
VALUATION REPORT ON FAIR EQUITY SHARE EXCHANGE RATIO

(STRICTLY PRIVATE & CONFIDENTIAL)

Pursuant to the Scheme of Amalgamation of
i) Sulabh Realty Private Limited
ii) Malvika Estate Private Limited
iii) Gitanjali Infrastructure Private Limited
(Transferor Companies)
with
i) Ganesh Housing Corporation Limited
(Transferee Company)

By:

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Valuer Registration Number: IBBI/RV/06/2019/11718

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Date: May 31, 2021

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1. Valuation Analysis:

1.1 I refer to my Engagement Letter dated May 18, 2021 confirming my appointment as independent valuer to recommend the fair equity share exchange ratio for the amalgamation of Sulabh Realty Private Limited ("SRPL"), Malvika Estate Private Limited ("MEPL") and Gitanjali Infrastructure Private Limited ("GIPL") (together referred as "Transferor Companies") with the Ganesh Housing Corporation Limited ("GHCL" or "Transferee Company"). SRPL, MEPL, GIPL and GHCL shall be collectively be referred as "the Companies" or "the Clients". In the following paragraphs, I have summarized my Valuation Analysis (the "Analysis") of the business of the Companies as informed by the Management and detailed herein, together with the description of the methodologies used and limitations on my scope of work.

2. Registered Valuer:

2.1 I, Jignesh D. Shah, am a fellow member of The Institute of Chartered Accountants of India ('ICAI') practicing as a partner with Manubhai & Shah LLP, Chartered Accountants. I am also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with registration no. IBBI/RV/06/2019/11718 and registered with ICAI Registered Valuers Organisation with registration no. ICAIRVO/06/RV-P00102/2019-2020. I have been hereinafter referred to as 'Valuer' or 'I' or 'me' in this Report ('Valuation Report' or 'Report').

3. Context and Purpose:

3.1. I have been given to understand that management is proposing to amalgamate SRPL, MEPL and GIPL with GHCL in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Scheme of Amalgamation" or "the Scheme").

3.2. Subject to necessary approvals, SRPL, MEPL and GIPL would be amalgamated with GHCL, with effect from the appointed date of April 1, 2021. As a consideration for this amalgamation, shareholders of SRPL, MEPL and GIPL would be issued equity shares of GHCL.

3.3. In this context, I have been appointed to determine and recommend the fair equity share exchange ratio for the amalgamation of SRPL, MEPL and GIPL with GHCL.

4. Conditions and Major Assumptions:

4.1. I have not audited, reviewed, or compiled the financial statements of the Companies and express no assurance on them. I acknowledge that I have no present or contemplated financial interest in the Companies. My fee for this valuation is based upon normal billing rates, and not contingent upon the results or the value of the business or in any other manner. I have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.



Jignesh D Shah

B. Com., FCA, DISA (ICA), RV

- 4.2. I have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. I, by reason of performing this valuation and preparing this report, am not to be required to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with me regarding such additional engagement.
- 4.3. This report, its contents, and analysis herein are specific to:
- (i) the purpose of valuation agreed as per the terms of my engagement and
 - (ii) the Report date
- 4.4. The management of the Companies have represented that the business activities of the Companies have been carried out in the normal course between March 31, 2021 and the Report date and no material changes have occurred in their respective operations and financial position between March 31, 2021 and the Report date.
- 4.5. This report and the information contained herein are absolutely confidential and are intended for the use of management and representatives of the Companies for providing selected information and only in connection with purpose mentioned above or for sharing with shareholders, creditors, Regional Directors, Registrar of Companies, NCLT and office of other regulatory or statutory authorities. It should not be copied, disclosed, circulated, quoted or referred to either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued with my written consent. In the event, the Companies or their management or their representatives intend to extend the use of this report beyond the purpose mentioned earlier in this report, with or without my consent, I will not accept any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report.
- 4.6. I have not attempted to confirm whether all assets of the business of the companies are free and clear of liens and encumbrances, or that the owner has good title to all the assets. I have also assumed that the business of the Companies will be operated prudently and that there are no unforeseen adverse changes in economic conditions affecting the business, the market, or the industry.
- 4.7. I have been informed by management of Companies that there are no environmental or toxic contamination problems, any significant lawsuits, or any other undisclosed contingent liabilities which may potentially affect the business of company, except as may be disclosed elsewhere in this report. I have assumed that no costs or expenses will be incurred in connection with such liabilities, if any.
- 4.8. This report is based on the information received from the sources mentioned herein and discussions with the representatives of the Companies. I have assumed that no information has been withheld that could have influenced the purpose of my report.



4.9. The exchange ratio expressed in this report pursuant to valuation of the Companies is based on the Going Concern assumption.

5. Background of The Companies

5.1. Ganesh Housing Corporation Limited (GHCL)

GHCL is a public limited company incorporated on June 13, 1991 under the Companies Act, 1956 with CIN L45200GJ1991PLC015817 and having its registered office at Ganesh Corporate House, 100 Ft. Hebatpur - Thaltej Road, Near Sola Bridge, Off S.G. Highway, Ahmedabad, Gujarat - 380054. GHCL is engaged in the business of real estate promotion and development in residential and commercial segment and infrastructure projects. The Equity Shares of GHCL are listed on both the Stock Exchanges i.e. BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and are frequently traded as defined in SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred as "ICDR Regulations"). The authorised, issued, subscribed equity share capital of Transferee Company as at March 31, 2021 is as under:

Share capital	Amount (In INR)
Authorized - 5,00,00,000 Equity Shares of Rs. 10/- each	50,00,00,000
Issued, Subscribed and Paid-up Capital - 4,92,27,090 Equity Shares of Rs. 10/- each fully paid up	49,22,70,900

The aforesaid equity share capital is held as follows:

Sr. No.	Shareholders	No. of Shares	Percentage (%)
1	Promoter and Promoter Group	2,67,62,084	54.36
2	Public Shareholdings	2,24,65,006	45.64
	Total	4,92,27,090	100.00

5.2. Sulabh Realty Private Limited (SRPL)

SRPL is a private limited company incorporated on October 1, 2002 under the Companies Act, 1956 with CIN U45201GJ2002PTC041349 and having its registered office at Ganesh Corporate House, 100 Ft. Hebatpur-Thaltej Road, Near Sola Bridge, Off S.G. Highway, Ahmedabad, Gujarat - 380054. SRPL is engaged in the business of real estate promotion and development in residential and commercial segment. SRPL owns the land admeasuring 2,672 Sq. Mtr. of Survey No. 361/1 & 362/1, T.P.S. No. 38 (Thaltej), F.P. No. 200, B/h. 112's Café, Nr. Zydus Hospital Road, Off. Sarkhej – Gandhinagar Highway Road, Thaltej, Taluka Ghatlodia, District Ahmedabad. The authorised and paid up share capital of SRPL is Rs. 1,00,000/- divided into 10,000 Equity Shares of Rs. 10/- each and entire shares are held by Mr. Dipakkumar Govindbhai Patel & Mr. Shekhar Govindbhai Patel.

5.3. Malvika Estate Private Limited (MEPL)

MEPL is a private limited company incorporated on October 1, 2002 under the Companies Act, 1956 with CIN U45201GJ2002PTC041345 and having its registered office at Ganesh Corporate House, 100 Ft. Hebatpur-Thaltej Road, Near Sola Bridge, Off S.G. Highway, Ahmedabad, Gujarat - 380054. MEPL is engaged in the business of real estate promotion and development in residential and commercial segment. MEPL owns the two plots of land at:

- Land admeasuring 4,781 Sq. Mtr. of Survey No. 370/1+371/1+2+3A, T.P.S. No. 38 (Thaltej), F.P. No. 147/2, B/h. 112's Café, Nr. Zydus Hospital Road, Off. Sarkhej – Gandhinagar Highway Road, Thaltej, Taluka Ghatlodia, District Ahmedabad.
- Land admeasuring 1,517 Sq. Mtr. of Survey No. 370/1+371/1+2+3A, T.P.S. No. 38 (Thaltej), F.P. No. 147/1, Nr. Mathura Nagari AUDA Awas, B/h Asopalav Bungalows, Thaltej, Taluka Ghatlodia, District Ahmedabad. As informed to me the said land has been encroached and a temple has been constructed on the same. On account of such encroachment and religious sentiments attached thereto, the management believes that clearing such encroachment in the near to medium term shall involve significant procedure and complications without any guarantee on the availability of such clear land for sale or development. Accordingly, it has been represented to me by the management and expressly mentioned in the report dated May 13, 2021 from Mr Pranav Parikh, Registered Valuer for Land and Building bearing registration number with IBBI - IBBI/RV/07/2019/12652, that no commercial value can be assigned to this land. Further, the shareholders of MEPL, through a letter dated May 25, 2021 addressed to me, have waived their rights in favor of the Transferee Company to receive any consideration in lieu of such land as per the facts mentioned hereinabove.

The authorised and paid up share capital of MEPL is Rs. 1,00,000/- divided into 10,000 Equity Shares of Rs. 10/- each and entire shares are held by Mr. Dipakkumar Govindbhai Patel & Mr. Shekhar Govindbhai Patel.

5.4. Gitanjali Infrastructure Private Limited (GIPL)

GIPL is a private limited company incorporated on October 29, 2002 under the Companies Act, 1956 with CIN U45201GJ2002PTC041487 and having its registered office at Ganesh Corporate House, 100 Ft. Hebatpur-Thaltej Road, Near Sola Bridge, Off S.G. Highway, Ahmedabad, Gujarat - 380054. GIPL is engaged in the business of real estate promotion and development in residential and commercial segment. GIPL owns the land admeasuring 3,733 Sq. Mtr. of Survey No. 348P, T.P.S. No. 38 (Thaltej), F.P. No. 162/P, B/h. Jalsa Party Plot, Off. Sarkhej – Gandhinagar Highway Road, Thaltej, Taluka Ghatlodia, District Ahmedabad. The authorised and paid up share capital of GIPL is Rs. 1,00,000/- divided into 10,000 Equity Shares of Rs. 10/- each and entire shares are held by Mr. Dipakkumar Govindbhai Patel & Mr. Shekhar Govindbhai Patel.



5.5. As per the Draft scheme of amalgamation, the rationale for the scheme is envisaged as under:

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) 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.
- (v) 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.

6. Valuation Date:

6.1. The cut-off date for all the financial information used in the present valuation exercise has been considered on March 31, 2021 and the market parameters have been considered up to closing hours of May 28, 2021 being the last day of trading prior to the relevant date i.e. May 31, 2021.

7. Valuation Standards:

7.1 The Report has been prepared in compliance with the Valuation Standards issued by the Institute of Chartered Accountants of India and adopted by ICAI Registered Valuers Organisation.

8. Valuation Methodology and Approach:

8.1. The standard of value used in the Analysis is "Fair Value", which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay and a seller could reasonably be expected to accept, if the business were exposed for sale in the open market for a reasonable period of time, with both buyer and seller being in possession of the pertinent facts and neither being under any compulsion to act.



8.2. Valuation of a business is not an exact science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuer and judgement taking into accounts all the relevant factors. There is, therefore, no indisputable single value. While I have provided my recommendation of the fair equity share exchange ratio pursuant to the scheme based on the financial and other information available to me and within the scope and constraints of my engagement, others may have a different opinion. The final responsibility for determination of the fair equity share exchange ratio is of the management of the Companies who takes into account other factors such as their own assessment of the companies and input of other advisors.

8.3. The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorised as follows:

8.3.1. Cost Approach:

Cost approach focuses on the net worth or net assets of a business.

Replacement Cost Method:

Replacement Cost method is a version of NAV method wherein assets and liabilities are considered at their realizable (market) value including intangible assets and contingent liabilities, if any, which are not stated in the Statement of Assets and Liabilities. Under this method, adjustments are made to the company's historical balance sheet in order to present each asset and liability item at its respective fair market value. The difference between the total fair market value of the adjusted assets and the total fair market value of the adjusted liabilities is used to value a company. The value arrived at under this approach is based on the financial statements of the business and may be defined as Net-worth or Net Assets owned by the business.

The Asset Approach is generally considered to yield the minimum benchmark of value for an operating enterprise.

8.3.2. Market Approach:

(A) Market Price Method

The market price of an equity shares as quoted on a stock exchange is normally considered as the value of the equity shares of that Company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of shares.



(B) Comparable Companies Multiple (CCM) Method

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The difficulty here is in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, profitability and accounting practices.

Whereas no publicly traded company provides an identical match to the operations of a given company, important information can be drawn from the way comparable enterprises are valued by public markets. This valuation is based on the principle that market transactions taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for exceptions and circumstances. Generally used multiples are EV/EBITDA multiple, EV/Revenue and Market Capitalization/PAT (PE multiple).

To arrive at the total value available to the stakeholders, the value arrived under CCM method if calculated by EV/EBITDA or EV/Sales is adjusted for debt, (net of cash and cash equivalents), surplus non-operating investments and contingent liabilities. Value arrived under the PE multiple is adjusted only for surplus non-operating investments and contingent liabilities. (No debt adjustments required)

8.3.3. Income Approach:

The income approach is appropriate for estimating the value of a specific income / cash flows stream with consideration given to the risk inherent in that stream. The most common method under this approach is discounted cash flow method.

Discounted Cash Flows (DCF)

DCF uses the future free cash flows to available to equity shareholders of the company discounted by cost of equity, considering a risk factor measured by beta, to arrive at the present value.

Beta is an adjustment that uses historic stock market data to measure the sensitivity of the company's cash flow to market indices, for example, through business cycles.

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows in the future. The free cash flows are projected for a certain number of years and then discounted at a discount rate that reflects a company's cost of capital and the risk associated with the cash flows it generates. DCF analysis is based mainly on the following elements:

- Projection of financial statements (key value driving factors)
- The cost of capital to discount the projected cash flows

Discount Factor

The Discount Factor considered for arriving at the present value of the free cash-flows to equity of the Company is the cost of equity. The cost of equity is computed using the Capital Asset Pricing Model (CAPM) using the formula shown below:

$$K_e = R_f + \beta * (R_m - R_f)$$

Where,

R_f = Risk free rate of return;


R_m = Market rate of return;

β = Sensitivity of the share to the market/ Measure of Market Risk

Terminal Value

The terminal value refers to the present value of the business as a going concern beyond the period of projections up to infinity. This value is estimated by taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimated growth rate of the industry and economy.

9. Sources of Information:

- 9.1 For the purpose of the report, following documents, and/or information published or provided by the management and representatives of the Companies have been relied upon:
- 9.2 From the Management of all Companies:
- (i) Brief history & note on the business profile of the Companies.
 - (ii) Audited financial statements for FY 2018-19, 2019-20 and 2020-21 as well as Financial Projections for the period starting from FY 2021-22 to FY 2024-25 of SRPL, MEPL and GIPL (Transferor Companies).
 - (iii) Audited financial statements for FY 2018-19 and 2019-20 as well as provisional financial statements for FY 2020-21 of GHCL (Transferee Company).
 - (iv) Capital structure and Shareholding pattern as of March 31, 2021 of the Transferor Companies and as of March 31, 2021 & May 17, 2021 of the Transferee Company.
 - (v) Title clearance reports of Land owned by SRPL, MEPL and GIPL.
 - (vi) Copies of Sale Deed, 7/12 extract and final plot allotment letter with respect to Land owned by SRPL, MEPL and GIPL.
 - (vii) Details of all contingent liabilities and obligations.
 - (viii) Income Tax Returns for Past three years
 - (ix) Draft Scheme of Amalgamation.
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- (x) Discussion with the management of the Companies and representatives of the Companies including necessary information, explanations and representations provided by the management and representatives of the Companies.
- (xi) List of Comparable Companies.
- (xii) Management representation letter dated May 31, 2021.

9.3 From publicly available sources

- (i) Valuation of GHCL as per pricing provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time – NSE and BSE website.
- (ii) Risk free rate (“Rf”) for the purpose of computation of cost of equity – www.tradingeconomics.com.
- (iii) Market return (“Rm”) for the purpose of computation of cost of equity – BSE website.
- (iv) Beta of Comparable Companies – www.moneycontrol.com.

9.4 Report on Valuation of Land:

- (i) Report dated May 13, 2021 from Mr. Pranav Parikh, Registered Valuer – Land & Building Class (Regn. No. with IBBI - IBBI/RV/07/2019/12652) in respect of valuation of land of Survey No. 361/1 & 362/1, T.P.S. No. 38 (Thaltej), F.P. No. 200, B/h. 112’s Café, Nr. Zyudus Hospital Road, Off. Sarkhej – Gandhinagar Highway Road, Thaltej, Taluka Ghatlodia, District Ahmedabad belonging to SRPL.
- (ii) Report dated May 13, 2021 from Mr. Pranav Parikh, Registered Valuer – Land & Building Class (Regn. No. with IBBI - IBBI/RV/07/2019/12652) in respect of valuation of land belonging to MEPL situated at:
 - Survey No. 370/1+371/1+2+3A, T.P.S. No. 38 (Thaltej), F.P. No. 147/2, B/h. 112’s Café, Nr. Zyudus Hospital Road, Off. Sarkhej – Gandhinagar Highway Road, Thaltej, Taluka Ghatlodia, District Ahmedabad
 - Survey No. 370/1+371/1+2+3A, T.P.S. No. 38 (Thaltej), F.P. No. 147/1, Nr. Mathura Nagari AUDA Awas, B/h Asopalav Bungalows, Thaltej, Taluka Ghatlodia, District Ahmedabad
- (iii) Report dated May 13, 2021 from Mr. Pranav Parikh, Registered Valuer – Land & Building Class (Regn. No. with IBBI - IBBI/RV/07/2019/12652) in respect of valuation of land of Survey No. 348P, T.P.S. No. 38 (Thaltej), F.P. No. 162/P, B/h. Jalsa Party Plot, Off. Sarkhej – Gandhinagar Highway Road, Thaltej, Taluka Ghatlodia, District Ahmedabad belonging to GIPL.



10. Caveats:

- 10.1. Provision of valuation recommendations and considerations of the issues described herein are areas of my regular corporate advisory practice. The services do not represent accounting, assurance, financial due diligence review, consulting, transfer pricing or domestic/international tax-related services that may otherwise be provided by me.
- 10.2. My review of the affairs of the Companies and their books and account does not constitute an audit in accordance with Auditing Standards. I have relied on explanations and information provided by the management and representatives of the Companies and accepted the information provided to me as accurate and complete in all respects. Although, I have reviewed such data for consistency and reasonableness, I have not independently investigated or otherwise verified the data provided. Nothing has come to my attention to indicate that the information provided had material misstatements or would not afford reasonable grounds upon which to base the Report.
- 10.3. The report is based on the details and information provided to me by the management and representatives of the Companies and thus the responsibility for the assumptions on which they are based is solely that of the management of the Companies and I do not provide any confirmation or assurance on these assumptions. Similarly, I have relied on data from external resources. These sources are considered to be reliable and therefore, I assume no liability for the accuracy of the data. I have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences.
- 10.4. The valuation worksheets prepared for the exercise are proprietary to the valuer and cannot be shared except as stated in the purpose statement of this document. Any clarifications on the workings will be provided on request, prior to finalizing the Report, as per the terms of my engagement.
- 10.5. The scope of my work has been limited both in terms of the areas of the business and operations which I have reviewed and the extent to which I have reviewed them.
- 10.6. The Valuation Analysis contained herein represents the fair equity share exchange ratio only on the date that is specifically stated in this Report. This Report is issued on the understanding that the Management of the Companies has drawn my attention to all matters of which they are aware, which may have an impact on my Report up to the date of signature. I have no responsibility to update this Report for events and circumstances occurring after the date of this Report.
- 10.7. I have no present or planned future interest in the Company and the fee for this Report is not contingent upon the values reported herein.
- 10.8. My valuation analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any transaction with the Companies.



11. Distribution of Report

11.1. This report and the information contained herein are absolutely confidential and are intended for the use of management and representatives of the Companies for providing selected information and only in connection with purpose mentioned in para 3 above or for sharing with shareholders, creditors, Regional Directors, Registrar of Companies, NCLT and office of other regulatory or statutory authorities. It should not be copied, disclosed, circulated, quoted or referred to either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued with my prior written consent. In the event, the Companies or their management or their representatives intend to extend the use of this report beyond the purpose mentioned earlier in this report, with or without my consent, I will not accept any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report.

12. Valuation of Companies:

12.1. Valuation of GHCL (Transferee Company):

(i) Cost Approach:

Replacement cost method under Cost approach has not been considered while valuing GHCL because,

- GHCL is having assets that do not have easily determinable market values such as significant property, plant, and equipment, equity investments in other unlisted entities, etc.
- Certain intangible assets, such as “the value from synergies”, “the value of a good business reputation”, etc., are not capitalized in the books.

Considering aforesaid reasons, it can be said that the net asset value does not reflect the intrinsic value of the business in a going concern scenario and hence not considered.

(ii) Market Approach:

Since the equity shares of Transferee Company are listed and traded on BSE and NSE, I have referred to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018 as amended from time to time for the purpose of valuing GHCL.

- a. Attention may also be drawn to Regulation 158 of ICDR Regulations which specifies that issue of equity shares to shareholders of an unlisted entity pursuant to a NCLT approved scheme shall conform with the pricing provisions of preferential issue of equity shares which are frequently traded as specified under Regulation 164 of the said regulations.



- b. The traded turnover of equity shares of GHCL during twelve calendar months prior to relevant date is substantially higher than prescribed limit of 10 % under regulation 164(5) of ICDR and hence I have considered Pricing Formula provided in Regulation 164(1) for arriving at the minimum value per equity share of GHCL under the Market Price Method. The market price is considered as higher of the following:
- (a) average of the weekly high and low of the volume weighted average price (VWAP) of shares of GHCL on NSE during the 26 weeks preceding May 31, 2021; or
 - (b) average of weekly high and low of the volume weighted average price (VWAP) of shares of GHCL on NSE during the 2 weeks preceding May 31, 2021.
- c. As per explanation to regulation 164, NSE is considered as the recognized stock exchange in which the equity shares of GHCL are having highest trading volumes during preceding twenty six weeks prior to the relevant date.

(iii) Income Approach:

GHCL is a listed entity and information related to profit and loss account, balance sheet and cash flows is price sensitive. In light of the above, I was not provided with projections of GHCL by the Management of the Transferee Company. I have therefore, not used DCF method for the valuation exercise.

- (iv) Refer Annexure A of this report for the underlying working.

12.2. Valuation of SRPL, MEPL and GIPL (Transferor Companies):

(i) Cost Approach:

Based on the information and explanations received from management of the SRPL, MEPL and GIPL and based on my perusal of the Scheme, I understand that the Scheme is proceeded with, on the assumption that the SRPL, MEPL and GIPL are amalgamating as a going concern. Therefore, I have used the Replacement cost method to value the shares of SRPL, MEPL & GIPL. In working out, Replacement cost Method for valuation of SRPL, MEPL and GIPL (Transferor Companies), I have considered:

- Fair Value of Land based on Valuation Reports of Shri Pranav Parikh, Registered Valuer – Land and Building Class (IBBI Registration No. IBBI/RV/07/2019/12652) for plot of land owned by respective companies.



- Value of cash & cash equivalents as at 31st March, 2021 as per audited Financial Statements.
- Out of adjusted value of assets, the liability pertaining to inter-corporate deposits have been reduced to arrive at fair value under Replacement cost method.

The detailed workings for Replacement cost method are given in Annexure – B.

(ii) Market Approach:

As informed to me, there are no comparable listed peers for SRPL, MEPL and GIPL of same specifications, features and financial data etc. and hence I have not used CCM method under Market Approach for valuation of SRPL, MEPL and GIPL.

Since SRPL, MEPL and GIPL are not listed on any Indian Stock Exchange; hence Market price method under Market approach is not used for their valuation.

(iii) Income Approach:

The management of the transferor companies have provided the details of projected cash flows for the period of four years considering the proposed development of such properties on the Land owned by each of the companies. In view of same, I have used Discounted Cash Flow approach under Income Approach for valuation of SRPL, MEPL and GIPL since their value also lies in the future potentials from their business. In this approach the valuation would primarily be based on the present value of future cash flows by discounting such future cash flows using cost of equity as a rate of discounting. Broad steps followed to derive the value under this approach are described as under:

- I have considered the projected cash flow available to equity shareholders (FCFE) for period starting from FY 2021-22 to FY 2024-25 as certified by the management of the SRPL, MEPL and GIPL.
- The Terminal Value i.e. value beyond the explicit forecast period is not relevant as the said companies are contemplating to develop and sale the units of project by FY 2024-25.
- FCFE for future years is discounted using cost of equity as the discounting factor to arrive at their Net Present Value ("NPV") as at the valuation date.
- The value so arrived has been increased by cash & cash equivalents as on the valuation date to arrive the value attributable to the equity shareholders of SRPL, MEPL and GIPL respectively.
- The value as computed above has been then divided by the number of equity shares to arrive the value per equity share as at the valuation date.

The detailed workings for arriving at value under DCF approach are given in Annexure – C.

12.3 Discount for Lack of Marketability:

Further, the transferee companies being considered for valuation are closely held private companies, the marketability of the interest (represented by equity share) in the companies has to be considered at the time of arriving at the value per share. Marketability is defined as the ability to convert the business interest into cash quickly with minimum transaction and administrative costs, and with high degree of certainty as to the amount of net proceeds. There is usually a cost and a time lag associated with locating interested and capable buyers of interests in closely held companies, because there is no established market for readily available buyers and sellers. All other factors being equal, an interest in a publicly traded company is worth more because it is readily marketable. In view of the above and based on various empirical studies available a discount factor of 10 % has been applied in case of equity shares of SRPL, MEPL and GIPL.

12.4. Basis of Fair Equity Share Exchange Ratio:

- a. The basis of the fair equity share exchange ratio pursuant to the Scheme would have to be determined after taking into consideration all the factors and methods mentioned hereinabove and to arrive at a final value for the shares of each company. It is, however, important to note that in doing so, I am not attempting to arrive at the absolute values of the Companies, but their relative values to facilitate the determination of the fair equity share exchange ratio.
- b. I have independently applied methods discussed above, as considered appropriate, and arrived at their assessment of value per share of the Companies. To arrive at the consensus of the fair equity share exchange ratio, rounding off have been done in the values.
- c. The fair equity share exchange ratio has been arrived at on the basis of a relative valuation based on the various approaches/methods explained above and various qualitative factors relevant to each Company having regard to information base, key underlying assumptions and limitations. For this purpose, I have assigned appropriate weights to the values arrived at under each approach/method.



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13. Conclusion:

Based on the foregoing data, considerations and steps followed, I consider the recommendation of fair equity share exchange ratio for amalgamation of SRPL, MEPL and GIPL with GHCL as follows:

Computation of fair equity share exchange ratio:

(All amounts in INR except equity share exchange ratio)

Valuation approach	GHCL		SRPL		MEPL		GIPL	
	Value per Share	Weight	Value per Share	Weight	Value per Share	Weight	Value per Share	Weight
Cost Approach	NA	NA	53,447	50%	91,535	50%	74,430	50%
Market Approach	64.01	100%	NA	NA	NA	NA	NA	NA
Income Approach	NA	NA	54,730	50%	99,618	50%	77,081	50%
Value per Equity Share	64.01		54,089		95,576		75,756	
Less: Discount @ 10 % in value of SRPL, MEPL & GIPL	NA		5,409		9,558		7,576	
Relative Value per Equity Share	64.01		48,680		86,018		68,180	
Fair Equity Share Exchange Ratio i.e. No of Equity share of GHCL to be issued per Equity Share of Transferor Company (Rounded off)	-		761		1,344		1,065	

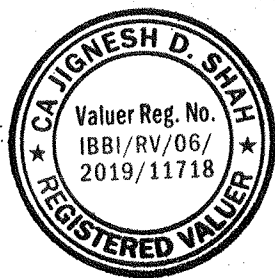
Notes to the above table for computation of fair equity share exchange ratio.

- NA means Not Adopted / Not Applicable.
- SRPL, MEPL and GIPL are not listed on any Indian Stock Exchange; consequently, Market Price Method under Market Approach is not used.
- GHCL is listed on BSE and NSE. Hence, I have considered Market Price Method for valuing GHCL.

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- I have not used CCM Method for SRPL, MEPL and GIPL due to difference in size, nature, features, financial data, etc. of SRPL, MEPL and GIPL as compared to other Companies operating in similar sector and listed on Indian Stock Exchanges.
- I have not used CCM Method for GHCL due to difference in size, nature, features, financial data, etc. of GHCL as compared to other Companies operating in similar sector and listed on Indian Stock Exchanges.
- I have not used Replacement cost method under Cost Approach for valuation GHCL since the net asset value does not reflect the intrinsic value of the business in a going concern scenario.
- I have not used Discounted Cash flow method for valuation GHCL due to non-availability of projections of GHCL by the Management.



Place: Ahmedabad

Date: May 31, 2021

Jignesh D. Shah

Registered Valuer

Asset Class: Securities or Financial Asset

Registration Number.

IBBI/RV/06/2019/11718

ICAIRVO/06/RV-P-100102/2019-2020

UDIN: 21100116AAACT8716

Annexure – A**Valuation of Ganesh Housing Corporation Limited (GHCL) as per Pricing Provisions as per SEBI (ICDR) Regulations, 2018 (as amended till date)****Table 1: Average of the weekly high and low VWAP of twenty-six weeks preceding the relevant date on NSE:**

Sr. No.	Week Start	Week End	Lowest VWAP	Highest VWAP	Average VWAP
1	30-11-2020	06-12-2020	31.36	35.76	33.56
2	07-12-2020	13-12-2020	31.08	34.40	32.74
3	14-12-2020	20-12-2020	31.54	32.43	31.99
4	21-12-2020	27-12-2020	29.62	31.73	30.68
5	28-12-2020	03-01-2021	31.20	32.46	31.83
6	04-01-2021	10-01-2021	33.00	35.99	34.50
7	11-01-2021	17-01-2021	32.08	33.58	32.83
8	18-01-2021	24-01-2021	31.02	37.65	34.34
9	25-01-2021	31-01-2021	39.50	45.65	42.58
10	01-02-2021	07-02-2021	47.90	49.90	48.90
11	08-02-2021	14-02-2021	40.53	44.32	42.43
12	15-02-2021	21-02-2021	40.37	44.16	42.27
13	22-02-2021	28-02-2021	45.49	54.99	50.24
14	01-03-2021	07-03-2021	55.53	60.59	58.06
15	08-03-2021	14-03-2021	51.80	54.52	53.16
16	15-03-2021	21-03-2021	50.93	54.63	52.78
17	22-03-2021	28-03-2021	56.18	61.20	58.69
18	29-03-2021	04-04-2021	54.24	58.33	56.29
19	05-04-2021	11-04-2021	61.30	80.26	70.78
20	12-04-2021	18-04-2021	78.09	82.95	80.52
21	19-04-2021	25-04-2021	65.12	73.55	69.34
22	26-04-2021	02-05-2021	67.45	70.29	68.87
23	03-05-2021	09-05-2021	70.47	74.51	72.49
24	10-05-2021	16-05-2021	65.87	69.74	67.81
25	17-05-2021	23-05-2021	62.50	66.12	64.31
26	24-05-2021	30-05-2021	60.77	66.64	63.71
Average of the weekly high and low VWAP					50.99

Table 2: Average of the weekly high and low VWAP of two weeks preceding the relevant date on NSE:

Sr. No.	Week Start	Week End	Lowest VWAP	Highest VWAP	Average VWAP
1	17-05-2021	23-05-2021	62.50	66.12	64.31
2	24-05-2021	30-05-2021	60.77	66.64	63.71
Average of the weekly high and low VWAP					64.01

Table 3: Valuation Summary

Table No.	Floor Price prescribed under Regulation 164 of SEBI (ICDR) Regulations, 2018	INR per share
1.	The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognized stock exchange during the twenty six weeks preceding the relevant date	50.99
2.	The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognized stock exchange during the two weeks preceding the relevant date	64.01
	Higher of (1) or (2) above considered as floor price under Regulation 164 of SEBI (ICDR) Regulations, 2018	64.01



Annexure – B**Value of the Equity Shares of SRPL, MEPL and GIPL as on 31.03.2021 based on Audited Financial Statement (Replacement cost method)**

(All amounts in INR except No of equity shares)

Particulars	SRPL	MEPL	GIPL
Assets			
Land (Refer Note below)	53,44,00,000	95,62,00,000	74,66,00,000
Cash and Cash Equivalents	70,290	1,41,947	15,760
Sub Total: Assets	53,44,70,290	95,63,41,947	74,66,15,760
Liabilities			
Inter-Corporate Deposits	-	4,09,92,500	23,15,010
Sub Total: Liabilities	-	4,09,92,500	23,15,010
Net Assets [Assets - Liabilities]	53,44,70,290	91,53,49,447	74,43,00,750
No. of Equity Shares	10,000	10,000	10,000
Value per Share	53,447	91,535	74,430

Note:

- SRPL:** Based on the Report dated May 13, 2021 from Mr. Pranav Parikh, Registered Valuer – Land & Building Class (Regn. No. with IBBI - IBBI/RV/07/2019/12652) in respect of valuation of land of Survey No. 361/1 & 362/1, T.P.S. No. 38 (Thaltej), F.P. No. 200, B/h. 112's Café, Nr. Zydus Hospital Road, Off. Sarkhej – Gandhinagar Highway Road, Thaltej, Taluka Ghatlodia, District Ahmedabad, valuing at Rs. 53.44 crores.
- MEPL:** Based on the Report dated May 13, 2021 from Mr. Pranav Parikh, Registered Valuer – Land & Building Class (Regn. No. with IBBI - IBBI/RV/07/2019/12652) in respect of valuation of land at:
 - Survey No. 370/1+371/1+2+3A, T.P.S. No. 38 (Thaltej), F.P. No. 147/2, B/h. 112's Café, Nr. Zydus Hospital Road, Off. Sarkhej – Gandhinagar Highway Road, Thaltej, Taluka Ghatlodia, District Ahmedabad, valuing at Rs. 95.62 crores.
 - Survey No. 370/1+371/1+2+3A, T.P.S. No. 38 (Thaltej), F.P. No. 147/1, Nr. Mathura Nagari AUDA Awas, B/h Asopalav Bungalows, Thaltej, Taluka Ghatlodia, District Ahmedabad, valuing at Rs. Nil.
- GIPL:** Based on the Report dated May 13, 2021 from Mr. Pranav Parikh, Registered Valuer – Land & Building Class (Regn. No. with IBBI - IBBI/RV/07/2019/12652) in respect of valuation of land of Survey No. 348P, T.P.S. No. 38 (Thaltej), F.P. No. 162/P, B/h. Jalsa Party Plot, Off. Sarkhej – Gandhinagar Highway Road, Thaltej, Taluka Ghatlodia, District Ahmedabad, valuing at Rs. 74.66 crores.



Annexure – C**Value of the Equity Shares of SRPL, MEPL and GIPL as on 31.03.2021 based on Projections
(Discounted Cash flow Method)**

(All amounts in INR except No of equity shares)

Particulars	SRPL	MEPL	GIPL
Net present value (NPV) of Free Cash flows available to Equity for explicit forecast period	54,72,32,985	99,60,35,140	77,07,97,650
Add: Cash and Cash Equivalents (As on 31.03.2021)	70,290	1,41,947	15,760
Equity Value	54,73,03,275	99,61,77,087	77,08,13,410
No. of Equity Shares	10,000	10,000	10,000
Value per Share	54,730	99,618	77,081