

**FAIRNESS OPINION REPORT**

**SCHEME OF AMALGAMATION**

**OF**

**SULABH REALTY PRIVATE LIMITED**

**MALVIKA ESTATE PRIVATE LIMITED**

**GITANJALI INFRASTRUCTURE PRIVATE LIMITED**

**WITH**

**GANESH HOUSING CORPORATION LIMITED**

(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES  
ACT, 2013)

**STRICTLY PRIVATE AND CONFIDENTIAL**

Prepared and Submitted By:

**VIVRO**

Vivro Financial Services Private Limited



**Date: May 31, 2021**

**To,**

**The Board of Directors**

**Ganesh Housing Corporation Limited**

Ganesh Corporate House,  
100 Feet Hebatpur- Thaltej Road,  
Near Sola Bridge, Off S. G. Highway,  
Ahmedabad - 380054

**Subject: Fairness Opinion Report on the Share Exchange Ratio Report issued by Jignesh D. Shah, Registered Valuer, for the proposed amalgamation Of Sulabh Realty Private Limited, Malvika Estate Private Limited, Gitanjali Infrastructure Private Limited with Ganesh Housing Corporation Limited, as per the scheme of amalgamation ('Scheme') in terms of SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, as amended ('SEBI Circular') issued under regulations 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('SEBI LODR Regulations')**

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Ganesh Housing Corporation Limited (hereinafter referred to as 'GHCL', 'Transferee Company', 'you', 'your'), is a public company bearing CIN as L45200GJ1991PLC015817, incorporated on June 13, 1991, primarily engaged in the business of real estate development. The equity shares of Transferee Company are listed on BSE Limited (hereinafter referred to as 'BSE') and National Stock Exchange of India Limited (hereinafter referred to as 'NSE') (hereinafter referred together to as 'Stock Exchanges').

Sulabh Realty Private Limited (hereinafter referred to as 'SRPL', 'First Transferor Company'), is a private company bearing CIN as U45201GJ2002PTC041349, incorporated on October 01, 2002. The First Transferor Company is incorporated to carry on the business of real estate development.

Malvika Estate Private Limited (hereinafter referred to as 'MEPL', 'Second Transferor Company'), is a private company bearing CIN as U45201GJ2002PTC041345, incorporated on October 01, 2002. The Second Transferor Company is incorporated to carry on the business of real estate development.

Gitanjali Infrastructure Private Limited (hereinafter referred to as 'GIPL', 'Third Transferor Company'), is a private company bearing CIN as U45201GJ2002PTC041487, incorporated on October 29, 2002. The Third Transferor Company is incorporated to carry on the business of real estate development.

Pursuant to a proposed composite scheme of amalgamation under Section 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of law, (hereinafter referred to as 'the Scheme'),



the management of SRPL, MEPL, GIPL and GHCL are proposing to enter into a scheme of amalgamation (The terms not defined herein would carry the meaning as defined per the Scheme).

Accordingly, GHCL has appointed Vivro Financial Services Private Limited, Category I Merchant Banker registered with SEBI having its Registration Number INM000010122 (hereinafter referred to as 'Vivro', 'VFSP', 'Merchant Banker', 'we', 'us', 'our'), vide an Engagement Letter dated May 7, 2021 to issue a Fairness Opinion Report on the Share Exchange Ratio report issued by Jignesh D. Shah, Registered Valuer, registered with the Insolvency and Bankruptcy Board of India (IBBI Registration Number: IBBI/RV/06/2019/11718) (hereinafter referred to as the 'Registered Valuer', the 'Valuer') vide his Share Exchange Ratio report dated May 31, 2021 (hereinafter referred to as the 'Share Exchange Ratio Report'). In connection with the same, we hereby attach our Fairness Opinion Report in terms of the SEBI Circular.

Our Fairness Opinion Report is to be read in conjunction with the scope and purpose of the Report, the sources of information and the assumptions, exclusions, limitations, and the disclaimers, as have been detailed hereinafter. This letter should be read in conjunction with the Fairness Opinion Report. Should you require any further information or explanations, please contact the undersigned.

**For, Vivro Financial Services Private Limited**

  
Jayesh Vithlani

**Sr. Vice President**

**Date: May 31, 2021**

**Place: Ahmedabad**





## 1. BACKGROUND OF THE COMPANIES

### 1.1 GANESH HOUSING CORPORATION LIMITED

GHCL is primarily engaged in the business of real estate development. The Company has been involved in several projects of residential schemes such as Shangri-La, Satva, Suyojan, Maple County, Sundarvan Epitome, Malabar County, Maple Tree as well as several projects of commercial schemes such as GCP Business Centre, Magnet Corporate Park, Maple Trade Centre. The equity shareholding pattern of GHCL as on March 31, 2021 is as follows:

Category	Equity Shares	%Shareholding
Promoter & Promoter Group	2,67,62,084	54.36%
Public	2,24,65,006	45.64%
<b>Total</b>	<b>4,92,27,090</b>	<b>100.00%</b>

### 1.2 SULABH REALTY PRIVATE LIMITED

SRPL is incorporated to carry on the business of real estate development. Currently, SRPL holds a parcel of land which is situated behind Zydus Hospital, Thaltej, Ahmedabad - 380054. SRPL proposed to develop this parcel of land for a Commercial project. The equity shareholding pattern of SRPL as on March 31, 2021 is as follows:

Name	Equity Shares	%Shareholding
Mr. Dipakkumar Govindbhai Patel	5,000	50.00%
Mr. Shekhar Govindbhai Patel	5,000	50.00%
<b>Total</b>	<b>10,000</b>	<b>100.00%</b>

### 1.3 MALVIKA ESTATE PRIVATE LIMITED

MEPL is incorporated to carry on the business of real estate development. Currently, MEPL holds a parcel of land which is situated behind Zydus Hospital, Thaltej, Ahmedabad - 380054. MEPL proposed to develop this parcel of land for a Commercial project. The equity shareholding pattern of MEPL as on March 31, 2021 is as follows:

Name	Equity Shares	%Shareholding
Mr. Dipakkumar Govindbhai Patel	5,000	50.00%
Mr. Shekhar Govindbhai Patel	5,000	50.00%
<b>Total</b>	<b>10,000</b>	<b>100.00%</b>



1.4 **GITANJALI INFRASTRUCTURE PRIVATE LIMITED**

GIPL is incorporated to carry on the business of real estate development. Currently, GIPL holds a parcel of land which is situated behind Zydus Hospital, Thaltej, Ahmedabad - 380054. GIPL proposed to develop this parcel of land for a Residential project. The equity shareholding pattern of GIPL as on March 31, 2021 is as follows:

<b>Name</b>	<b>Equity Shares</b>	<b>%Shareholding</b>
Mr. Dipakkumar Govindbhai Patel	5,000	50.00%
Mr. Shekhar Govindbhai Patel	5,000	50.00%
<b>Total</b>	<b>10,000</b>	<b>100.00%</b>



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## 2. RATIONALE OF THE SCHEME

As mentioned in the proposed Scheme of Amalgamation shared with us, the rationale of the Scheme is as under:

- 2.1 The amalgamation of the Transferor Companies with the Transferee Company will enable consolidation of the business and operations of the Transferor Companies and the Transferee Company which will provide impetus to growth, enable synergies and focused management control.
- 2.2 It is considered desirable and expedient to reorganise and amalgamate the business of the Transferor Companies with the Transferee Company so as to have a stronger asset base which will result in bolstering the asset/capital base and balance sheet of the Transferee Company.
- 2.3 The amalgamation will result in stability, better economic control, flexibility and enhance the ability of the amalgamated entity to undertake large projects, thereby contributing to enhancement of future business potential.
- 2.4 The amalgamation will result in pooling of resources, integration, and effective utilisation of resources, which is likely to result in optimising overall shareholders' value and improvement in competitive position of the Transferee Company in the real estate industry as a combined entity.
- 2.5 There is no likelihood that any shareholder or creditor or any stakeholder of the Transferor Companies and the Transferee Company would be prejudiced as a result of the Scheme. Thus, the merger is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors, or the public at large.

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### 3. SALIENT FEATURES OF THE SCHEME

- 3.1 As mentioned in the Scheme, the management of SRPL, MEPL, GIPL and GHCL are proposing a scheme of amalgamation wherein SRPL, MEPL and GIPL would be amalgamated into GHCL.
- 3.2 With effect from the Appointed Date and upon this Scheme becoming effective, the Transferor Companies along with all their respective assets, liabilities, contracts, employees, licenses, records, approvals etc. being integral parts of the respective Transferor Companies shall stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act, instrument or deed, together with all their properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of this Scheme, in accordance with Sections 230 – 232 of the Act, the IT Act and Applicable Law, if any, in accordance with the provisions contained herein.
- 3.3 Upon this Scheme becoming effective, each of the Transferor Companies shall stand dissolved without being wound up, without any further act, instrument, or deed.
- 3.4 Upon coming into effect of this Scheme and in consideration of the amalgamation of each of the Transferor Companies in the Transferee Company, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the respective equity shareholders of the Transferor Companies whose names are recorded in the respective register of members as a member of the Transferor Companies on the Record Date fully paid up equity shares, free and clear from all encumbrances together with all rights and benefits attaching thereto.
- 3.5 The amalgamation of the Transferor Companies with the Transferee Company in accordance with Part II of this Scheme will be in compliance with the provisions of Section 2(1B) of the IT Act, such that:
- (a) all the properties of the respective Transferor Companies, immediately before the amalgamation, shall become the property of the Transferee Company, by virtue of this amalgamation;
  - (b) all the liabilities of the respective Transferor Companies, immediately before the amalgamation, shall become the liabilities of the Transferee Company, by virtue of this amalgamation; and
  - (c) shareholders holding not less than three-fourths in value of the shares in each of the Transferor Companies will become shareholders of the Transferee Company by virtue of the amalgamation.





#### 4. SCOPE AND PURPOSE OF THIS FAIRNESS OPINION REPORT

- 4.1 The Board of Directors of SRPL, MEPL, GIPL and GHCL are planning to enter into a composite scheme of amalgamation in accordance with Section 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder and in compliance with the provisions of the Income Tax Act, 1961, providing for the amalgamation of SRPL, MEPL and GIPL into GHCL (hereinafter referred together to as 'the Companies').
- 4.2 For the aforesaid purpose of amalgamation of SRPL, MEPL and GIPL into GHCL, GHCL has appointed Jignesh D. Shah, Registered Valuer, to submit a Share Exchange Ratio Report recommending the equity share swap ratio, to be placed before the Board of Directors of the Companies.
- 4.3 The scope of our services is to issue a Fairness Opinion Report on the Share Exchange Ratio Report issued by the Registered Valuer recommending the equity share swap ratio, for the amalgamation of SRPL, MEPL and GIPL into GHCL, as proposed in the Scheme, in accordance with generally acceptable professional standards.
- 4.4 The scope of our services does not involve opining on the fairness or economic rationale of the Scheme per se.
- 4.5 This Fairness Opinion Report is our deliverable on this engagement. This Fairness Opinion Report may be used for the purpose of complying with the requirements of the regulations 11, 37 and 94 of the SEBI LODR Regulations and the SEBI Circular and for submission to regulatory and statutory authorities in connection with the Scheme.
- 4.6 Our Fairness Opinion Report is prepared solely for the purpose outlined hereinabove. The distribution of this Fairness Opinion Report shall hence be restricted to the Companies, Shareholders, SEBI, Stock Exchanges, and such other regulatory bodies required to give effect to the Scheme, including but not limited to Registrar of Companies and National Company Law Tribunal. This Fairness Opinion Report shall not be relied upon by any other person for any other purpose whatsoever and the Companies agree to this fact.

The Companies have been provided with the opportunity to review the draft Fairness Opinion Report (excluding our opinion on the equity share swap ratio of amalgamation) as part of our standard practice to make sure that factual inaccuracy/omissions are avoided.

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## 5. SOURCES OF INFORMATION

We have relied on the following information made available to us by the management of the Companies for the purpose of this Fairness Opinion Report:

- 5.1 Proposed draft scheme of amalgamation between SRPL, MEPL, GIPL and GHCL, and their respective shareholders, under Sections 230 to 232 and other applicable provisions of the Companies Act 2013 as may be submitted to the Stock Exchanges;
- 5.2 Share Exchange Ratio Report of Jignesh D. Shah, Registered Valuer, dated May 31, 2021;
- 5.3 Audited financial statements of SRPL for FY 2021;
- 5.4 Audited financial statements of MEPL for FY 2021;
- 5.5 Audited financial statements of GIPL for FY 2021;
- 5.6 Management certified financial projections of the future profitability and the balance sheet of SRPL, for the period from FY 2022 to FY 2025;
- 5.7 Management certified financial projections of the future profitability and the balance sheet of MEPL, for the period from FY 2022 to FY 2025;
- 5.8 Management certified financial projections of the future profitability and the balance sheet of GIPL, for the period from FY 2022 to FY 2025;
- 5.9 Valuation Report of Pranav Parikh, Approved Valuer for the land parcel of SRPL dated May 13, 2021;
- 5.10 Valuation Report of Pranav Parikh, Approved Valuer for the land parcel of MEPL dated May 13, 2021;
- 5.11 Valuation Report of Pranav Parikh, Approved Valuer for the land parcel of GIPL dated May 13, 2021;
- 5.12 Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for the purpose of Fairness Opinion Report.



## 6. VALUER'S RECOMMENDATION

- 6.1 As informed to us by the management of the Companies, the scope of services for the proposed Scheme is to carry out the valuation of equity shares of SRPL, MEPL, GIPL and GHCL to determine the Share Exchange Ratio for the proposed Scheme.
- 6.2 The equity share swap ratio has been arrived at on the basis of relative valuation of the equity shares of SRPL, MEPL, GIPL and GHCL based on methodology, as explained in the Share Exchange Ratio Report dated May 31, 2021 issued by Jignesh D. Shah, Registered Valuer, and various qualitative factors, and the business dynamics as well as growth potential of the businesses, and also having regard to information base, management representations and perceptions, key underlying assumptions, and limitations.
- 6.3 Accordingly, on the basis of all the relevant factors and circumstances as discussed and outlined in the Share Exchange Ratio Report, dated May 31, 2021, issued by Jignesh D. Shah, Registered Valuer, it has been recommended that the equity share swap ratio for the amalgamation of SRPL, MEPL, GIPL and GHCL, under the proposed Scheme shall be as follows:

*'761 (Seven Hundred Sixty-One)' equity shares of face value INR 10 each fully paid up of GHCL for every '1 (One)' equity share of face value of INR 10 each fully paid of SRPL for the amalgamation of SRPL into GHCL'.*

*'1344 (Thirteen Hundred Forty-Four)' equity shares of face value INR 10 each fully paid up of GHCL for every '1 (One)' equity share of face value of INR 10 each fully paid of MEPL for the amalgamation of MEPL into GHCL'.*

*'1065 (One Thousand Sixty-Five)' equity shares of face value INR 10 each fully paid up of GHCL for every '1 (One)' equity share of face value of INR 10 each fully paid of GIPL for the amalgamation of GIPL into GHCL'.*

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## 7. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS & DISCLAIMERS

- 7.1 This Fairness Opinion Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. This Fairness Opinion Report is restricted for the purpose indicated in the Engagement Letter but does not preclude the management of the Companies to provide a copy of this Fairness Opinion Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for any unauthorized use of this Fairness Opinion Report.
- 7.2 We owe responsibility only under the terms of the Engagement Letter. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the management or their directors, employees, or agents of the Companies.
- 7.3 In the course of issuing this fairness opinion, we were provided with both written and verbal information, which we have evaluated through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. We have also relied on data from external sources also to conclude on our fairness opinion. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis.
- 7.4 This Fairness Opinion Report and the results herein are specific to the purpose agreed as per the terms of the Engagement Letter, are specific to the date of this Fairness Opinion Report and are necessarily based on the prevailing financial and economic conditions as well as the written and oral information, as made available by the management of the Companies as on date of this Fairness Opinion Report. Events occurring after this date may affect this Fairness Opinion Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Fairness Opinion Report.
- 7.5 This Fairness Opinion Report is subject to the scope, the sources of the information and limitations detailed herein. As such the Fairness Opinion Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- 7.6 We have not reviewed the legal compliance required for the proposed transaction, except to the extent necessary for the purpose of this Fairness Opinion Report, nor provided any accounting, tax, or legal advice to the Companies, neither are we required to do so, in terms of the Engagement Letter.





- 7.7 We have not carried out a revaluation of any assets of the Companies, nor physically verified any assets of the Companies, neither are we required to in terms of the Engagement Letter.
- 7.8 We are independent of the Companies and hold no specific interest in the Companies or any of the assets of the Companies, nor do we have any conflict of interest with the Companies.
- 7.9 The fee for this Fairness Opinion Report is not contingent upon the recommendation given.
- 7.10 We are aware that based on the opinion of the value expressed in this Fairness Opinion Report, we may be required to give testimony or attend judicial proceedings with regard to this fairness opinion, although it is out of scope of the assignment. In such an event, the party seeking the evidence in the proceedings shall bear the full cost and the fees of the judicial proceedings, and the tendering of evidence before such authority, if any, will be as per the applicable laws.



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**8. CONCLUSION**

Pursuant to and subject to the foregoing, we believe that the share exchange ratio, recommended by Jignesh D. Shah, Registered Valuer, for the amalgamation of SRPL, MEPL, GIPL and GHCL, for the proposed Scheme, is fair.

**For, Vivro Financial Services Private Limited**



**Jayesh Vithlani**

**Sr. Vice President**

**Date: May 31, 2021**

**Place: Ahmedabad**

