PAWAN SHIVKUMAR PODDAR
REGISTERED VALUER
Securities and Financial Assets
Reg No. – IBBI/RV/06/2019/12475

STRICTLY PRIVATE & CONFIDENTIAL

June 06, 2024

Board of Directors
Valor ESTATE LIMITED
7th Floor Resham Bhuvan,
Veer Nariman Road,
Churchgate,
Mumbai – 400020

Board of Directors
Shiva Realtors Suburban Private Limited
(Being renamed as Advent Hotels
International Private Limited
7th Floor Resham Bhuvan,
Veer Nariman Road,
Churchgate, **Mumbai – 400020**

Board of Directors
Esteem Properties Private Limited
7th Floor Resham Bhuvan,
Veer Nariman Road,
Churchgate,
Mumbai – 400020

Dear Sir(s) / Madam(s),

Re: Recommendation of share exchange ratio / share entitlement ratio for the Proposed Restructuring of Valor Estate Limited

We refer to our engagement letter dated March 26, 2024, whereby the management of Valor Estate Limited (hereinafter referred to as 'VEL' or 'Valor') has appointed me to issue a report opining on the share exchange ratio / share entitlement ratio for the proposed group restructuring ("Proposed Restructuring") of VEL pursuant to a Composite Scheme of Arrangement.

Valor Estate Limited, Esteem Properties Private Limited and Shiva Realtors Suburban Private Limited (being renamed as Advent Hotels International Ltd. ("Advent") are hereinafter collectively referred to as the 'Companies'.

Pawan Shivkumar Poddar
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1 SCOPE AND PURPOSE OF THIS REPORT

1.1 We have been informed by the management of the Companies (hereinafter referred to as the 'Management') that they are considering the proposal of amalgamation of Esteem Properties Private Limited ('Esteem' or "EPPL') into VEL and demerger of Hospitality Business of VEL into Advent pursuant to a Composite Scheme of Arrangement under sections 230 to 232 read with Section 52, 66 of the Companies Act, 2013, including rules and regulations made thereunder ('Proposed Restructuring' / 'Scheme').

Subject to necessary approvals, EPPL would be merged with VEL, with effect from the appointed date of April 01, 2024 and the Demerged Undertaking of VEL would be demerged from VEL into Advent, with effect from the appointed date of April 01, 2025 ('Appointed Date').

Pursuant to the Scheme, on amalgamation of EPPL into VEL, no consideration would be payable by VEL as EPPL is its wholly owned subsidiary and as a consideration for the proposed demerger, Advent will allot its shares to the shareholders of VEL. The existing pre demerger issued share capital of Advent will be cancelled pursuant to the Scheme.

1.2 In this regard, we have been appointed by the management of VEL to issue a report opining on the consideration for the amalgamation and fair share entitlement ratio for the allotment of shares of Advent, to the shareholders of VEL as consideration for the proposed demerger, in accordance with the requirements under the Companies Act, 2013 including the rules and regulations made there under and applicable Securities Exchange Board of India ('SEBI') Guidelines as may be applicable to listed entities.

1.3 This report is our deliverable for the said engagement and is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed hereinafter.

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2 BACKGROUND

2.1 Valor Estate Limited

Valor Estate Limited (formerly known as D B Realty Limited) ("VEL") is engaged primarily in two businesses viz. i) real estate, which consists of a portfolio of saleable assets in the residential category, annuity assets in the commercial category, and land banks for future development,and ii) hospitality, which consists of developing and owning multiple luxury and upper upscale hotel properties in key cities and then operating them in partnership with international brands . Due to diverse capital requirements, varying capital structures, disparate risk profiles, different project delivery timelines, unique project partnerships, and differing industry profiles. VEL has undertaken development of residential, commercial, hospitality, and land bank assets by itself or through its subsidiaries, joint ventures, and associates. VEL is public company domiciled in India and was incorporated on 08th January 2007 under the provisions of the Companies Act, 1956. The Registered Office of VEL is situated at 7th Floor, Resham Bhavan, Veer Nariman Road, Churchgate, Mumbai – 400 020.

During the financial year 2023-24, the standalone revenue from operations of the company was INR 8.72 crores and profit after tax stood at INR 801.56 crores.

The issued and paid-up equity share capital of the Company as on March 31, 2024, is INR 5,37,78,93,780 comprising of 53,77,89,378 equity shares of INR 10 each fully paid up.

The equity shares of the Company are listed on the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE').

The shareholding pattern of equity shares in VEL as of May 31, 2024, is as under:

Category of Shareholder	No of Equity Share Face value INR 10 each	Percentage
Promoter	25,51,35,618	47.44
Non-Promoters	28,26,53,760	52.56
TOTAL	**53,77,89,378**	**100.00%**

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The shareholding pattern of preference shares in VEL as of May 31, 2024, is as under:

Category of Shareholder	**No of preference share Face value INR 10 each**	**Percentage**
Promoter	5,740	0.01
Non-Promoters	7,17,50,000	99.99
TOTAL	**7,17,55,740**	**100.00%**

VEL also has outstanding employee stock options under its existing stock option schemes, the exercise of which may result in an increase in the issued and paid-up share capital.

2.2 **Esteem Properties Private Limited**

Esteem Properties Private Limited (the "EPPL") is a wholly owned subsidiary of VEL, incorporated on 21st March, 1995 under the provisions of the Companies Act, 1956 and domiciled in India. The company has its Registered Office at 7th Floor, Resham Bhavan, Veer Nariman Road, Churchgate, Mumbai-400020. The company is a real estate development company and has developable land at Sahar Mumbai.

The shareholding pattern of the EPPL as of May 31, 2024, is as under:

Name of the Shareholder	**No of Equity Share Face value INR 100 each**	**Percentage**
Valor Estate Limited	9998	99.98
Shahid Balwa	1	0.01
Vinod Goenka*	1	0.01
TOTAL	**10,000**	**100.00%**

* Nominees of VEL

2.3 **Shiva Realtors Suburban Private Limited**

Shiva Realtors Suburban Private Limited (being renamed as Advent Hotels International Private Limited ("Advent") was incorporated on 15th November 2006 under the provisions of the Companies Act, 1956 and is a private limited company within the meaning of Act. The main objects of Advent are hotels and hospitality business. Advent has recently acquired a controlling equity interest in two operating hotels with 313 keys and a 50% equity interest in a joint 779-key hotel project currently under construction. The Registered Office of Advent is situated at 7th floor, Resham Bhavan, Veer Nariman Road, Churchgate, Churchgate, Mumbai, Mumbai, Maharashtra, India, 400020.

The company would be acquiring the Hospitality Business of VEL through the Proposed Scheme.

The shareholding pattern of the Advent as at May 31, 2024 is as under:

Name of Shareholder	No of Equity Share Face value INR 10 each	Percentage
Valor Estate Limited	19,995	99.98
Nine Paradise Erectors Pvt Ltd*	5	0.02
TOTAL	**20,000**	**100.00%**

* Nominee / Wholly owned subsidiary of VEL

3 SOURCES OF INFORMATION

For the purpose of this exercise, we have relied upon the following sources of information received from the Management and information available in the public domain:

(a) Draft Composite Scheme of Arrangement pursuant to which the Proposed Restructuring is to be undertaken along with proposed capital reduction.

(b) Audited standalone and consolidated financial results of VEL for the fourth quarter and financial year ended March 31, 2024.

(c) Audited Financial Statements of EPPL and Advent for the financial year March 31, 2024

(d) Audited Financial Statement of VEL, EPPL and Advent as of March 31, 2023

(e) Divisional Balance sheet of the Demerged Undertaking and the remaining business of VEL as of March 31, 2024.

(f) Latest Shareholding pattern of VEL, EPPL and Advent

(g) Press Release and outcome of Board Meeting of VEL dated March 14, 2024

(h) Such other information and explanations as we required, and which have been provided by the Management to understand the rationale and basis for arriving at the recommended share entitlement ratio.

Besides the above listing, there may be other information provided by the Management which may not have been perused by us in detail, if not considered relevant for our defined scope. We have also considered/ obtained such other analysis, review, explanations, and information considered reasonably necessary for our exercise, from the Management.

4 SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

4.1 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.

4.2 This report has been prepared for the Audit Committee / Board of Directors of the Companies solely for the purpose of opining on the share exchange ratio / share entitlement ratio for the Proposed Restructuring as recommended by the management of the Companies.

4.3 The Management has been provided with the opportunity to review the draft report as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final report.

4.4 For the purpose of this exercise, we were provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Companies / its auditors / its consultants is that of the Companies. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material facts about the Companies / Demerged Undertaking. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our conclusions.

4.5 Our work does not constitute an audit, due diligence or certification of these information referred to in this report including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any information referred to in this report and consequential impact on the present exercise. However, nothing has come to our attention to indicate that the information provided / obtained was materially misstated / incorrect or would not afford reasonable grounds upon which to base the report.

4.6 This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies / Demerged Undertaking and any other matter, which may have an impact on the report including any significant changes that have taken place or are likely to take place in the financial position of the Companies / Demerged Undertaking. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.

4.7 The fee for the engagement and this report is not contingent upon the results reported.

4.8 This report is prepared only in connection with the Proposed Restructuring exclusively for the use of the Companies and for submission to any regulatory / statutory authority as may be required under any law.

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

4.10 Any person/party intending to provide finance / divest / invest in the shares / convertible instruments / business of the Companies / Demerged Undertaking / 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.

4.11 The decision to carry out the transaction (including consideration thereof) lies entirely with the Management / Audit Committee / the Board of Directors of VEL, EPPL and Advent and our work, and our finding shall not constitute a recommendation as to whether the Management / Audit Committee / the Board of Directors should carry out the Proposed Restructuring.

4.12 Our Report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. The 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. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom the report is disclosed or otherwise made available.

4.13 We nor my partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which this report is being issued. All such parties expressly disclaim any and all liability for or based on or relating to any such information contained in this report.

5 RECOMMEDATION OF CONSIDERATION - AMALGAMATION OF EPPL WITH VEL

5.1 As per the proposed Scheme, as EPPL is a wholly owned subsidiary of VEL, in consideration of the amalgamation of EPPL with VEL there shall be no consideration payable either by issue of shares by VEL or otherwise, and all the equity shares held by VEL and its nominees shall stand cancelled, extinguished and annulled. Subsequently EPPL shall stand dissolved without winding up.

5.2 Based on the above, we believe that the NIL consideration on amalgamation of EEPL with its parent company VEL, as proposed in the Scheme, is fair.

5.3 It may be noted that the Institute of Chartered Accountants of India (ICAI) has issued The ICAI Valuation Standards effective for all the valuations reports issued on or after July 01, 2018. The Valuation Standards are mandatory for the valuation done under the Companies Act, 2013 and recommendatory for valuation carried out under other statutes / requirements. However, as the current exercise does not entail valuation the question of following the Valuation Standards does not arise.

5.4 On amalgamation of EPPL into VEL, there will be no consideration / issue of equity shares by VEL and hence the shareholdings of VEL will not be impacted. Therefore, on merger, there is no change in shareholding as illustrated in Para 4(d) SEBI Circular No SEBI/HO/CFD/POD-2/PCIR/2023/93 dated June 23, 2023. Therefore, it is not required, and we have not carried out relative valuation of equity share of EPPL and VEL under the generally accepted principles of valuation. Accordingly, valuation approaches as indicated in the format (as shown below) as prescribed by SEBI circular NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not relevant in the instant case.

Valuation Methodology	**EPPL**		**VEL**	
	Value per share	Weights	Value Per Share	Weights
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative Value	NA			

NA = Not Applied / Not Applicable

6 RECOMMEDATION OF CONSIDERATION - DEMERGER OF HOSPITALITY BUSINESS

6.1 BASIS FOR DETERMINATION OF SHARE ENTITLEMENT RATIO

Based on our review, information made available to us and discussions with the Management, in our opinion, the share entitlement ratio recommended by the Management in consideration for the proposed demerger of Demerged Undertaking of VEL into Advent is fair and reasonable.

6.2 We believe that the share entitlement ratio is fair considering the following:

6.2.1 As a part of the Composite Scheme of Arrangement, the Hospitality Business of VEL is proposed to be demerged into Advent. VEL has identified the assets and liabilities of the Hospitality Business which will be taken over by and transferred to Advent.

6.2.2 We understand that, upon the scheme being effective, all the shareholders of VEL would become the shareholders of Advent and the outstanding issued and paid-up share capital of Advent ('Pre-Demerger Share Capital') will get cancelled by way of a capital reduction and their shareholding in Advent would mirror their existing shareholding in VEL prior to the demerger.

6.2.3 Taking into account the above facts and circumstance, any share entitlement ratio can be considered appropriate and fair for the proposed demerger as the proportionate shareholding of any shareholder pre-demerger and post-demerger would remain same and not vary and we have therefore not carried out any independent valuation of the subject business.

6.2.4 The Management has proposed a share entitlement ratio of "1 (One) equity share of Advent of face value of INR 10 each fully paid up shall be issued for every 10 (Ten) equity share of INR 10 each fully paid up held in VEL" and "1 (One) Preference Share of Advent of face value of INR 10 each fully paid up shall be issued for every 10 (Ten) Preference Share of INR 10 each fully paid up held in VEL"

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6.2.5 We understand that the Share Entitlement Ratio has been recommended keeping in mind the future equity servicing capacity, book value of the assets transferred, public shareholding and minimum share capital requirement of Advent.

6.2.6 The effect of a demerger is that each shareholder of VEL becomes and would become the owner of shares in two companies instead of one. No shareholder of VEL is, under the scheme, required to dispose off any part of his shareholding either to any of the other shareholders or in the market or otherwise. The scheme does not envisage the dilution of the holding of any one or more shareholders because of the operation of the scheme. Post demerger, the percentage holding of a shareholder in VEL and in Advent would remain the same and not vary.

6.2.7 According to Part IV of the Scheme, the issued and paid-up preference share capital of VEL will be decreased by an amount equal to the preference share capital issued by Advent to the preference shareholders of VEL in consideration of the demerger. The face value of existing VEL preference shares of INR 10 will be decreased to INR 9 per share and post such reduction Ten (10) preference share of face value INR 9 shall be consolidated into Nine (9) preference share of face value of INR 10 each, subject to Advent issuing preference shares to the shareholders of VEL in consideration of the demerger.

6.2.8 Therefore, in our view, the above Share Entitlement Ratio is fair and equitable, considering that all the equity and preference shareholders of VEL, will, upon the proposed demerger, have their inter-se economic interests, rights, obligations in Advent post-demerger in the same proportion as their existing economic interest, rights and obligation in VEL pre- demerger.

6.3 It may be noted that the Institute of Chartered Accountants of India (ICAI) has issued The ICAI Valuation Standards effective for all the valuations reports issued on or after July 01, 2018. The Valuation Standards are mandatory for the valuation done under the Companies Act, 2013 and recommendatory for valuation carried out under other statutes / requirements. However, as the current exercise does not entail valuation the question of following the Valuation Standards does not arise.

6.4 As mentioned earlier, upon implementation of the Scheme, all the shareholders, on the relevant record date, would become shareholders of Advent resulting in a mirror image shareholding. Therefor there is no change in shareholding as illustrated in Para 4(d) SEBI Circular No SEBI/HO/CFD/POD-2/PCIR/2023/93 dated June 23, 2023. Therefore, it is not required, and we have not carried out relative valuation of Demerged Undertaking and equity share of Advent under the generally accepted principles of valuation. Accordingly, valuation approaches as indicated in the format (as shown below) as prescribed by SEBI circular NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not relevant in the instant case.

Valuation Methodology	**VEL**		**Advent**	
	Value Per Share of Demerged Undertaking	Weights	Value Per Share	Weights
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative Value	NA			

NA = Not Applied / Not Applicable

6.5 As mentioned in Para 1 above, in consideration for the proposed demerger, Advent would issue equity shares to the equity shareholders of VEL and preference shares to the preference shareholders of VEL. In the light of the above and on consideration of all the relevant factors, recommendation of the management, and circumstances and subject to our scope, limitations as mentioned above, the recommended share entitlement ratio is;

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"1 (One) equity share of INR 10 each fully paid up of Advent for every 10 (Ten) equity shares of INR 10 each fully paid up held by equity shareholders of VEL"
"1 (One) preference share of INR 10 each fully paid up of Advent for every 10 (Ten) preference shares of INR 10 each fully paid up held by preference shareholders of VEL"

I believe that the above share entitlement ratio is fair and reasonable, given that all equity and preference shareholders of VEL will be the ultimate beneficial owners of Advent in the same ratio as they held shares in VEL on the record date.

Thank you,
Yours faithfully,

Pawan Shivkumar Poddar
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Registered Valuer
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ICAI RVO No. ICAIRVO/06/RV-P00275/2019-20
ICAI Membership No: 113280
UDIN : 24113280BKFEWF2773
Place : Mumbai
Date : June 06, 2024