fund by the investor entity.

Therefore, NAV, when derived from the Fair Value of underlying Fund Investments determined in accordance with the principles of Fair Value and these Valuation Guidelines and adjusted for any incentive payments and market movements, provides the best estimate upon which to base the Fair Value of an Interest in a Fund.

4.2 Adjustments to Net Asset Value

4.2 If the Valuer has determined that the reported NAV is an appropriate starting point for determining Fair Value, it may be necessary to make adjustments based on the best available information at the Measurement Date. Although the Valuer may look to the Fund Manager for the mechanics of their Fair Value estimation procedures, the Valuer needs to have appropriate processes and related controls in place to enable the Valuer to assess and understand the valuations received from the Fund Manager. If NAV is not derived from the Fair Value of underlying Investments and / or is not as of the same Measurement Date as that used by the Valuer of the Fund interest, then the Valuer will need to assess whether such differences are significant, resulting in the need to adjust reported NAV.

Last reported Net Asset Value (NAV) if based on the fair value of underlying investments is generally the starting point for estimating fair value. Consideration should be given as to whether the fund's NAV is fair value based. If underlying investments are not valued consistent with IPEV Guidelines or US GAAP, IFRS or other GAAP that follows fair value principles, NAV would not be an appropriate starting point or would need to be adjusted to reflect fair value to be an appropriate starting point. Often the last reported NAV is the starting point for estimating the fair value of a fund interest. However, the last reported NAV may not be consistent with the current Measurement Date. Generally, the manager reported NAV as of the current Measurement Date is not known or knowable. Therefore, an adjustment to last reported NAV may be required as it may not reflect subsequent changes or activity through the current Measurement Date.

Factors which might result in an adjustment to the last reported NAV would include the following:

- reported NAV is not fair value based
- significant time elapsing between the Measurement Date of the Fund NAV and the Valuer entity's Measurement Date. This would be further exacerbated by:
  - the Fund making subsequent Investments or achieving realizations;
  - the Valuer becoming aware of subsequent changes in the Fair Value of underlying investee companies;
  - subsequent market changes or other economic conditions changing to impact the value of the Fund's portfolio;
- information from an orderly Secondary Transaction if sufficient and transparent;

- the appropriate recognition of potential performance fees or carried interest in the Fund NAV;
- waived management fees included in NAV;
- impact of claw back provisions;
- any features of the Fund agreement that may affect distributions, but which are not captured in the NAV;
- materially different valuations by different general partners (GPs) for common companies and identical securities[4]; and
- any other facts and circumstances which might impact underlying Fund value.

NAV should be adjusted such that it is equivalent to the amount of cash that would be received by the holder of the interest in the Fund if all underlying Investee Companies were realised as at the Measurement Date.

4.3 Secondary Transactions

4.3 When a Valuer of an interest knows the relevant terms of a Secondary Transaction in that particular Fund and the transaction is orderly, the Valuer must consider the transaction price as one component of the information used to measure the Fair Value of a Fund Interest.

Limited Secondary Transactions exist for Private Equity Funds. External market transactions for a Fund are typically infrequent, opaque, and information is extremely limited. Secondary prices are negotiated, may be influenced by factors beyond Fair Value and based on assumptions and return expectations that are often unique to the counter-parties. In addition, information relevant to specific transactions may not be deemed orderly and any pricing data available may no longer be current.

In the event that the investor in the Private Capital Fund has decided to sell their interest in that Fund, then data known from orderly Secondary Transaction prices is likely to be better evidence of Fair Value.

Any use of a Secondary Transaction price requires considerable judgement. If orderly Secondary Transaction prices are available, but are not deemed active, then such prices should be augmented with other valuation inputs, generally NAV.

When NAV is used as the starting point for estimating the Fair value of a Fund Interest that is not actively traded, and a Fund Interest has been purchased in the secondary market at a price different than NAV as of the transaction date, such difference is generally reflected in the fair value determination at the next measurement date consistent with 4.2 above.

[4] Significant valuation differences for identical securities among investors in the same underlying portfolio company may indicate weakness in valuation judgment or process by one or more fund managers, a difference in information rights, or other factors. Such differences may require the valuer of a fund interest to expand their analysis when concluding on adjustments to reported NAV.

4.4 Other Valuation Approaches for Fund Interests

4.4 When NAV is not or cannot be used as a starting point to estimate the Fair Value of a Fund Interest and market information is not available an income-based Valuation Technique would be used to estimate Fair Value of a Fund Interest.

In situations where a Valuer decides not to use or cannot use NAV as a starting point for determining Fair Value and orderly Secondary Transaction information is not available, the primary Valuation Technique available to estimate Fair Value for a Fund interest would be to perform a discounted cash flow analysis of all future cash flows for the Fund. Given the subjectivity involved, it is not expected that the DCF alternative would be used often in practice.

Investee Financials

Enclosure vii

	1		2		3		4		5		6		7	
Particulars	**PANIIT FOUNDATION**		**PANIIT INSTITUTE**		**IIT ALUMNI COUNCIL**		**PANIIT INCUBATOR**		**PANIIT ALUMNI**		**PANIIT FORUM**		**IONIQUE INNOVATION**	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Balance Sheet														
Paid up Capital	1,00,000	1,00,000	1,00,000	1,00,000	14,50,000	14,50,000	4,00,000	1,00,000	5,00,000	1,00,000	1,00,000	1,00,000	4,38,000	4,38,000
Debentures	-	-	6,44,51,170	6,44,51,170	-	-	-	3,00,00,000	-	4,00,000	-	-	-	-
Security Premium	-	-	-	-	40,50,000	40,50,000	2,97,00,000	-	68,00,000	68,00,000	-	-	2,46,22,000	2,46,22,000
Reserve & Surplus	-27,69,658	-21,20,274	-29,12,588	-26,77,181	-19,26,318	-17,68,602	-31,28,872	-28,70,450	-22,29,664	-21,37,487	-5,89,803	-6,00,196	-30,66,475	-29,03,873
Liabilities	26,83,272	20,43,692	2,42,25,703	2,29,11,296	1,12,46,480	1,05,01,220	3,92,86,013	74,93,871	1,06,57,465	76,29,552	9,09,97,000	20,51,000	97,79,713	66,67,430
TOTAL	**13,614**	**23,418**	**8,58,64,285**	**8,47,85,285**	**1,48,20,162**	**1,42,32,618**	**6,62,57,141**	**3,47,23,421**	**1,57,27,801**	**1,27,92,065**	**9,05,07,197**	**15,50,804**	**3,17,73,238**	**2,88,23,557**
Assets	-	-	-	-	5,543	21,941	-	-	1,95,590	2,80,059	-	-	1,824	1,824
CWIP	-	-	-	-	-	-	17,43,041	11,03,041	6,72,250	13,96,250	8,83,95,289	-	1,95,00,000	1,95,00,000
Misc Exp Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-		5,00,210	5,00,210	-	-	6,27,84,520	3,10,00,200	200	200	-	-	5,50,000	5,50,000
Other Assets	13,614	23,418	8,53,64,075	8,42,85,075	1,48,14,619	1,42,10,677	17,29,580	26,20,180	1,48,59,761	1,11,15,556	21,11,908	15,50,804	1,17,21,414	87,71,733
TOTAL	**13,614**	**23,418**	**8,58,64,285**	**8,47,85,285**	**1,48,20,162**	**1,42,32,618**	**6,62,57,141**	**3,47,23,421**	**1,57,27,801**	**1,27,92,065**	**9,05,07,197**	**15,50,804**	**3,17,73,238**	**2,88,23,557**
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
P & L A/c														
Sales	-	-	10,25,000	-	-	-	19,00,000	19,00,000	38,29,000	38,96,000	19,00,000	-	39,79,000	38,80,000
Donation					18,89,953	21,39,979	-	-						
Profit before tax	-6,49,384	-5,53,992	-2,35,407	-12,46,812	-1,57,716	-94,844	-2,58,422	-1,55,745	-1,04,276	-8,06,607	10,392	-2,96,447	-1,62,283	-6,34,540
shares owned	1,00,000		1,00,000		5,00,000		75,00,000		72,00,000		99990			
debentures owned	(10,000 shares)		6,44,51,170		45,00,000		(7500 eq shares)		(40,000 shares)		(9999 shares)			
			(6445117 of Rs 10)		(45,000 deb))									
			(10,000 shares)		(50000 shares)									
total amount invested		30,17,95,098												
IVCA valuation														

	8		9		10		11		12		13		14	
Particulars	**BATUA TECHNOLOGY**		**KODOY LIMITED**		**SITADAL TECH**		**KOTELEO**		**PLATINAE ANCHORAGE**		**SHAMBHALA ORGANICS**		**BREW FACTORY**	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Balance Sheet														
Paid up Capital	5,70,090	1,50,000	3,09,52,170	3,09,52,170	39,37,490	39,37,490	1,50,000	1,00,000	44,41,350	44,41,350	2,29,120	1,00,000	1,00,000	1,00,000
Debentures	-	42010200	-	-	-	-	-	50,000	-	-	-	1,29,12,040	50,000	50,000
Security Premium	30,31,06,752	261517842	143851506	143851506	2,40,62,110	2,40,62,110	65,00,000	65,00,000	3,20,12,650	3,20,12,650	1,77,82,880	50,00,000	72,00,000	72,00,000
Reserve & Surplus	-71,17,739	-70,44,055	-54,64,910	-66,84,980	-84,08,887	-72,21,106	-29,68,764	-28,04,895	-59,57,244	-56,44,664	-1,42,03,969	-1,25,35,810	-76,79,202	-74,53,809
Liabilities	9,20,76,140	9,04,48,637	34,55,20,221	7,05,12,663	93,95,036	71,69,181	1,46,44,839	1,65,30,552	49,39,681	39,61,756	1,12,91,734	71,14,260	2,81,27,654	2,31,50,601
TOTAL	**38,86,35,243**	**38,70,82,624**	**51,48,58,987**	**23,86,31,359**	**2,89,85,749**	**2,79,47,675**	**1,83,26,075**	**2,03,75,657**	**3,54,36,437**	**3,47,71,092**	**1,50,99,765**	**1,25,90,490**	**2,77,98,452**	**2,30,46,792**
Assets	5,185	5,185	1,547	1,547	1,67,71,804	78,95,457	4,280	4,280	86,55,345	1,05,56,586	10,980	11,000	25,093	28,386
CWIP	6,60,46,005	6,60,46,005	8,12,82,250	8,02,69,086	0	1,03,34,200	1,34,41,536	1,42,00,536	1,64,53,856	1,64,53,856	85,74,500	65,74,500		
Misc Exp Assets	-	-	-	-	-	-								
Investment	7,79,99,939	7,79,99,939	1,04,50,000	1,04,50,000	-	-	-	-	-	-				
Other Assets	24,45,84,114	24,30,31,495	42,31,25,190	14,79,10,726	1,22,13,945	97,18,018	48,80,259	61,70,841	1,03,27,236	77,60,650	65,14,285	60,04,990	2,77,73,359	2,30,18,406
TOTAL	**38,86,35,243**	**38,70,82,624**	**51,48,58,987**	**23,86,31,359**	**2,89,85,749**	**2,79,47,675**	**1,83,26,075**	**2,03,75,657**	**3,54,36,437**	**3,47,71,092**	**1,50,99,765**	**1,25,90,490**	**2,77,98,452**	**2,30,46,792**
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
P & L A/c														
Sales	35,00,000	38,00,000	38,50,000	38,91,000	15,00,000	-	39,82,000	39,55,000	38,75,000	32,00,000	-	-	39,20,000	40,00,000
Donation														
Profit before tax	-73,684	-1,60,474	12,20,070	1,00,651	-11,87,781	-21,58,681	-1,63,869	-3,26,516	-3,12,580	-10,48,369	-16,68,159	-28,17,575	-2,25,393	-2,83,699
shares owned	60900000		54298000		8999700				17653850		36065584		32176804	
debentures owned	(1227 eq shares)		(4651140 eq sh rs 5)		(22499 shares)				(44135 eq shares)		(9475 eq shares)		(3499 shares)	
													7250000	
													(5000 ccd)	
total amount invested														
IVCA valuation														

Risk Report

Enclosure viii

This section looks at various risks including concentration risk, market risk, forex risk, realisation risk, strategy risk, reputation risk and impact risks including environmental, social, and governance risks.

The fund is currently in the early stages of investing. This is really a pilot phase in which only around 1% of the target corpus has been committed and invested. The objective of this phase is to create the overall framework in the form of enabling entities like the incubator which would assist in rapid scale up later.

There is thus no risk in terms of concentration, strategy or impact risk. Reputation risk is always there and the investment committee is cautious not to make any investments in areas which may be controversial.

There are no legal cases, pending tax assessments or investor complaints at this stage. There are no forex transactions. However, all these risks will need to be addressed and mitigated as we go forward into rapid scaleup.

Key People

Enclosure ix

Satish Mehta: Sponsor and IITac nominee
CHF Management LLP: Manager
Mrinalini Gupta: Key Managerial Personnel
Vikesh Mehta: Chair Investment Committee
Kajal Sarkar: Compliance Manager

There were no changes in the core team during the year other than the appointment of a replacement on the bereavement of the former Chairman of the Investment Committee.

The investment committee has appointed a Mentor Board to help all the incubator cohort companies that are being supported by the Fund.

In keeping with new regulations, the investment committee has appointed Mr Gaurav Gupta as external independent valuer for the fund portfolio.

satish mehta

A certified investment banker and professional cinematographer, he played a key role in creating the startup regulatory framework in India. He is a subject matter authority and visiting faculty in photogrammetry & cinematography. He received the Acharya PC Ray award from the President of India in 1987 and the Technology Day Award of DST in 2008.

Satish holds a BTech Chem Eng from IIT Bombay & and an MMS in Operations Research from JBIMS, Mumbai University. He was instrumental in creating the IIT Alumni movement in the late nineties. He has been an active volunteer in its initiatives, including IIT Alumni Council & the MegaFund. He was part of the Covid Task Force and serves on several working committees.
He was instrumental in helping create several institutions of national importance such as TRAI, SEBI, SIDBI, BSNL and IIT Alumni Council.

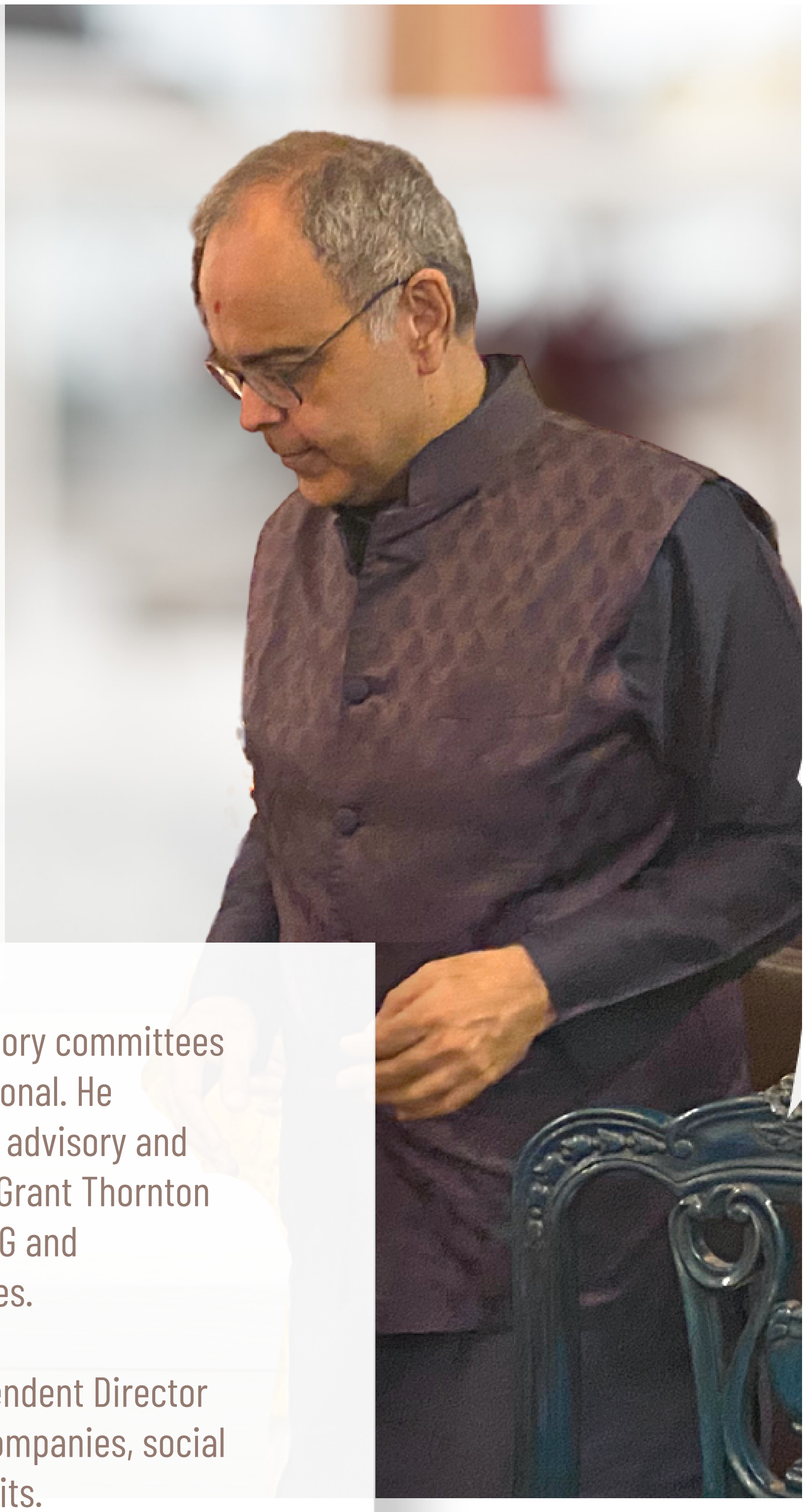
mrinalini gupta

A seasoned professional with a successful track record for building Indian brands and growing profitable businesses in the real and virtual world.

Her key strength lies in identifying and translating cultural and consumer insights into new businesses in emerging industries and new market segments.

She has considerable hands-on functional expertise in brand building, competitive strategy, consumer research, product conceptualisation, organisation building and profit centre management.

vikesh mehta

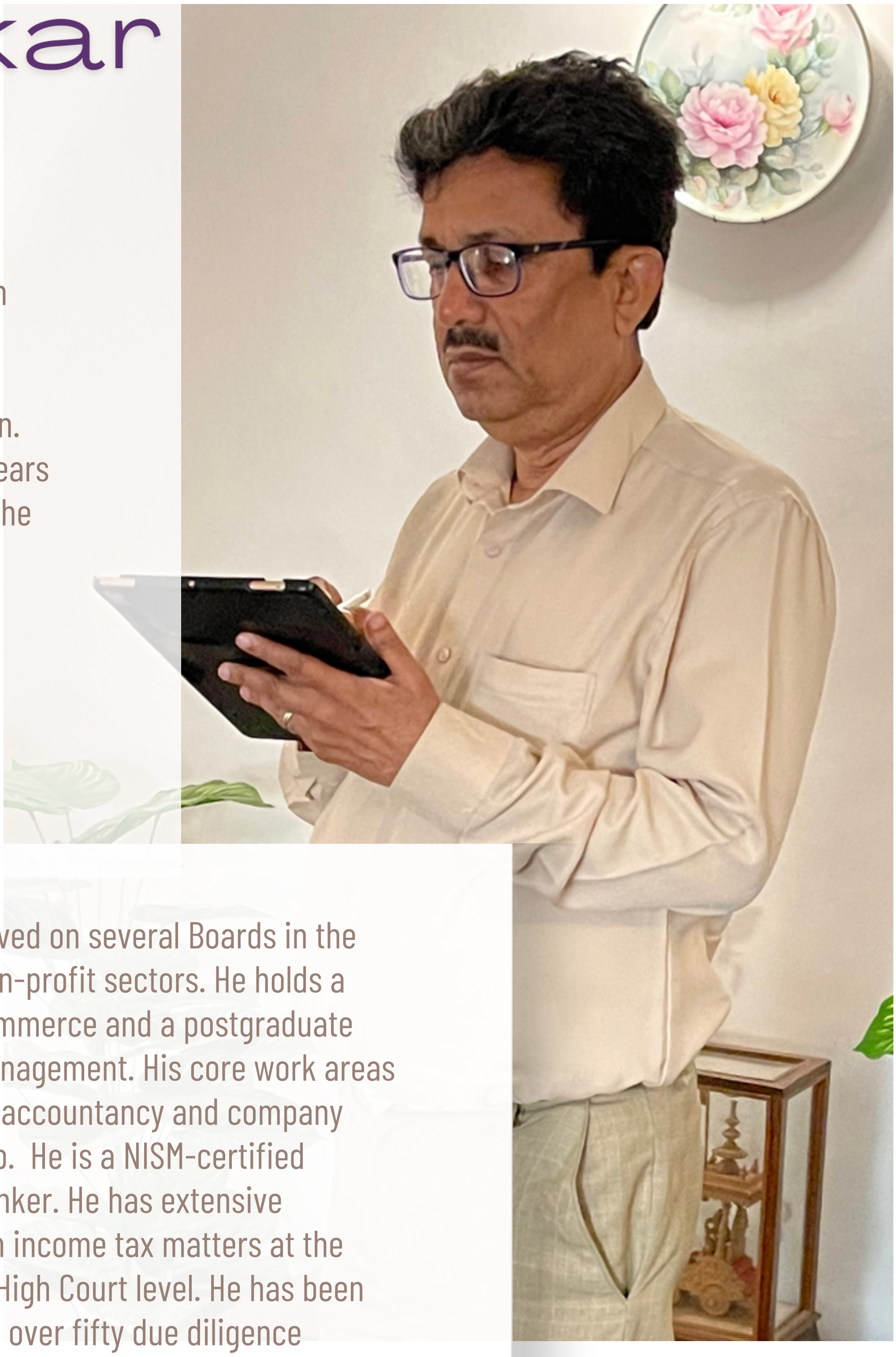


A senior Chartered Accountant with 30 years of advisory expertise in the development sectors of Government, infrastructure and social projects in India and abroad

Vikesh has served on advisory committees of Grant Thornton International. He founded the Not-For-Profit advisory and sustainability practices of Grant Thornton India that provides CSR, ESG and Governance-related services.

Vikesh serves as an Independent Director on the Boards of several companies, social impact funds and non-profits.

kajal sarkar



A senior Accountant with 35+ years of advisory expertise in accountancy, due diligence, taxation, audits and regulation. Of this, the last 25 years have been spent in the private equity and venture capital industry.

Kajal has served on several Boards in the profit and non-profit sectors. He holds a degree in Commerce and a postgraduate degree in management. His core work areas are taxation, accountancy and company secretaryship. He is a NISM-certified merchant banker. He has extensive experience in income tax matters at the tribunal and High Court level. He has been involved with over fifty due diligence mandates.

Mentors

Enclosure ix.b

IIT Alumni Council confers Distinguished Fellowships to four eminent researchers

PanIIT grants honor on four for their original contribution to the development of key platform technologies

Dr. Kapil Talwar

Dr. Arindam Bose

Dr. Jyoti Joglekar

Dr. Rohinton Dehmubed

OUR BUREAU

New Delhi

IIT Alumni Council announces institutional strengthening of PanIIT Institute, an independent and autonomous partner alumni organization engaged in the development of an end-to-end deeptech Research Ecosystem in India – through the appointment of Distinguished Fellows in four key areas of Applied Science and Engineering.

"Excellence, nor mere competence is the hallmark of a Distinguished Fellow. The Distinguished Fellow program of the PanIIT Institute identifies, evaluates and awards the most distinguished alumnus from among i2Net institutions in each area of applied sciences and engineering. The focus is not just on publication of research papers and filing of patents but on actual commercial implementation of key platform technologies that find application across multiple products or services." said Ravi Sharma, President and Chief Volunteer of the IIT Alumni Council.

Dr Jyoti Joglekar has been selected by the jury as the most eminent alumnus in the area of holographic imaging and related AI & ML technologies. She has a PhD from IIT Bombay in Imaging AI & Analytics and is a leading global researcher in photogrammetry and remote sensing. Bleeding edge technologies developed by her find applications in a very wide range of industries from Agritech and disaster management to Health-Tech and next generation diagnostics. "Fellowship is an honor for an academician. Thank you so very much for recognizing my contribution and honoring me for the same," added Dr Jyoti Joglekar.

Dr Rohinton Dehmubed received his B. Tech in Electrical Engineering from IIT Bombay and has a PhD in Electrical Engineering from Columbia University. He has led the development of core chipsets based on advanced materials such as Gallium Arsenide with newer options relying on Gallium Nitride and substrates such as diamond and sapphire. The chipsets are fabricated using epitaxies with crystal growth technologies such as Molecular Beam Epitaxy which could involve up to 36 material layers and sub-nanometer scale, multiple quantum well layers. "For any technologist, It is indeed a matter of pride to receive the Distinguished Fellowship from the IIT Alumni Council"

Dr Kapil Talwar has a PhD in Chemical Engineering from Washington University, Saint Louis, USA. He has a BTech in Chemical Engineering from IIT Bombay. He has been a researcher, serial entrepreneur and angel investor. He is involved in cutting edge research

Continued on next page... >>

PanIIT Fund draws resources from the four pillars of a digital research university, a global Fellow program, partnerships with other institutions and an active technology commercialisation program under the incubator.

muffazal lakdawala

Rated as one of the top bariatric surgeons in the world, Dr Muffi's patients have included the rich and famous, the terminally ill and the supremely powerful.

In March 2020, Muffi shut down his highly successful bariatric practice and put his life at peril to lead the NSCI Dome covide centre in Mumbai single handedly. With limited knowledge of virology and a team of data scientists, the NSCI Covid centre managed over 20,000 covid positive patients without any mortality. As the face for the fight against covid, he was covered in the Kapil Sharma Comedy show. The WHO global broadcast mentioned NSCI Dome as the only silver lining in the cloud of global doom.

pallavi jain

MD & Co-founder of Krsnaa Diagnostics Limited - a leader in telemedicine, remote diagnostics and centralised lab testing. She built this company from scratch with her entrepreneurial zeal more than making up for her lack of professional education in medicine.

In April 2020, Pallavi drove to Mumbai from Pune to work hands-on at the NSCI Covid centre to set up & operate an emergency diagnostic facility at the centre.
Her hands on experience helped her to conceptualise and build one of the largest covid testing labs in the world. Krsna uses the latest and most advanced technologies in the Radiology, Pathology and Genetic testing domains.

Krsnaa Diagnostics listed on NSE and BSE in August 2021 & their IPO was over-subscribed 65 times.

arindam bose

DISTINGUISHED FELLOW

Arindam spent his entire career in the biologics space. Prior to retiring from Pfizer, he played a key role in assembling the talent and capabilities needed to develop the monoclonal antibodies as therapeutics: some of the same skillsets were more recently harnessed to bring PfizersCovid-19 vaccine to patients in record time. He is widely recognised as a Key Thought Leader in the biopharmaceutical industry.

Dr Arindam Bose worked with Pfizer Worldwide Research & Development for 34 years till 2016 in leadership roles in bioprocess development & clinical manufacturing. Dr Bose's last position at Pfizer was VP, Biotherapeutics Pharmaceutical Sciences, responsible for external sourcing, competitive intelligence & external influencing, and executing the tech development plan for Pfizer's entry into biosimilars. Dr Bose was elected to the US National Academy of Engineering for Innovations in Biologics manufacturing. Dr Bose serves on the jury of Draper Award, considered as the pre-cursor to the Nobel Prize. He received a PhD in chemical eng. from Purdue University, an MS. from University of Michigan, Ann Arbor & a BTech in Chemical Eng from IIT Kanpur.

rohinton dehmubed

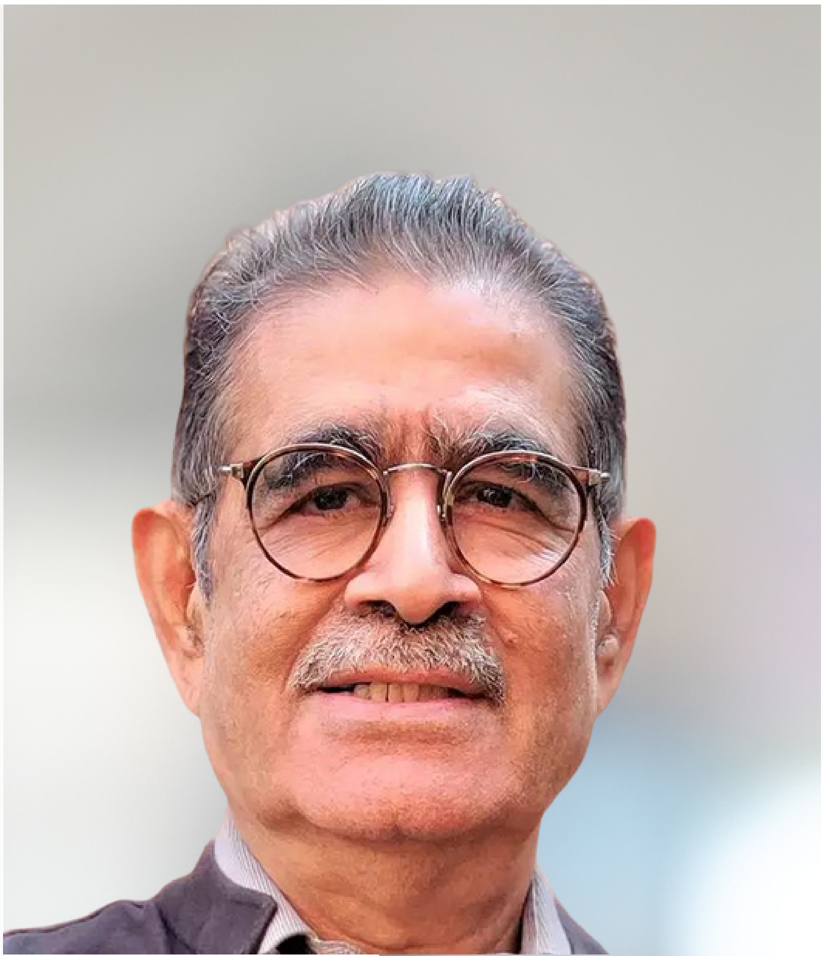
DISTINGUISHED FELLOW

An electrical engineer from IIT Bombay with MS and PhD in fibre optic communications from Columbia University, Dr Dehmubed was part of the core team that built the carrier Ethernet pioneer Transwitch. Transwitch was the first Indian engineer promoted company to cross USD 1 Billion market cap in the early 1990s.

Dr Dehmubed specialises in the design and fabrication of chipsets based on Group III-V compound semiconductors. These are primarily devices that cater to high power high-speed type applications. He is a strong supporter of deep tech startup's in general and an extremely well-regarded angel investor. . Dr Dehmubed has published several technical papers and holds multiple patents. Dr Dehmubed is a co-founder of Rubitel Inc., a startup specialising in electronic tamper-evident packaging. He is an active investor with Limited Partner interests in many venture capital funds.

mahesh uppal

DISTINGUISHED FELLOW



Mahesh holds a PhD from IIT Kanpur. He is an alumnus of St Stephens, New Delhi; City University, London and Cambridge University. Over the last thirty years, he has emerged as one of the foremost experts in India in the area of public policy and telecom strategy.

Dr Mahesh Uppal was part of the core team which helped conceptualise the IIT Alumni Council and related entities between 2014-19. He contributed extensively to the process of creating TRAI. As a consultant, he has closely tracked the evolution of India's telecom sector. He has advised national and global businesses, UN and other international agencies, as well as civil society groups. His comments on emerging policy and regulatory issues are widely reported in the electronic and print media.

kapil talwar

DISTINGUISHED FELLOW

Dr Kapil Talwar holds a BTech in ChE from IIT Mumbai and an MS & PhD in Chemical Engineering from Washington University at St Louis. He has an MBA from Melbourne Business School. He has been a serial entrepreneur in technology, having exited several start-ups to established industry leaders.

Experience is concentrated around the confluence of business, science and technology and includes broad exposure to ancillary functions that support business growth. Professional Experience: Startup management, development and growth, capital raising, financial modelling and budgeting, investment due diligence, market strategy development, business development, corporate strategy, product planning, operations, and program management.

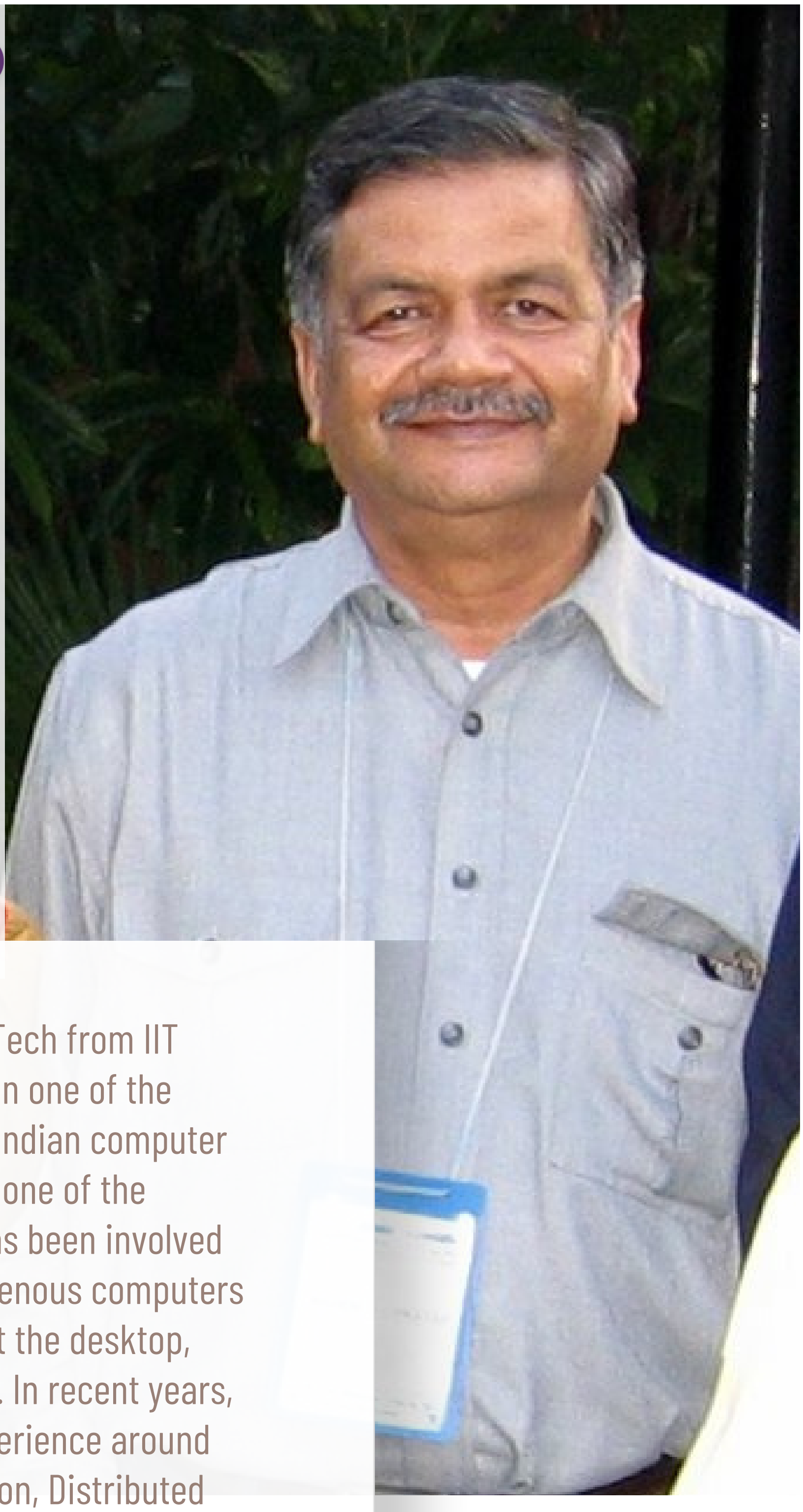
sanjay nagi

A seasoned decision support professional with a successful track record in angel investing, startup mentoring and management consultancy. Awarded as a Life Fellow of the IIT Alumni Council.

His key strength lies in being able separate the wheat from the chaff when it comes down to startup conceptualisation and strategy.

An IIT Roorkee alumnus and tall alumni leader, Sanjay has left a stamp on a whole generation of startups in the NCR area. A person who walks his talk, startups mentored by him lead on metrics like good governance, sharp strategy and follow up funding.

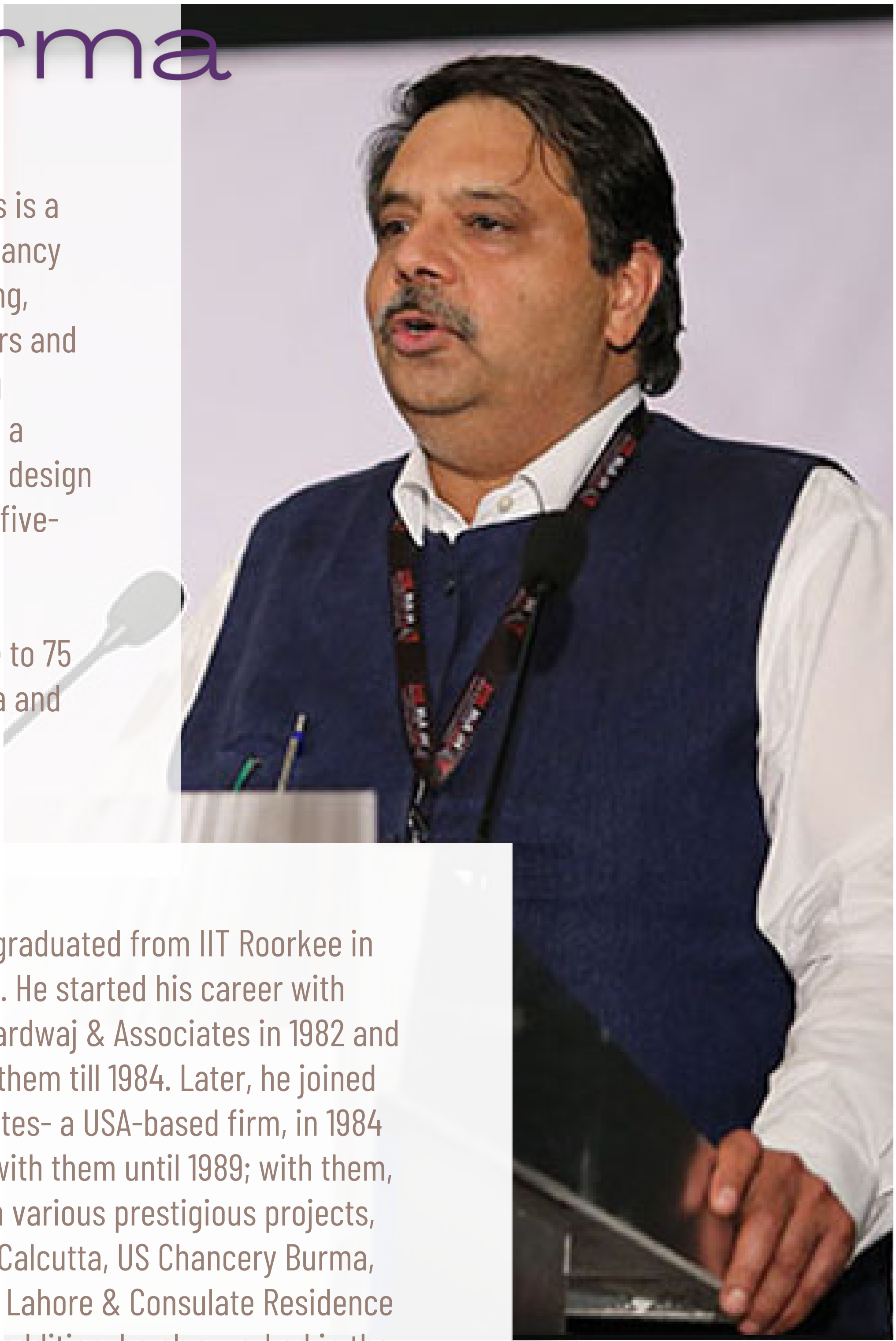
mahendra pratap



Mahendra Pratap is a technology visionary with decades of experience in conceptualising tech products, creating teams for development, bringing them into the market and supporting them. In-depth expertise in electronics, software, application design development and problem-solving.

Mahendra Pratap did his BTech from IIT Kanpur in 1972 and has been one of the critical technocrats in the Indian computer hardware industry. He was one of the founders of HCL Ltd and has been involved hands-on in the early indigenous computers developed in India - both at the desktop, handhelds and server level. In recent years, he has gained specific experience around MicroATM, Financial Inclusion, Distributed Banking, Fintech, Smart Grid, Smart e-governance, Health Insurance and Biometric Identification.

anil sharma



A Sharma Associates is a professional consultancy firm offering planning, architecture, interiors and building engineering services. The firm is a market leader in the design and construction of five-star hotels and has designed and commissioned close to 75 luxury hotels in India and overseas.

Anil Sharma graduated from IIT Roorkee in the year 1982. He started his career with Bhardwaj Bhardwaj & Associates in 1982 and worked with them till 1984. Later, he joined Kabil Associates- a USA-based firm, in 1984 and worked with them until 1989; with them, he worked on various prestigious projects, namely USIS Calcutta, US Chancery Burma, US consulate Lahore & Consulate Residence at Lahore. In addition, he also worked in the US office of Kabil Associates for six months on Various other projects for Kabil Associates. He then set up his firm, which he runs to date.

balaji p.

Balaji currently heads the Regulatory and Corporate Affairs function at Vodafone Idea and its CSR initiatives. He is widely considered a thought leader in the CSR space and has worked hands-on in areas such as agritech and correction of market failure in agricultural procurement.

Experienced Corporate Director with a demonstrated history of working in the telecommunications industry. They were skilled in Management, Leadership, Marketing, Business Development, and Strategy. Strong professional with a Master of Business Administration (MBA) focused in Marketing and Finance from the Indian Institute of Management, Ahmedabad and a BTech from the Indian Institute of Technology, Roorkee.

P.Balaji is currently a Board Member of Vodafone India since 2014. Before this, he was Managing Director of Nokia India and head of Sony Mobile before that. He served as VP of Marketing of Ericsson Mobile before that.

sunil hali

Sunil has been one of the leading guiding forces behind Radio Zindagi. The radio is today the most comprehensive media platform reaching 2.4 million South Asians across the US in nine states: Silicon valley to Big Apple to Capitol Hill. Sunil is also the publisher of the Indian Eye newspaper in USA

A double Gold medallist in engineering, and a graduate from IIT Roorkee, Sunil is the first Indian to be featured on the cover of The New York Times in 1995, Metro Section, for Mausam-Seasons, a 52-part Indo-American soap opera, his maiden venture in media and entertainment as a Producer. The New York Times, once again, favourably reviewed his second project as a Producer-The Music Festival of INDIA, the largest South Asian event ever held in the US to celebrate India's 50th anniversary of Independence in 1997.

srinivas rachakonda

A seasoned corporate leader from the oil and gas industry. Senior Advisor McKinsey & Co, former President Essar Oil and founding team that built the Jamnagar oil refinery. Chemical Engineer from IIT Bombay.

In 2021, Srinivas walked out of a global corporate career and a eight digit package to move to a remote village in Madhya Pradesh in the Bandhavgarh Tiger Reserve's buffer zone. Living in a mud house he is addressing the challenges to mass dense afforestation. Srinivas now runs the Prakriti Prerna Foundation. He believes that not only can he undo part of the harm created by the massive chemical plants built by him but his work in forestation will create a whole new industry worth billions of dollars in climate change taxation derived revenues. He was awarded the Change Maker of the Year 2023.

ashish deo

Ashish holds a degree in Mechanical Engineering from the Indian Institute of Technology (IIT), Mumbai and an MBA from the Indian Institute of Management (IIM), Ahmedabad. His experience spans multiple regions and countries worldwide, enabling him to offer deep insights into similarities and differences across various cultures.

Ashish Deo is a highly experienced marketer and business strategist based in London. He currently leads the work on creating demand for nutritious diets and foods in developing countries at a global nutrition NGO. Ashish has applied marketing strategies in both the private sector (at Procter & Gamble and Diageo) and the not-for-profit sector (at Fairtrade and now at this nutrition NGO). His experience spans multiple regions and countries worldwide, enabling him to offer deep insights into similarities and differences across various cultures.

dheeraj rathi

LIFE FELLOW

An alumnus of IIT Bombay, Dheeraj was the first IITian to lead a full-function multi-disciplinary firm. This was pursuant to the regulators permitting engineers to lead CA firms. This move has catalysed automation in the compliance function from an ease-of-doing-business perspective.

Dheeraj wears many hats - an angel investor, a passionate believer in modern healthcare, a keen student of data science, a highly successful partner of a large professional management consultancy firm and an independent board member. He represents the multi-disciplinary talent working assiduously to transform legacy professions like accountancy, taxation & management consulting through cutting-edge technologies.

Valuer

Enclosure ix .c

gaurav gupta

EMPANELLED VALUER

A fellow of the Institute of Chartered Accountants of India and a CPA from Ireland. Gaurav is a registered valuer and social auditor. He is widely regarded as a young thought leader.

Gaurav Gupta is active in the non-profit space. He has worked extensively in both kinds of non-profits - operating foundations as well as financial foundations. He has done considerable work in accounting and impact assessment for CSR mandates. As one of India's first social auditors, he has been closely involved with evolving the framework for zero coupon zero repayment securities which are proposed to be listed
on the social stock exchange.

Financial Transactions

Enclosure x

Financial Transactions During the year:

CY Investments:	Rs 17.36 crores
CY Exits:	Rs 0.65 crores
PY Exits Concluded:	Rs 7.39 crores
Advance received towards PY exits:	Rs 9.60 crores

Summary of Bank Transactions:

Opening Balance:	Rs	25,591
Total Sale Receipts:	Rs	14,00,25,592
Total Investments:	Rs	14,00,09,870
Misc payments:	Rs.	9,871
Closing Balance:	Rs	15,721

PANIIT FUND PVT LTD

Axis Bank 4375 Book

1-Apr-22 to 31-Mar-23

Date		Particulars	Vch Type	Vch No.	Debit	Credit
01-Apr-22	By	Opening Balance			25591.50	
08-Apr-22	By	Misc	Payment	1		20.00
16-Apr-22	By	Bank & Finance Charges	Payment	2		18.00
16-Apr-22	By	Bank & Finance Charges	Payment	3		100.00
14-May-22	By	Bank & Finance Charges	Payment	5		18.00
14-May-22	By	Bank & Finance Charges	Payment	6		100.00
16-Jun-22	By	Bank & Finance Charges	Payment	10		18.00
16-Jun-22	By	Bank & Finance Charges	Payment	11		100.00
25-Jun-22	To	Motilal	Receipt	1	1.00	
23-Jul-22	By	Bank & Finance Charges	Payment	13		18.00
23-Jul-22	By	Bank & Finance Charges	Payment	14		100.00
29-Aug-22	By	Bank & Finance Charges	Payment	15		18.00
29-Aug-22	By	Bank & Finance Charges	Payment	16		100.00
17-Sep-22	By	Bank & Finance Charges	Payment	18		18.00
17-Sep-22	By	Bank & Finance Charges	Payment	19		100.00
22-Sep-22	By	Axis Securities Demat A/c	Payment	20		6555.00
22-Sep-22	By	Axis Securities Demat A/c	Payment	21		999.00
11-Oct-22	To	Sales proceeds	Receipt	2	10000000.00	
11-Oct-22	By	Share Application Kodoy	Payment	22		10000000.00
11-Oct-22	By	Bank & Finance Charges	Payment	23		59.00
13-Oct-22	To	Sales proceeds	Receipt	3	10000000.00	
13-Oct-22	By	Share Application Kodoy	Payment	24		10000000.00
13-Oct-22	By	Bank & Finance Charges	Payment	25		59.00
14-Oct-22	To	Sales proceeds	Receipt	4	10000000.00	
15-Oct-22	By	Share Application Kodoy	Payment	26		10000000.00
15-Oct-22	By	Bank & Finance Charges	Payment	27		59.00
18-Oct-22	To	Sales proceeds	Receipt	5	10000000.00	
18-Oct-22	By	Share Application Kodoy	Payment	28		10000000.00
18-Oct-22	By	Bank & Finance Charges	Payment	29		59.00
20-Oct-22	To	Sales proceeds	Receipt	6	10000000.00	
20-Oct-22	By	Share Application Kodoy	Payment	30		10000000.00
20-Oct-22	By	Bank & Finance Charges	Payment	31		59.00
21-Oct-22	To	Sales proceeds	Receipt	7	10000000.00	
23-Oct-22	By	Bank & Finance Charges	Payment	32		18.00
23-Oct-22	By	Bank & Finance Charges	Payment	33		100.00
25-Oct-22	By	Share Application Kodoy	Payment	34		10000000.00
25-Oct-22	By	Bank & Finance Charges	Payment	35		59.00
28-Oct-22	To	Sales proceeds	Receipt	8	10000000.00	
28-Oct-22	By	Share Application Kodoy	Payment	36		10000000.00
28-Oct-22	By	Bank & Finance Charges	Payment	37		59.00
10-Nov-22	To	Sales proceeds	Receipt	9	10000000.00	
10-Nov-22	By	Bank & Finance Charges	Payment	38		59.00
10-Nov-22	By	Bank & Finance Charges	Payment	39		108.31
10-Nov-22	By	Share Application Kodoy	Payment	40		10000000.00
14-Nov-22	To	Sales proceeds	Receipt	10	10000000.00	
14-Nov-22	By	Share Application Kodoy	Payment	41		10000000.00
16-Nov-22	To	Chakotai Development Catalist	Receipt	11	10000000.00	
16-Nov-22	By	Share Application Kodoy	Payment	42		10000000.00
18-Nov-22	To	Sales proceeds	Receipt	12	10000000.00	
18-Nov-22	By	Share Application Kodoy	Payment	43		10000000.00
21-Nov-22	To	Sales proceeds	Receipt	13	10000000.00	
21-Nov-22	By	Share Application Kodoy	Payment	44		10000000.00
21-Nov-22	By	Bank & Finance Charges	Payment	45		59.00
23-Nov-22	To	Sales proceeds	Receipt	14	10000000.00	
23-Nov-22	By	Bank & Finance Charges	Payment	46		18.00
23-Nov-22	By	Bank & Finance Charges	Payment	47		100.00
24-Nov-22	By	Share Application Kodoy	Payment	48		10000000.00
24-Nov-22	By	Bank & Finance Charges	Payment	49		59.00
28-Nov-22	To	Sales proceeds	Receipt	15	10000000.00	
28-Nov-22	By	Share Application Kodoy	Payment	50		10000000.00
28-Nov-22	By	Bank & Finance Charges	Payment	51		59.00
16-Dec-22	By	Bank & Finance Charges	Payment	53		18.00
16-Dec-22	By	Bank & Finance Charges	Payment	54		100.00
03-Jan-23	By	Axis Securities Demat A/c	Payment	55		123.39
17-Jan-23	By	Bank & Finance Charges	Payment	56		18.00
17-Jan-23	By	Bank & Finance Charges	Payment	57		100.00
17-Feb-23	By	Bank & Finance Charges	Payment	59		18.00
17-Feb-23	By	Bank & Finance Charges	Payment	60		100.00
17-Mar-23	By	Bank & Finance Charges	Payment	61		18.00
17-Mar-23	By	Bank & Finance Charges	Payment	62		100.00
					140025592.50	140009870.70
	By	Closing Balance				15721.80
					140025592.50	140025592.50

Investor Register

Enclosure xi

Investor categories:

Total value of agreements signed: Rs 1600 crores
Of which:

Other SEBI Regtd Domestic Funds:	Rs 1075 crores
Other Institutional Investors:	Rs 200 crores
Research Institution:	Rs. 100 crores
Angel Network:	Rs. 100 crores
Investment Bank:	Rs. 100 crores
Individual investors:	Rs. 20 crores
Manager:	Rs. 5 crores
Sponsor:	Rs. 5 crores

					(Rs Crores)	
	Total agreement value			1600.00		
	Total disbursal			36.31		
	Total expenses			6.50		
	Invesment in IIT entities			8.44		
	Investment portfolio entities			46.22		
	Exits			25.30		
	Misc			0.35		
	Assets under management			29.71		
	Investor			Disbursal	Agreement Value	
1	Sponsor			4.50	5.00	
2	Ravi sharma			0.73	5.00	
3	Balaji			0.25	5.00	
4	Anil Sharma			0.25	5.00	
5	Digital India Fund			22.00	875.00	
6	Cheekotel Venture Fund			8.59	200.00	
7	Ionique Research Ltd				100.00	
8	IIT Angel Fund				100.00	
9	Scsi Venture Advisors (P) Ltd				100.00	
10	CHF Management LLP				5.00	
11	Sureeti Social Ventures				100.00	
12	MakeinIndia Investment Ventures				100.00	
	Total			36.311	1600	

Investment Register

Enclosure xii

IIT Alumni Council

PanIIT Incubator Pvt Ltd

PanIIT Alumni Pvt Ltd

PanIIT Institute Pvt Ltd

PanIIT Foundation

PanIIT Forum

Seed funding the creation of the Worlds most powerful alumni network

Investments in category:

Total investment: Rs 8.44 crores
Total exits: Nil
Valuation (2023): Rs 7.59 crores

In Social Ventures: Rs 8.10 crores
In Others: Rs 0.34 crores

	Company	Shares/	Investment	Investment	Investment	Investment	After conv
		Debentures	2019-20	2020-21	2021-22	2022-23	31.3.23
1	IIT Alumni Council	Share nos	50000				95000
		Value	500000				5000000
		Deb nos	450000				
		Value	4500000				
		Total	5000000				5000000
2	PanIIT Incubator	Share nos					7500
		Value					7500000
		Deb nos	75000				
		Value	7500000				
		advances					
		Total	7500000				7500000
3	PanIIT Alumni	Share nos					40000
		Value					7200000
		Deb nos	13888			26211	
		Value	2500020			4699980	
		Total	2500020			4699980	7200000
4	PanIIT Institute	Share nos	10000				1000
		Value	100000				100000
		Deb nos	14000			630517	644517
		Value	1400000			63051170	64451170
		Total	1500000			63051170	64551170
5	PanIIT Foundation	Share nos	10000				10000
		Value	100000				100000
		Deb nos					
		Value					
		Total	100000				100000
6	PanIIT Forum	Share nos		9999			9999
		Value		99990			99990
		Deb nos					
		Value					
		Total		99990			99990
	TOTAL						84451160

Kodoy Ltd

Shambhala Organics Pvt Ltd

Ayushca*

Platinae Anchorage Pvt Ltd

Koteleo Pvt Ltd

Brew Factory Pvt Ltd

Sitadal Technologies Pvt Ltd

Batua Technologies Pvt Ltd

*yet to be spun off from PanIIT Foundation

Empowering the winning cohorts to become agents of change at an unprecedented scale

Investments in category:

Total investment: Rs 46.22 crores
Total exits: Rs 25.3 crores*
Valuation (2023): Rs 57.85 crores**

***after meeting conditions precedent**
**** valuation to be reduced by 2% in the case of Kodoy Ltd on account of equity promised to the ESOP Trust on token cost. Effective Rs 56.45 cr.**

	Company	Shares/	Investment	Investment	Investment	Investment	After conv
		Debentures	2019-20	2020-21	2021-22	2022-23	31.3.23
7	Kodoy	Share nos			2859600		4651140
		Value			14298000		54298000
		Deb nos	26666				
		Value	40000000				
		advances				140000000	140000000
		Total	40000000		14298000	140000000	194298000
8	Shambhala	Share nos					9475
		Value					49148160
		Deb nos		250000		1041024	
		Value		7500000		41648160	
		Total		7500000		41648160	49148160
9	Platinae	Share nos					44135
		Value					17653850
		Deb nos		1765385			
		Value		17653850			
		Total		17653850			17653850
10	Brew	Share nos		9999			9999
		Value		91950804			91950804
		Deb nos		5000			5000
		Value		7250000			7250000
		Total		99200804			99200804
11	Sitadal	Share nos					22499
		Value					8999700
		Deb nos		89970			
		Value		8999700			
		Total		8999700			8999700
12	BatuaTech	Share nos					1227
		Value					60900000
		Deb nos	123530				
		Value	60900000				
		Advances	22950000				22950000
		Total	83850000				83850000
13	Ionique Innovation	Share nos					
		Value					
		Deb nos	250000				250000
		Value	2500000				2500000
		Total	2500000				2500000
14	Koteleo	Share nos					
		Value					
		Deb nos		5000			5000
		Value		6550000			6550000
		Total		6550000			6550000
	TOTAL						462200514

Status of Exits:
As per agreement: Rs 25.3 crores*

***after meeting conditions precedent**

Concluded: Rs 8.05 crores
Yet to be concluded: Rs 17.25 crores
Advance received against balance: Rs 9.60 crores
Balance yet to be received: Rs 7.65 crores

	Company	Shares/	Investment	Investment	After conv		Sale agmt	Sale agmt	Trxn SV	Trxn BV		Net cost	Net cost
		Debentures	2021-22	2022-23	31.3.23		2021-22	2022-23	2022-23	2022-23		2022	2023
7	Kodoy	Share nos	2859600		4651140		2629800					1791540	1791540
		Value	14298000		54298000								
		Deb nos											
		Value											
		advances		140000000	140000000								
		Total	14298000	140000000	194298000		142980000					51318000	51318000
8	Shambhala	Share nos			9475		3437		3437	3437			6038
		Value			49148160								
		Deb nos		1041024								250000	
		Value		41648160									
		Total		41648160	49148160		13094970		13094970	13082576		36053190	36053190
9	Platinae	Share nos			44135							44135	44135
		Value			17653850								
		Deb nos											
		Value											
		Total			17653850							17653850	17653850
10	Brew	Share nos			9999		6500		6500	6500		3499	3499
		Value			91950804		57153850		57153850	59774000			
		Deb nos			5000		5000						
		Value			7250000		30000000						
		Total			99200804		87153850		57153850	59774000		12046954	12046954
11	Sitadal	Share nos			22499							22499	22499
		Value			8999700								
		Deb nos											
		Value											
		Total			8999700							8999700	8999700
12	BatuaTech	Share nos			1227							1227	1227
		Value			60900000								
		Deb nos											
		Value											
		Advances			22950000								
		Total			83850000							83850000	83850000
13	Ionique Innovation	Share nos											
		Value											
		Deb nos			250000		250000		250000	250000		250000	250000
		Value			2500000								
		Total			2500000		4750000		4750000	2500000		-2250000	-2250000
14	Koteleo	Share nos											
		Value											
		Deb nos			5000			5000	5000	5000		5000	0
		Value			6550000								
		Total			6550000			5500000	5500000	6550000		6550000	1050000

Kyrogene

Ionique

Ayushca by the Sea*

GB Technologies

CV Check*

ATM

IIT Alumni Research Univ.*

Deal flow for FY 2023-24 has been identified and is currently in finalisation

KYROGENE

EPIGENETICS BASED SICKNESS REVERSAL

kyrogene.com

KYROGENE

Kyrogene stands for master of genes. Kyrogene provides epigene therapy to prevent, manage or reverse autoimmune disorders. The therapy works by preventing the expression of a bad gene or catalysing the expression of a good gene. Target diseases addressed by Kyrogene are psoriasis, type 1 diabetes, Lupus, Hashimoto, multiple sclerosis, rheumatoid arthritis etc.

IONIQUE

ADVANCED PERPETUAL POWER SOURCES

ionique.iitcouncil.org

Ionique is working to create 24/7 high quality heat sources which are net zero and do not emit any greenhouse gases

Ionique uses liquid thorium fuel to produce heat for long endurance applications such as off grid EV charging stations, high endurance vehicles used for surveillance and underwater mining and various other robotic applications.

Ionique engine modules are rated for 1.28 MW electric output or 3 MW heat output. These modules are capable of air independent operations and thus can be used on Mars or underwater.

AYUSHCA

HEALTH VILLAGE WITH SUSTAINABLE HABITATS

ayushca.org

Ayushca is conceptualised as a next-generation, self-contained private biosphere to accommodate up to 50,000 residents. The smart health villages have been configured to fit in three land parcel sizes - 30 acres, 125 acres and 300 acres. IIT Alumni Council proposes to build twenty-five Ayushca Health Villages over the next fifteen years.

GBTECH

CLOUD BASED ACCOUNTING & ERP PLATFORM FOR STARTUPS & LISTED COMPANIES SEEKING EARLY STAGE LISTING

gbtech.in

GBTech is creating a cloud based platform which is directly compatible with existing software packages like Tally, Oracle and SAP to import legacy data.

The system interfaces with the Forum super app to provide a single window access to users for a wide gamut of services including but not limited to AI assisted statutory audit, fully automated tax and compliance filings, automated invoicing and AI managed book keeping.

GB Tech is a global platform with provisions for customisation depending on regulatory regimes in the host countries of the users.

CV

CV PROVIDES THIRD PARTY AUTHENTICATION OF EDUCATION & WORK EXPERIENCE OF PREMIUM COLLEGE GRADUATIONS

CVchk.com

CV is creating India's largest database of premium college graduates - including the IITs and IIMs.

Applicants can use their CV link to apply for jobs, funding or other memberships. The CV links are the format cvchk.com/name.surname and can be verified by employers. For confidentiality purposes, the CV can also be password protected or anonymous with format cvchk.com/abc.pqr

The third party verified CVs assure future employers of the authenticity of CVs submitted by applicants.

ATXM

DISTRIBUTED LEDGERS INTEGRATED WITH BANKING/ PAYMENT PLATFORMS

anytimeworld.org

Anytime Transaction Machines is a blockchain based distributed ledger interfaced with the cloud hosted accounting system on one end and the banking platforms on the other. This allows ATXM to create sub-accounts for employees, suppliers, customers and other business associates.

By doing a virtual debit or credit to the associate accounts based on blocking of banking limits instead of drawing on them, the platform helps companies to reduce working capital requirements and cost.

INSTITUTE OF AI

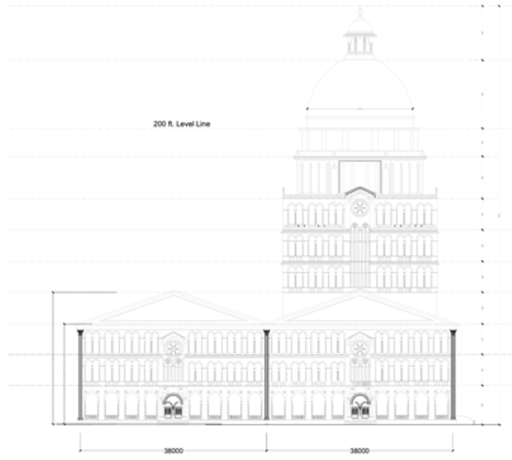
FOCUSED ON THE USE OF AI IN ENERGY TRANSITION & CLIMATE CHANGE READY HABITATS.

ai.iitac.online

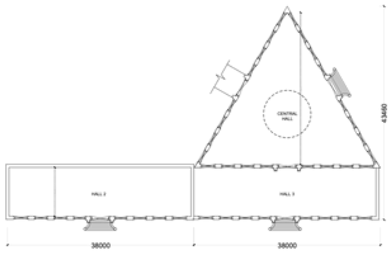
The Institute of AI is a part of the IIT Alumni Research University. The first project of the Institute is to build a "global warming" ready, "earthquake proof", stone building constructed by using frontier technologies like 3D scanning and robotic assembly to replicate designs and construction techniques of yesteryears - but built completely using robotics and cobotics assisted by AI.

The project will build on similar concepts used by groups like BAPS Akshardham to construct ornate temples globally.

INSTITUTE OF AI



ELEVATION



PLAN

Portfolio Industry Split

Enclosure xiii

Others	Strategic	Rs 11.6 crores
IT/ITes	Deeptech	Rs 6.99 crores
Health Care Technology	Health	Rs 11.12 crores

		Health	IT	Others
IIT Alumni Council		0	0	0.50
PanIIT Foundation		0	0	0.01
PanIIT Institute		0	0	6.45
PanIIT Incubator		0	0	0.75
PanIIT Alumni		0	0	0.97
PanIIT Forum		0	0	0.01
BatuaTech		0	6.09	0
Sitadal Tech		0	0.89	0.00
Brew		3.93	0	0
Kodoy		4.73	0	0
Shambhala Organics		0.69	0	2.92
Platinae Anchorage		1.77	0	0
	TOTAL	11.12	6.98	11.61

Pre-operative Investments

Enclosure xiv

Pre-operatives including all fees/expenses:

The fund is currently in the pre-funding mode and is setting up the overall ecosystem including the IIT Alumni entities. Funding is currently limited to winners of the cohort competition run by the Incubator. Fees due have been accrued but not paid.

The fees relating to operation of the fund are:

- 3% setup fee (payable on receipt of commitment)
- Upto 0.25% of AUM as mgmt fee (payable annually with a moratorium of one year)
- 1.75% on each investment and exit (payable when the envisaged transaction is consummated, not on agreement)
- 3% liquidation fees (payabe at the time of liquidation of the fund)

The amounts accrued are:

- Setup: Rs 4.78 crores
- Annual fee: Rs 0.3 crores
- Investment fee: Rs 0.973 crores
- Exit fee: Rs 0.44 crores
- Total: Rs 6.5 crores as of 31.3.23

Pre-operatives including all fees/expenses:

Total pre-operatives booked: Rs 7.79 crores
which comprises of:

Fund expenses to date: Rs 6.5 crores

Expenses incurred on behalf of portfolio companies:

PanIIT Foundation

Ayushca Goa Project:	Rs 0.59 crores
Ayushca Una Project:	Rs 0.40 crores
MegaLab Project:	Rs 0.30 crores

The above sums are receivable from the Ayushca Project as part of project expenses.

Materially Adverse Events

Enclosure xv

Adverse Events

i. During the FY 2022-23, Mr Pawan Kumar passed away on 06.02.23. He as a distinguished alumnus of IIT Kanpur and was a part of the team that set up TCS, Nasscom and the IIT Alumni movement. He served as the first chair of the IIT Alumni conclave in 2004 where President APJ Abdul Kalam was the Chief Patron. He was Chairman of the Investment Committee of the PanIIT Fund and had helped steer the creation of the various alumni activities. Mr Vikesh Mehta has been appointed pro temp Chairman of the Investment committee on April 1, 2023 to hold charge till the next Chairman is appointed.

ii. During FY 2020-21, one of the portfolio companies m/s Koteleo had applied for a license to assemble and manufacture micro and nano sized nuclear reactors in India under the privatisation program for nuclear energy in which the participation of private sector had been sought. Such reactors have extensive applications in space and defence. The application of the company has been pending for a long time and could not be processed because of the covid lockdown. The application was finally taken up in April 2022 and has been pending a clarification from the various government entities internally as to whether the private sector is to be licensed to manufacture nuclear reactors or only to generate electricity using nuclear reactors sourced from existing plant manufacturers in the government ecosystem such as BARC. The matter was also discussed in the India USA protocol which was signed during the Indian Prime Ministers visit to USA. As per the protocol signed, India is to develop and export small modular reactors (SMR)to USA. SMR are defined as reactors between 3 and 300 MW of heat generation. However the micro reactor proposed by m/s Koteleo was with ratings between 100 and 300 KW which does not meet the specifications of the SMR which has been approved. Whilst the application has not been accepted or rejected, there is considerable uncertainty around the same.

Adverse Events (Contd)

iii. PanIIT Foundation - a Section 8 company - under which Ayushca estates are being set up had appointed investment bankers for issuance of zero coupon rate, non redeemable securities for listing on the social stock exchange. An initial offering of Rs 1500 crores had been proposed to part- fund the first two Ayushca estates - one in Goa and the other in the Northern Himalayan belt across Kashmir/ Himachal /Uttarakhand. There has been considerable uncertainty regarding the tax benefits and other criteria available to buyers of the units listed on the social stock exchange. It was the assumption of the issuer that the buyer of these units could buy the same by utilising his CSR quota (2% of profit) or by getting 80G benefit under income tax or by expensing out the investment from his P&L. Without one or all of these benefits, it is unlikely that the instrument would have any buyers. The proposed issuance by the Pune-Chinchwad municipal corporation which was being managed by the Palladium Group has also not made much progress. The Fund Sponsor has held discussions with SEBI as well as the income tax department and no short term solution is in sight even though both BSE and NSE have announced formation and operationalisation of the Social Stock Exchange.

iv. The Ayushca Estate team has been pursuing land allotment in Goa and the Himalayan region. The Himalayan region has seen considerable damages caused by natural calamities because of climate change. These include seismic events and floods. In light of this, the three state governments are not passing construction plans for large new projects such as the one proposed by Ayushca at a height of 6000+ feet. This has necessitated change in the proposed location of Ayushca in the Hills to a foothill location. Locations that are currently being evaluated include Una in Himachal and Roorkee in Uttarakhand.

Adverse Events (Contd)

v. The Ayushca by the Sea project has been evaluating various land parcels in Goa. The preference was to acquire a land parcel by the Sea with a private ocean front. Because of the sudden spurt in tourism related traffic, land prices in Goa have escalated substantially. In some cases the increase is over 200% with a median of 80% increase over the prices estimated in 2021. The increase in market prices will also have an effect on the circle rates and litigation around acquisition of land. Because of court orders, the state government has had to cancel land allotted for the proposed new campus of IIT Goa. Projects like the Ayushca Estate are lower in priority to setting up campuses like IIT Goa. The existing BITS Pilani campus in Goa is set up on private land which was earlier owned by Chambal Fertilisers, a Birla group urea manufacturing company. As a result, it is unlikely that land acquisition will get completed in FY 2023-24 as originally envisaged.

vi. The income tax department has served a notice relating to Section 56(vii)b of the IT act to Kodoy Ltd for issuance of shares at a high premium. It is the contention of the tax department that shares of Rs 1.48 crores have been issued to PanIIT Fund at Rs 5 per share whereas shares have been issued to other institutional investors at Rs 262.5 per share. It is the company's defence that PanIIT Fund had agreed to buy the shares before the covid pandemic related upside emerged for the company whereas the other investors have acquired the shares after the covid pandemic. Such proceedings take years to resolve in India. The company has taken suitable steps including constituting a small committee led by a representative of PanIIT Fund to help present its case to the tax department. Such matters could take upto 20 years to be resolved and may involve a tax claim of upto Rs 4 crores as of FY 2022-23 with penal interest at 18%. It has also held up fresh issuance of shares of Rs 40 crores envisaged in 2022-23 for which subscribers had already signed up. This could adversely affect the valuation of shares held by the Fund in Kodoy.

Adverse Events (Contd)

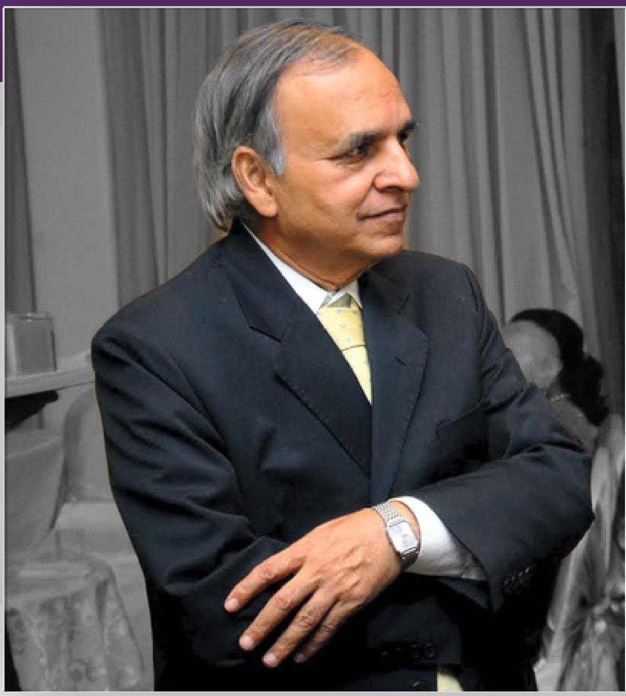
vii. The Shambala initiative in social forestry based on the carbon credit framework and the proposal to build a business case for the initiative based on eco tourism and forest produce has been making slow progress because of uncertainties regarding the regulatory paradigm for cutting invasive species which are harmful to the forest. The Indian laws do not differentiate between harmful trees and beneficial trees. If harmful trees - also called as invasive species - such as Juliflora and Lantana are not removed, they prevent the growth and proliferation of other trees. In the case of the Aravalli hills near Delhi, the Juliflora trees have destroyed all other trees, grasses and other plants in the area and the forest has become a 100% monoforest with just one species of trees. This tree does not absorb enough oxygen, does not enrich the soil, has thorny branches which prevent movement of animals and herbivorous animals fall sick by eating their leaves. They do not produce any fruit or edible seeds. However, cutting these trees is banned by law just as it is for all trees. This make the forest revival task very difficult. In some forests like Bandhavgarh, invasive species may cover upto 60% of the land area.

viii. Valuation of startups has nose dived in FY 2022-23. This has led to failure of several aggressive startups like Byjus and a funding winter for many promising startups. Many startups such as BharatPe have been surrounded by controversy on various counts including governance issues. Venture Funds themselves are under stress because of falling valuations. This includes several Tier 1 funds such as Softbank who have registered major declines in valuation. As a result, valuations all over may get impacted. This would continue to have an impact on our legacy investments. However on the positive side, startup valuations would be lower and promoter or team expectations would be more realistic for future rounds of funding.

Adverse Events (Contd)

ix. One of our health portfolio companies - Brew Factory - is being repivoted from microbial products for healthcare to green chemistry microbes. Whilst green chemistry has significant potential and the technology and expertise required is similar - yet the unit realisation in green chemistry is a fraction of that for healthcare. On a thumb rule basis, the realisation would be one tenth of that in healthcare whereas the production cost is around 50%. As a result there will be substantial cost of repivoting with considerable uncertainty about future valuations of the same.

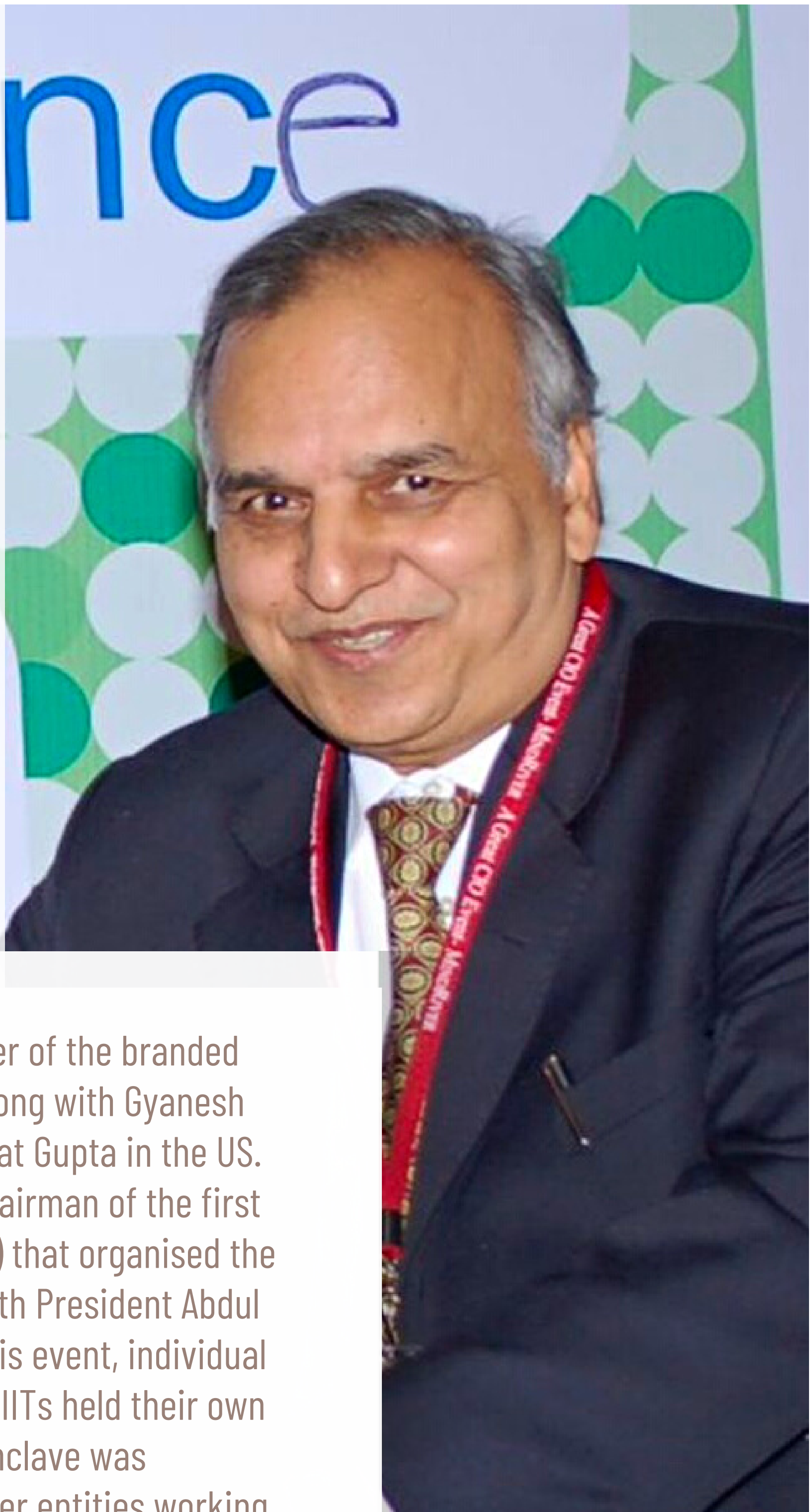
Remembrance



PAWAN KUMAR

1947 - 2023

pawan kumar



Pawan has also been very active with industry bodies like CII. TIE, ESC, and NASSCOM. Remaining closely associated with his alma mater, he has served as Global President of IIT Kanpur Alumni Association. IITK conferred on him the Distinguished Alumnus Award of IIT Kanpur in 2006

Pawan Kumar is the founder of the branded all-IIT alumni initiatives, along with Gyanesh Choudhary in India and Rajat Gupta in the US. He was the founder and Chairman of the first Association of People (AOP) that organised the PanIIT Conclave in 2004 with President Abdul Kalam as the Patron. Till this event, individual alumni associations of the IITs held their own events. This role model conclave was thereafter emulated by other entities working with IIT Alumni Groups. Pawan was the driving force behind the creation of the IIT Alumni Council in 2019.

Pawan Kumar passed away in 2023

CONTACT

W paniitfund.com
E mailbox@paniitfund.com
T +1 650 900 8833 | Silicon Valley
T. +91 22 6636 4405 | Mumbai
T +91 11 3572 0006 | New Delhi

FUND MANAGER
CHF Management LLP
c/o Scsi Venture Advisors (P) Ltd
Apeejay Centre, Apeejay House
Churchgate, Mumbai
Maharashtra 400 020

GOVERNMENT & REGULATORY
Kajal Sarkar - Compliance Manager
202 Nilgiri, 9 Barakhamba Road
Connaught Place,
New Delhi 110 001.

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INVESTOR UPDATE vol 1

SEP 2023