Annexure-3
Pg No-15

Manubhai & Shah LLP
Chartered Accountants

STRICTLY PRIVATE & CONFIDENTIAL

Date : March 13, 2018

To,
The Board of Directors
Stanrose Mafatlal Investments and Finance Limited

To,
The Board of Directors
Surcot Trading Private Limited

To,
The Board of Directors
Umiya Real Estate Private Limited

Re: **Recommendation of fair share exchange ratio for the purpose of proposed amalgamation of Surcot Trading Private Limited (STPL) and Umiya Real Estate Private Limited (UREPL) into Stanrose Mafatlal Investments and Finance Limited (SMIFL) with effect from the Appointed Date of 01/04/2017.**

Dear Sirs,

As requested by Management of Stanrose Mafatlal Investments and Finance Limited (hereinafter referred to as 'SMIFL') , Surcot Trading Private Limited (hereinafter referred to as 'STPL') and Umiya Real Estate Private Limited (hereinafter referred to as 'UREPL') we have carried out an exercise to compute the fair value of equity shares of STPL and UREPL(the Transferor Companies) and SMIFL (the Transferee Company), to recommend a share exchange ratio for the proposed amalgamation of STPL and UREPL with SMIFL (hereinafter collectively referred to as the "Companies" or "Management").

1. PURPOSE OF DETERMINING THE SHARE EXCHANGE RATIO

1.1. We have been informed that the Board of Directors of the Companies are considering a proposal for amalgamation of STPL and UREPL with SMIFL (hereinafter referred to as "amalgamation") pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made there under. Subject to necessary approvals, STPL and UREPL is proposed to be merged with SMIFL with effect from the Appointed Date of 01/04/2017. In consideration for the proposed amalgamation, equity shares of SMIFL would be issued to the shareholders of STPL and UREPL.

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1.2. In this connection, Board of Directors of the SMIFL in their Board Meeting dated February 03, 2018, have passed necessary resolution to appoint Manubhai & Shah LLP, Chartered Accountants (hereinafter referred to as 'we' or 'Firm') to submit a report recommending a fair share exchange ratio based on the relative valuation of equity shares of Companies.

2. BRIEF BACKGROUND OF SMIFL

2.1. SMIFL is a Public limited and Listed Company having corporate identification number L65910GJ1980PLC003731 incorporated on 18/04/1980 under the provisions of Companies Act, 1956 with Registrar of Companies, Gujarat. SMIFL has been engaged in the business of providing financial services and also engaged in the activities of acquiring and holding of securities and to invest the capital and other moneys of the Company in purchase or acquiring of the Securities and lending activities. The Equity Shares of the Transferee Company are listed with the Bombay Stock Exchange ("BSE Limited")

2.2. List of Directors

Sr. No.	Name
1	Shri Pradeep R. Mafatlal
2	Shri Arun P. Patel
3	Shri Rajesh Jaykrishna
4	Shri Kesri J. Pardiwalla
5	Shri Madhusudan J. Mehta
6	Mrs. Datta Bharat Dave

2.3. Shareholding Pattern

Sr. No	Category of Shareholders	No. of Shares	Shares as a percentage of total number of shares (%)
1	Promoter and Promoter Group	1,919,170	48.37
2	Public Shareholdings	2,048,750	51.63
	Total	**3,967,920**	**100.00**

2.4. Financial Statements Summary

2.4.1. Balance sheet

Particulars	As at 31 March 2017 (In Rs.)	As at 31 March 2016 (In Rs.)
I **EQUITY AND LIABILITIES**		
(1) Shareholders' funds		
(a) Share capital	39,679,200	39,679,200
(b) Reserves and surplus	535,021,617	491,558,451
	574,700,817	531,237,651
(2) Non-Current liabilities		
(a) Long Term Borrowing	-	-
(b) Long Term Provisions	1,016,565	1,313,217
	1,016,565	1,313,217
(3) Current liabilities		
(a) Trade payables	918,850	1,590,846
(b) Other Current Liabilities	7,856,987	7,599,014
(c) Short Term Provisions	1,455,368	29,651,639
	10,231,205	38,841,499
TOTAL EQUITY AND LIABILITIES	**585,948,587**	**571,392,367**
II **ASSETS**		
(1) Non-current assets		
(a) Fixed assets		
Tangible assets	14,303,547	12,782,175
(b) Non-current Investments	277,963,529	239,924,879
(c) Differed Tax Assets	2,313,021	2,130,933
(d) Long term loans & Advances	111,794,035	151,115,290
	406,374,528	405,953,277
(2) Current assets		
(a) Stock in Trade	1,473,373	1,700,830
(b) Trade Receivable	-	615,449
(c) Cash and cash equivalents	14,877,288	7,252,928
(d) Short-term Loans and Advances	163,220,868	145,684,157
(e) Other Current Assets	2,530	10,185,726
	179,574,059	165,439,090
TOTAL ASSETS	**585,948,587**	**571,392,367**

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2.4.2. Statement of Profit & Loss

Particulars		Year ended 31 March 2017 (In Rs.)	Year Ended 31 March 2016 (In Rs.)
I.	Revenue from operations	94,143,628	109,399,007
II.	Other Income	92,796	107,542
	Total Revenue	**94,236,604**	**109,506,549**
III.	Expenses:		
	Employees Benefits Expense	7,969,946	9,204,557
	Depreciation & Amortisation expense	4,065,747	3,243,928
	Other expenses	28,124,969	25,027,985
	Total expenses	**40,160,662**	**37,476,470**
IV.	**Profit / (Loss) before tax (II- III)**	**54,075,942**	**72,030,079**
V.	**Tax expense:**		
	(1) Current tax	9,500,000	12,600,000
	(2) Deferred tax	(182,088)	(341,809)
	(3) Excess / (Short) provision of taxation in respect of earlier year	(1,294,864)	-
VI.	**Profit / (Loss) for the year**	**43,463,166**	**59,771,888**
VII.	Earnings per equity share (of Rs 10 each)		
	(1) Basic	10.95	15.06
	(2) Diluted	10.95	15.06

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3. BRIEF BACKGROUND OF STPL

3.1. STPL is a private limited company having corporate identification number U5190GJ1983PTC044111, incorporated on 27/09/1983 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat. STPL has been carrying on the business of general merchant and traders in goods and commodities including investments in movable and immovable properties.

3.2. List of Directors

Sr. No.	Name of Directors
1	Surendra Bhogilal Shah
2	Mehernoz Jamshedji Daruwalla
3	Vinod Nandulal Patel
4	Ashish Rameshchandra Kansara

3.3. Shareholding Pattern

Sr. No.	Name of Shareholder	Category of Shareholder	No. of Shares	Shares as a percentage of total number of shares (%)
1	Mehernoz Jamshedji Daruwalla	Promoter	1	0.02
2	Pradeep Investments Pvt. Ltd.	Promoter	499	9.98
3	Gagalbhai Investments Private Limited	Promoter	499	9.98
4	Surendra B. Shah & Mehernoz J.Daruwalla	Promoter	500	10.00
5	Vinod N.Patel & Dinesh Vora	Promoter	500	10.00
6	Mehernoz J.Daruwalla & Ghanshyam Acharya	Promoter	1,000	20.00
7	Sureshkumar R. Patel & Anr.	Non-Promoter	501	10.02
8	Vipul B.Jani & Anr.	Non-Promoter	500	10.00
9	Ghanshyam Acharya & Anr.	Non-Promoter	500	10.00
10	Dinesh Vora & Anr	Non-Promoter	500	10.00
Total			**5,000**	**100.00**

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3.4. Financial Statements Summary

3.4.1. Balance Sheet

Particulars	As at 28 February 2018 (In Rs.)	As at 31 March 2017 (In Rs.)	As at 31 March 2016 (In Rs.)
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	500,000	500,000	500,000
(b) Reserves and surplus	(64,448,771)	(60,796,216)	(46,001,463)
	(63,948,771)	(60,296,216)	(45,501,463)
(2) Current liabilities			
(a) Short term borrowings	158,790,000	158,790,000	143,700,000
(b) Trade payables	-	17,250	17,175
(c) Other Current Liabilities	78,790	16,733	3,383,248
	158,868,790	158,823,983	147,100,423
TOTAL EQUITY AND LIABILITIES	**94,920,019**	**98,527,767**	**101,598,960**
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
Tangible assets	170,556	349,403	736,218
(b) Non-current Investments	61,413,578	69,665,446	15,930,050
	61,584,134	70,014,849	16,666,268
(2) Current assets			
(a) Cash and cash equivalents	1,544,196	170,297	188,634
(b) Short-term Loans and Advances	31,791,689	28,342,621	84,744,058
	33,335,885	28,512,918	84,932,692
TOTAL ASSETS	**94,920,019**	**98,527,767**	**101,598,960**

3.4.2. Statement of Profit and Loss

Particulars	Period Ended 28 February 2018 (In Rs.)	Year ended 31 March 2017 (In Rs.)	Year Ended 31 March 2016 (In Rs.)
I. Other income	3,951,813	4,531,247	12,577,842
II. Total Revenue	**3,951,813**	**4,531,247**	**12,577,842**
III. Expenses:			
Employees Benefits Expense	2,718,535	3,237,921	3,018,422
Depreciation:			
On Tangible Assets	178,847	386,815	386,113
On Other Assets	96,359	105,119	105,112
Other expenses	1,680,645	1,472,812	2,742,876
Finance Cost	2,811	14,123,332	13,131,681
Provision for Doubtful Advances	2,600,000	-	
Total expenses (III)	**7,277,197**	**19,325,999**	**19,384,204**
IV. Profit / (Loss) before tax (II- III)	**(3,325,384)**	**(14,794,752)**	**(6,806,362)**
V. Tax expense:			
(1) Current tax	-	-	-
(2) Deferred tax	-	-	-
(3) Excess / (Short)provision of taxation in respect of earlier year	(327,171)	-	5,089
VI. Profit / (Loss) for the year	**(3,652,555)**	**(14,794,752)**	**(6,801,273)**
VII. Earnings per equity share:			
(1) Basic	(730.51)	(2,958.95)	(1,360.25)
(2) Diluted	(730.51)	(2,958.95)	(1,360.25)

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4. BRIEF BACKGROUND OF UREPL

4.1. UREPL is a private limited company having corporate identification number U70101TN2007PTC064792, incorporated on 18/09/2007 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat. UREPL has been carrying on the business of real estate activities.

4.2. List of Directors

Sr. No.	Name of Directors
1	Divya Pradeep Mafatlal
2	Pradeep Rasesh Mafatlal
3	Dhansukh Harilal Parekh
4	Madhusudan Jagannath Mehta
5	Pavani Ramiah Pichamurthty

4.3. Shareholding Pattern

Sr. No.	Name of Shareholder	Category of Shareholder	No. of Shares	Shares as a percentage of total number of shares (%)
1	Pradeep Rasesh Mafatlal	Promoter	9,998	99.98
2	Madhusudan Jagannath Mehta	Promoter	1	0.01
3	Mehernoz jamshedji Daruwalla	Promoter	1	0.01
Total			**10,000**	**100.00**

4.4. Financial Statements Summary

4.4.1. Balance Sheet

Particulars	As at 28 February 2018 (In Rs.)	As at 31 March 2017 (In Rs.)	As at 31 March 2016 (In Rs.)
I EQUITYANDLIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1,00,000	1,00,000	1,00,000
(b) Reserves and Surplus	(61,55,900)	(61,55,785)	(61,36,253)
	(60,55,900)	(60,55,785)	(60,36,253)
(2) Non-Current Liabilities			
(a) Long Term Borrowing	2,50,00,000	2,50,00,000	2,50,00,000
	2,50,00,000	2,50,00,000	2,50,00,000
(3) Current Liabilities			
(a) Other Current Liabilities	-	37,868	18,893
		37,868	18,893
TOTAL EQUITY AND LIABILITIES	**1,89,44,100**	**1,89,82,083**	**1,89,82,640**
II ASSETS			
(1) Non-Current Assets			
(a) Non-Current Investments	-	99,970	99,970
(b) Other Non-Current Assets	1,88,00,089	1,88,00,089	1,88,00,089
	1,88,00,089	1,89,00,059	1,89,00,059
(2) Current Assets			
(a) Cash and Cash Equivalents	1,44,011	82,024	82,581
	1,44,011	82,024	82,581
TOTAL ASSETS	**1,89,44,100**	**1,89,82,083**	**1,89,82,640**

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4.4.2. Statement of Profit and Loss

Sr. No.	Particulars	Period ended 28 February 2018 (In Rs.)	For the year ended 31st March 2017 (In Rs.)	For the year ended 31st March 2016 (In Rs.)
I.	Revenue from operations	-	-	-
II.	Other Income	-	-	-
III.	**Total Revenue (I +II)**	-	-	-
IV.	*Expenses:*			
	Other expenses	**115**	19,532	25,659
	Preliminary expenses written off	-	-	-
	Total Expenses	**115**	**19,532**	**25,659**
V.	Profit before exceptional and extraordinary items and tax (III - IV)	**(115)**	(19,532)	(25,659)
VI.	Exceptional Items - Prior period items	-	-	-
VII.	Profit before extraordinary items and tax (V - VI)	(115)	(19,532)	**(25,659)**
VIII.	Extraordinary Items	-	-	
IX.	Profit before tax (VII - VIII)	**(115)**	**(19,532)**	**(25,659)**
X.	Tax expense: (a) Current tax	-	-	
XI.	Profit/(Loss) from the period from continuing operations (VII - VIII)	(115)	(19,532)	(25,659)
XII.	Profit/(Loss) from discontinuing operations	-	-	-
XIII.	Tax expense of discounting operations	-	-	-
XIV.	Profit/(Loss) from Discontinuing operations (XII - XIII)	-	-	-
XV.	Profit/(Loss) for the period (XI + XIV)	**(115)**	**(19,532)**	**(25,659)**
XVI.	Earning per equity share: (Refer Note. 17)			
	(1) Basic	(0.01)	(1.95)	(2.57)
	(2) Diluted	(0.01)	(1.95)	(2.57)

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5. EXCLUSIONS AND LIMITATIONS

5.1. Determination of the share exchange ratio based on relative valuation of two or more companies is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single share exchange ratio. While we have provided a recommendation of the share exchange ratio based on the information made available to us and within the scope and constraints of our engagement, others may have a different opinion as to the exchange ratio.

5.2. Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

5.3. In the course of the determining the share exchange ratio, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review, but have not carried our due diligence or audit of the information provided for the purpose of this engagement. Public information, estimates, industry and statistical information relied upon in this report have been obtained from the sources considered reliable. However, we have not independently verified such information and make no representation as to the accuracy or completeness of such information from or provided by such sources. Our conclusions are based on assumptions and other information given by / on behalf of the Companies. We assume no responsibility for any errors in the above information furnished by the Companies and consequential impact on the present exercise.

5.4. Our work does not constitute an audit or certification of the historical financial statements / prospective results including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Analysis and results are specific to the purpose of recommending a fair exchange ratio and the date mentioned in the report is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

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5.5. An exercise of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends. This report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion on the fair value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies, subsequent to the Appointed Date for the proposed amalgamation. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

5.6. No investigation on the Companies' claim to title of assets has been made for the purpose of this exercise and their claim to such rights has been assumed to be valid. Therefore, no responsibility is assumed for matters of a legal nature.

5.7. Any person / party intending to provide finance / invest in the shares / business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

5.8. Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed amalgamation.

5.9. This report is prepared only in connection with the proposed amalgamation exclusively for the use of the Companies and for submission to any regulatory / statutory authority as may be required under any law. This report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

5.10. Manubhai & Shah LLP , nor its partners, managers, employees makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the exercise is carried out. All such parties expressly disclaim any and all liability for or based on or relating to any such information contained in the exercise.

6. SOURCES OF INFORMATIONS

For the purpose of the exercise, we have relied upon the following sources of information provided by the management:

(a) Audited Financial Statements of SMIFL, STPL and UREPL for the financial years 2014-15, 2015-16 and 2016-17.

(b) Audited Financial Statements of STPL and UREPL for the period ended 28.02.2018.

(c) Draft scheme of amalgamation under sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (to the extent notified).

(d) Memorandum and Articles of Association of SMIFL, STPL and UREPL

(e) Other relevant details regarding Companies such as their history, their promoters, past and present activities, future plans and prospects, other relevant information and data including information in the public domain.

(f) Such other information and explanations as we required, and which have been provided by the Management.

7. VALUATION METHODOLOGY

7.1. By its very nature, determining a fair exchange ratio cannot be regarded as an exact science and given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions which have to be made. There can therefore be no standard formula to establish an indisputable value, although certain appropriate formula is useful in establishing reasonableness.

7.2. For the purpose of determining the fair exchange ratio on amalgamation, generally the following approaches are adopted:

a) the "underlying asset" approach;
The Asset Approach is generally considered to yield the minimum benchmark of value for an operating enterprise. The most common methods within this approach are Net Assets at Book Value and Net Assets at Intrinsic Value / Market Value. Net Assets at Book Value represents the value of the business with reference to the historical cost of assets owned by the Company and the attached liabilities of the business as on the valuation date. Such value represents the support value of an equity share of a going concern. Net Assets Value at Intrinsic Value represents net equity of the business after assets and liabilities have been adjusted to their market values as on given date to reflect the present net assets value of the business. Net Assets value at Intrinsic Value is useful for the Companies which derives its value from assets it holds rather than its future profits.

b) the "income" approach;
The Income Approach serves to estimate the value of a specific income stream with consideration given to the risk inherent in that income stream. The most common methods under this approach are Capitalization of Earnings and Discounted Future Earnings. Under the Capitalization of Earnings Method, historic earnings are capitalized at a rate that reflects the risk inherent in the expected future growth in those earnings. The Discounted Future Earnings Method discounts projected future cash flow available to equity shareholders, back to present value at a rate that reflects the risk inherent in the projected earnings

c) the "market price" approach.
The Market Approach compares the Company to the prices of similar companies operating in the same industry that are either publicly traded or, if privately owned, have been sold recently. A common problem for privately owned businesses is a lack of publicly available comparable data. There are various methods under the Market Approach, the Price to Earnings Method is common to determine price of the Equity Share based on the Earning per Share of the Company and Price-Earning Multiple of the peer companies or Industry.

7.3. Value is determined for both – the transferor and the transferee company, which is then divided by the total number of shares of the respective companies to arrive at the Value per share.

7.4. By dividing the Value per share of the Transferor Company by the Value per share of the Transferee Company, the total number of shares to be issued by the Transferee Company shall be determined.

8. VALUATION

We have based our valuation exercise on the widely accepted valuation methods described above. For this purpose, we have reviewed the various documents, and have made assumptions and have relied upon the discussion we had with, and the information, particulars and explanations that we received, from the management. We have based our valuation, primarily on the following factors:

8.1. For the purpose of calculation of the Net Assets Value (At Book Value) of the Transferor Companies, we have considered the financials of STPL and UREPL as at February 28, 2018. The net assets value of STPL and UREPL as at February 28, 2018 works out to negative i.e. Rs. (6,39,48,771/-) and Rs (60,55,900/-) respectively. The working as per Net Assets Value Method for STPL and UREPL is attached at **Annexure -1** to this report.

8.2. Based on the audited financials of STPL and UREPL it is noted that there are investments in immovable property, equity shares of other Companies and advances given for projects. Considering the fact that Net Assets Value of STPL and UREPL is negative, we have considered it appropriate to value the equity shares of the Transferor Companies based on intrinsic value of the assets held by the Companies. As per the intrinsic value method the value per equity share of STPL and UREPL as on February 28, 2018 works out to negative Rs. (1,89,85,401/-) and negative Rs. (60,55,900/-). The working as per Intrinsic Value Method for STPL and UREPL is attached at **Annexure -1** to this report.

8.3. Income Approach is not appropriate for valuation of equity shares of STPL and UREPL as these companies have very few operations and have incurred losses in the previous financial years and which is the primary reason for negative net worth of the Companies. Further, future income approach is also not appropriate because as explained to us by the management projections of business cannot be made.

8.4. Shares of STPL and UREPL are not listed on any of the stock exchanges. Further, considering their operations and size, there are no comparable companies based on which the multiples of those listed companies can be applied to the valuations of STPL and UREPL. This being a relative valuation, "market" approach has not been considered.

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8.5. SMIFL being a listed entity, the Market Approach is considered appropriate for equity share valuation of the Company. For deriving the share value of SMIFL we have considered higher value out of the following:

a. The average of the weekly high and low of the volume weighted average price (VWAP) per share of the related equity shares quoted on the recognized stock exchange during the twenty-six weeks preceding the relevant date. This works out to be Rs. 168.41; or

b. The average of the weekly high and low of the volume weighted average prices (VWAP) per share of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the relevant date. This works out to be Rs. 147.89

Considering the above, the per equity share value of SMIFL as at February 28, 2018 is Rs. 168.41. The working is attached at **Annexure – 2** to this report.

8.6. Considering the valuation of equity shares of STPL and UREPL under all the methods given above, in our opinion, Shares of STPL and UREPL have negative values. SMIFL is taking over the net liabilities of STPL and UREPL which would be paid by SMIFL after merger and SMIFL is not getting any net assets from transferor companies. Hence for the purpose of working out fair exchange ratio no shares are to be issued to shareholders of STPL and UREPL (Transferor companies) in exchange by SMIFL.

9. RECOMMENDATION OF FAIR EXCHANGE RATIO

9.1. The fair basis of amalgamation of the Companies would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Our exercise is to work out relative value of shares of the Companies to facilitate the determination of a fair share exchange ratio.

9.2. The share exchange ratio has been arrived on the basis of relative valuation of the shares of the Companies based on methodology as explained herein earlier and various qualitative factors relevant to each company and the business dynamics as well as growth potential of the businesses of the companies, and also having regard to information base, management representations and perceptions, key underlying assumptions and limitations.

9.3. In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove referred to earlier in this report, in our opinion, ***No Equity Share of the SMIFL (Transferee Company) to be issued and allotted for Equity shares each held in STPL and UREPL (Transferor Companies).***

Thanking you,
Yours faithfully,

For, Manubhai & Shah LLP
Chartered Accountants
Registration No. 106041W/W100136

G R Parmar
Partner
Membership No. 121462

Place: Ahmedabad
Date: March 13, 2018

Annexure – 1

Value of the Equity Shares of UREPL and STPL as on 28.02.2018 based on Audit Financial Statement

UMIYA REAL ESTATE PRIVATE LIMITED

Particulars	**Book value (Rs.)**	**Intrinsic Value (Rs.)**
Assets		
Pre-Operative Expense	18,800,089	18,800,089
Cash and Cash Equivalents	144,011	144,011
Sub Total: Assets	**18,944,100**	**18,944,100**
Liabilities		
Inter-Corporate Deposits (Surcot Trading Private Limited)	25,000,000	25,000,000
Sub Total: Liabilities	**25,000,000**	**25,000,000**
Net Assets [Assets - Liabilities]	(6,055,900)	(6,055,900)
No. of Equity Shares	10,000	10,000
Value per Share	**NIL**	**NIL**

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Annexure – 1

Value of the Equity Shares of UREPL and STPL as on 28.02.2018 based on Audit Financial Statement

SURCOT TRADING PRIVATE LIMITED

Particulars	Book value (Rs.)	Intrinsic Value (Rs.)
Assets		
Fixed assets		
Tangible assets	170,556	170,556
Non-current Investments		
Equity Shares (fully Paid up) (Quoted) **(Refer Note 1)**	2,410,327	2,236,432
Immovable Property **(Refer Note 2)**	5,162,735	50,300,000
In other investments (In projects)	53,840,516	53,840,516
Current Assets		
Cash and cash equivalents	1,544,196	1,544,196
Inter-Corporate Deposits	25,000,000	25,000,000
Advances (Net of Provision for doubtful advances)	6,722,280	6,722,280
Advance Payment of Taxes (Net of Provisions)	69,409	69,409
Sub Total: Assets	**94,920,019**	**139,883,389**
Liabilities		
Inter-Corporate Deposit	158,790,000	158,790,000
Other Current Liabilities	78,790	78,790
Sub Total: Liabilities	**158,868,790**	**158,868,790**
Net Assets [Assets - Liabilities]	**(63,948,771)**	**(18,985,401)**
No. of Shares	5,000	5,000
Value per Share	**NIL**	**NIL**

Note 1. Investments consist of 1,01,656 no. of equity shares of Standard Industries Limited. Intrinsic value is Based on Market value of Equity Shares of Standard Industries Limited as on 28.02.2018 from the Stock Exchanges.

Note 2. Immovable property consists of one flat and one tenement. Intrinsic value of the same is based on reports of M/S K.C. Gandhi & CO. dated 05/03/2018 (Independent Valuer).

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Annexure - 2

Value of the Equity Shares of SMIFL as on 28.02.2018

a The average of the weekly high and low of the VWAP of the equity shares during the twenty-six weeks preceding the relevant date on Bombay Stock Exchange.

Sr. No.	Week Start	Week End	Minimum of VWAP	Maximum of VWAP	Average of VWAP
1	30-08-17	06-09-17	159.95	161.73	160.84
2	07-09-17	13-09-17	158.73	162.49	160.61
3	14-09-17	20-09-17	158.61	170.47	164.54
4	21-09-17	27-09-17	157.92	167.62	162.77
5	28-09-17	04-10-17	157.66	160.43	159.04
6	05-10-17	11-10-17	161.62	164.90	163.26
7	12-10-17	18-10-17	160.96	164.65	162.81
8	19-10-17	25-10-17	161.49	166.89	164.19
9	26-10-17	01-11-17	166.63	171.91	169.27
10	02-11-17	08-11-17	163.93	173.50	168.71
11	09-11-17	15-11-17	167.29	174.33	170.81
12	16-11-17	22-11-17	169.02	173.99	171.50
13	23-11-17	29-11-17	168.12	174.66	171.39
14	30-11-17	06-12-17	176.31	199.59	187.95
15	07-12-17	13-12-17	184.19	189.41	186.80
16	14-12-17	20-12-17	179.84	181.74	180.79
17	21-12-17	27-12-17	179.25	180.71	179.98
18	28-12-17	03-01-18	175.65	179.69	177.67
19	04-01-18	10-01-18	178.37	180.13	179.25
20	11-01-18	17-01-18	175.18	177.52	176.35
21	18-01-18	24-01-18	171.79	174.82	173.31
22	25-01-18	31-01-18	166.55	170.81	168.68
23	01-02-18	07-02-18	157.13	170.31	163.72
24	08-02-18	14-02-18	157.51	159.88	158.69
25	15-02-18	21-02-18	142.89	150.46	146.68
26	22-02-18	28-02-18	143.24	154.96	149.10
	Average				168.41

b The average of the weekly high and low of the VWAP of the equity shares during the two weeks preceding the relevant date on Bombay Stock Exchange.

Sr. No.	Week Start	Week End	Minimum of VWAP	Maximum of VWAP	Average of VWAP
1	15-02-18	21-02-18	142.89	150.46	146.68
2	22-02-18	28-02-18	143.24	154.96	149.10
	Average				147.89

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COMPUTATION OF FAIR SHARE EXCHANGE RATIO

Valuation Approach	Surcot Trading Private Limited (STPL)		Umiya Real Estate Private Limited (UREPL)		Stanrose Mafatlal Investments and Finance Limited (SMIFL)	
	Value per Share	Weight	Value per Share	Weight	Value per Share	Weight
Asset Approach	NIL/Negative	N.A.	NIL/Negative	N.A.	N.A.	N.A.
Income Approach	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Market Approach	N.A.	N.A.	N.A.	N.A.	168.41	N.A.
Relative Value per Share	**NIL/Negative**		**NIL/Negative**		168.41	
Exchange Ratio (rounded off)	**NIL**		**NIL**		**NIL**	

RATIO:

Extract from the Valuation Report –

"Considering the valuation of equity shares of STPL and UREPL under all the methods given above, in our opinion, Shares of STPL and UREPL have negative values. SMIFL is taking over the net liabilities of STPL and UREPL which would be paid by SMIFL after merger and SMIFL is not getting any net assets from transferor companies. Hence for the purpose of working out **fair exchange ratio no shares are to be issued to shareholders of STPL and UREPL (Transferor companies) in exchange by SMIFL.**"

Note:

1. Asset Approach works out to be negative for STPL and UREPL due to negative net worth of both the companies.
2. Income Approach is not considered appropriate for STPL and UREPL as both the companies are making losses in the previous Financial Years.
3. Market Approach has not been considered for STPL and UREPL as the shares of the Company are not listed on any stock exchanges and there are no comparable companies based on which the multiples of those listed companies can be applied to the valuations of STPL and UREPL.
4. In case of SMIFL, Market Approach is considered appropriate as the shares are listed on BSE Limited.
5. As SMIFL is not going to issue any shares to the shareholders of STPL and UREPL, the pricing provisions of SEBI (ICDR) will not be applicable to us.

Date: 05.05.2018
Place: Ahmedabad

FOR, STANROSE MAFATLAL
INVESTMENTS AND FINANCE LTD.

AUTHORISED SIGNATORY