REPORT ON

RECOMMENDATION OF RATIO

OF ALLOTMENT OF SHARES ON THE

PROPOSED MERGER

OF
NATIONAL STANDARD (INDIA) LIMITED,

SANATHNAGAR ENTERPRISES LIMITED

AND

ROSELABS FINANCE LIMITED

INTO

MACROTECH DEVELOPERS LIMITED

REGISTERED VALUER'S REPORT

Drushti R. Desai
Bansi S. Mehta & Co.
Chartered Accountants
Metro House, 3rd Floor
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Mumbai – 400 020.

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For ROSELABS FINANCE LTD

Company Secretary

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DRUSHTI RAHUL DESAI ★ REGISTERED VALUER ★

1. Glossary of Abbreviation

Abbreviation	Definition
BSE	BSE Limited
CCM	Comparable Companies Multiple Method
the Company	Macrotech Developers Limited
MDL	Macrotech Developers Limited
Comparable Companies	Comparable Companies in similar line of business
DCF Method	Discounted Cash Flow Method
FCF	Free Cash Flows
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EV	Enterprise Value
IVS	ICAI Valuation Standards
ICAI	Institute of Chartered Accountants of India
Management	Management of Macrotech Developers Limited
NSE	National Stock Exchange of India Limited
NSIL	National Standard (India) Limited
Draft Scheme	Scheme of Merger by Absorption Under Section 230 To 232 of the Companies Act, 2013
Valuation Date	January 24, 2022
WAP	Weighted Average Price
the Companies	Transferee Company and Transferor Companies are collectively referred to as the Companies
Transferor Companies	• National Standard (India) Limited • Sanathnagar Enterprises Limited • Roselabs Finance Limited (collectively)
Transferor Company	NSIL, SEL and RFL are individually referred to as the Transferor Company
Transferee Company	Macrotech Developers Limited

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2. Introduction and Brief History

2.1. There is a proposal before the Board of Directors of the Companies to amalgamate the following companies (collectively referred to as "Transferor Companies") into MDL.

- National Standard (India) Limited
- Sanathnagar Enterprises Limited
- Roselabs Finance Limited

Equity shares of MDL shall be issued to shareholders of the aforementioned companies on the proposed merger. The proposed transaction is contemplated under a scheme of merger by absorption under section 230 to 232 of the Companies Act, 2013 ("Scheme"). This transaction is referred to as the Proposed Merger.

2.2. Based on the aforesaid scheme of merger, the proposed scheme would result in the following benefits:

- Streamlining and rationalisation of the group holding structure by way of reduction in the number of entities;
- Rationalization of costs by simplification of management structure leading to better administration and cost savings;
- Significant reduction in the multiplicity of legal and regulatory compliances required at present being carried out by Transferor Companies
- Operational synergies resulting in cost optimization
- Free up management bandwidth especially of senior management towards more productive and value generating activities

2.3. In this regard, I have been called upon by the management of MDL vide Engagement Letter dated August 18, 2021 to recommend fair ratio of allotment for the Proposed Merger.

2.4. Accordingly, this report ("the Report" or "my Report ") sets out the findings of my exercise. For the purpose of my Report, I have considered the Valuation Date as January 24, 2022 (**"Valuation Date"**).

2.5. Brief Profile of the Companies

2.5.1. MDL Developers Limited

Macrotech Developers Limited ("MDL" or "the Company") is a public limited company incorporated on September 25, 1995. The registered office of the Company is located at 412, Floor - 4, 17 G Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai – 400001. The Company along with its subsidiaries is engaged into real estate development. Its portfolio of properties developed and under development include Residential projects – both luxury and affordable including townships and Commercial projects

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The Authorised, issued and subscribed equity share capital of MDL as at December 31, 2021 is as follows:

Share Capital	Amount (INR in Crores)
Authorised Share Capital	
1,25,77,31,750 Equity shares of INR 10 each	1,257.73
1,26,86,250 Preference Shares of INR 10 each	12.68
Issued, Subscribed and Fully Paid Up	
48,15,06,362 Equity Shares of INR 10 each	481.50

Source: Management

The foregoing share capital is held as follows:

Shareholder	Number of Shares held	Percentage of shareholding
Promoter	39,58,78,000	82.22%
Public	8,56,28,362	17.78%
Total	**48,15,06,362**	**100.00%**

Source: BSE

Equity shares of MDL are listed on BSE and NSE.

2.5.2. National Standard (India) Limited ("NSIL")

NSIL is a public limited company incorporated on August 20, 1982 and having its registered office at 412, Floor - 4, 17G Vardhaman Chamber Cawasji Patel Road, Horniman Circle, Fort Mumbai – 400 001. NSIL was engaged in Real Estate Development. As per the Annual Report for the year ended March 31, 2021, NSIL had sold out majority of its properties from its only project at Thane. It houses certain inventory of the Thane Project.

The authorised, issued and subscribed equity share capital of NSIL as on December 31, 2021 is as follows:

Share Capital	Amount (INR in crores)
Authorised:	
2,00,00,000 Equity Shares of INR 10 each	20.00
ISSUED, SUBSCRIBED & PAID UP CAPITAL: 2,00,00,000 equity shares of face value of Rs.10 each fully paid.	20.00

The foregoing share capital is held as follows:

Shareholder	No of Shares	Percentage of shareholding
Promoter	1,47,88,099	73.94%
Public Shareholders	52,11,901	26.06%
Total	**2,00,00,000**	**100.00%**

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Source: BSE

The equity shares of NSIL are listed on BSE. However, it may be noted that the shares are not frequently traded.

2.5.3. Sanathnagar Enterprises Limited ("SEL")

SEL is a public limited company incorporated on June 18, 1982 and having its registered office at 412, Floor - 4, 17G Vardhaman Chamber Cawasji Patel Road, Horniman Circle, Fort Mumbai – 400 001. SEL is engaged in Real Estate Development. However, it is noted that SEL does not have any significant operations.

The authorised, issued and subscribed equity share capital of SEL as on December 31, 2021 is as follows:

Share Capital	Amount (INR in crores)
Authorised:	
14,700,000 equity shares of INR 10 each	14.70
7,520 cumulative preference shares of INR 50 each	00.04
Unclassified Shares	00.26
ISSUED, SUBSCRIBED & PAID UP CAPITAL:	
31,50,000 equity shares of face value of Rs.10 each fully paid.	3.15

The foregoing share capital is held as follows:

Shareholder	No of Shares	Percentage of shareholding
Promoter and Promoter Group	23,62,071	74.99%
Public Shareholders	7,87,929	25.01%
Total	**31,50,000**	**100.00%**

The equity shares of SEL are listed on BSE. It may be noted that the shares are not traded with regularity.

2.5.4. Roselabs Finance Limited ("RFL")

RFL is a public limited company incorporated on January 4, 1995 and having its registered office at 412, Floor - 4, 17G Vardhaman Chamber Cawasji Patel Road, Horniman Circle, Fort Mumbai – 400 001.RFL is engaged in Real Estate Development. RFL does not have any significant operations.

The authorised, issued and subscribed equity share capital of RFL as on December 31, 2021 is as follows:

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Share Capital	Amount (INR in crores)
Authorised:	
1,10,00,000 Equity Shares of INR 10 each	11.00
ISSUED, SUBSCRIBED & PAID UP CAPITAL: 1,00,00,000 equity shares of face value of Rs.10 each fully paid.	10.00

The foregoing share capital is held as follows:

Shareholder	No of Shares	Percentage of shareholding
Promoter and Promoter Group	74,24,670	74.25%
Public Shareholders	25,75,330	25.75%
Total	**1,00,00,000**	**100.00%**

The equity shares of RFL are listed on BSE. However, it may be noted that the equity shares of RFL are not frequently traded.

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3. Data obtained

3.1 I have called for and obtained such data, information, etc. as were necessary for the purpose of this assignment, which have been, as far as possible, made available to me by the Management. **Appendix A** hereto broadly summarizes the data obtained.

3.2 For the purpose of this assignment, I have relied on such data summarized in the said Appendix and other related information and explanations provided to me in this regard.

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4. Approach to Valuation

4.1 It is universally recognized that valuation is not an exact science and that estimating values necessarily involves selecting a method or an approach that is suitable for the purpose.

4.2 It may be noted that the Institute of Chartered Accountants of India (ICAI) on June 10, 2018 has issued the ICAI Valuation Standards ("IVS") effective for all the valuation reports issued on or after July 1, 2018. IVS are mandatory for a valuation done under the Companies Act, 2013, and recommendatory for valuation carried out under other statutes/ requirements. I have given due cognizance to the same in carrying out the valuation exercise.

4.3 For the purpose of arriving at the valuation, I have considered the valuation base as 'Fair Value'. My valuation, and this Report, is based on the premise of 'going concern'. Any change in the valuation base, or the premise could have a significant impact on the valuation exercise, and therefore, this Report.

4.4 IVS 301 on Business Valuations deals with valuation of a business and business ownership interest (i.e., it includes valuation of shares).

4.5 IVS 301 specifies that generally, the following three approaches for valuation of business/business ownership interest are used:

4.5.1 Market Approach

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities. The common methodologies under the Market Approach are as under.

- Market Price Method:

  This method involves determining the market price of an entity based on its traded price on the stock exchange over a reasonable period of time. This method is used to determine the value of listed companies which are frequently traded.

- Comparable Companies Multiple Method ("CCM") :
  This method involves valuing an asset based on market multiple of comparable companies as related to earnings, assets etc.

  It may be noted that in the real estate sector, certain projects may have a higher gestation period as compared to the others. Thus, the margins and consequently the multiples, of a company would be dependent on the lifecycle of its underlying projects i.e., the margins and consequently the multiples, of a company whose majority of projects are under development would differ from those of those companies' whose inventory is ready to be sold. On account of this disparity between the comparable companies, I have not considered it appropriate to use CCM Method to derive value of MDL.

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Further, for the Transferee Companies, it may be noted that they have finished their underlying projects and have sold out majority of the units. Further, it is understood from the Management that there are no current plans for development of new real estate projects in the Transferor nor do they currently house any development rights/land bank. Currently NSIL and SEL hold a small piece of inventory. In view of the limited business operations of these Transferor Companies, and considering the multiples of Comparable Companies would reflect their growth prospects, I have not considered this approach for determining the value of the Transferee Companies

4.5.2 **Income Approach**

Income approach is a valuation approach that converts maintainable future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted, or capitalised) amount.

4.5.3 **Cost Approach**

Cost Approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an assets (often referred to as current replacement cost).

4.5.4 **Liquidation Approach**

Liquidation value is the amount that will be realised on sale of an asset or a group of assets when an actual/hypothetical termination of the business is contemplated/assumed.

4.6 Each of the above approaches, in the context of valuation of equity shares of MDL and Transferor Companies are discussed in the following paragraphs.

4.7 Valuation of Equity Shares of MDL

4.7.1 **Market Approach**

4.7.1.1 Market Price Method:

I have determined the market price of MDL based on Weighted Average Price ('WAP') for an appropriate period.

4.7.1.2 **Income Approach**

I have used the DCF Method to derive the value of MDL under Income Approach. The broad steps followed to derive a value under this approach are discussed hereunder:

4.7.1.2.1 For the purposes of arriving at a value under the DCF Method, I have relied on the projections and business plan provided by the Management. It may herein be noted that the projections are responsibility of the Management. I have, therefore, not performed any audit, review or examination of any prospective information used and therefore, do not express any opinion

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with regards to the same. However, I have reviewed the projections for their acceptability.

4.7.1.2.2 Under the DCF Method, the future cash flows are appropriately discounted to arrive at a value of the enterprise on a going concern basis. This value would, primarily, be based on the present value of such future cash flows generated.

4.7.1.2.3 The Cashflows are classified in the following categories:

- Residential
- Annuity – Commercial Assets for lease and subsequent exit
- Development of Palava Industrial Park
- Land Bank

4.7.1.2.4 I have arrived at the value of Residential Projects, Annuity Projects and Palava Industrial Park based on the cash flows provided to me. Broad steps are as under:

- I have classified the business into Residential projects, Annuity based projects and Palava Industrial Park. For these projects, I have considered the expected collections from projects based on projections for the year to end March 31, 2022 and for future years to end on March 31, 2023 to March 31, 2026 for Residential and commercial projects and up to March 31, 2031 for Annuity Projects.

- Such collections have then been adjusted for expected cash outflows on account of various related costs such as Construction cost, Land and liaison costs, Overheads and expected tax outflows to arrive at the free cash flow to firm in those respective years

- Perpetuity beyond the projected period has been considered to arrive at the Enterprise Value on a Going Concern Basis.

- The Free Cash Flows to Firm for the projected years so arrived at and the perpetuity for the three classifications of cash flows are discounted using the Weighted Average Cost of Capital ("WACC") to arrive at their Net Present Value ("NPV") as at the Valuation Date.

- I have then aggregated the Present Values of the cash flows under the three classifications to arrive at the total value of operating business excluding land parcels held.

- The fair value of land parcels held is added to the aggregate of such NPV to arrive at the Present Value of Macrotech as on the Valuation Date

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- The present value so arrived at above has been increased by non-operating cash and bank balance, other surplus assets (loans given to employees etc.) and reduced by debt as on Valuation date to arrive at the adjusted Equity Value attributable to the equity shareholders of MDL.

- Further, it is understood from the Management that there are no contingent liabilities likely to crystallize. Therefore, I have not made any adjustments on this account.

- The adjusted Equity Value attributable to the Equity Shareholders has been then divided by the number of Equity Shares of MDL to arrive at the Value per Equity Share as at the Valuation Date

- I have not considered Discount for lack of marketability ("DLOM") since the company is listed on a recognized stock exchange.

4.1.1 Cost Approach

Value of Residential projects would be the present value of the likely realisation. To assume value of such project based on the full market value without considering the time factor would not be reflective of the true value of such project. The value of Annuity business – i.e., the commercial property held for letting and retail malls can be best valued only on the basis of rental streams and expected time of exit. To assume value based on cost approach for such property would be inconsistent with the intent of the Company and would also not be in line with the basis of valuation viz. going concern. Therefore, I have not used the Cost Approach to determine the value of MDL.

4.7.2 Valuation of NSIL

4.7.2.1 Market Price Method:

This method involves determining the market price of an entity based on its traded price on the stock exchange over a reasonable period of time. The shares of NSIL are thinly traded. Further, as mentioned earlier, NSIL had sold out majority of its properties from its only project at Thane. It currently houses only certain inventory of the Thane Project. It does not have any other operations or business plan.Thus, considering that NSIL does not have any business plan and shares of NSIL are not frequently traded, I have not considered this approach to be appropriate in determining the value of NSIL.

4.7.2.2 Income Approach

NSIL holds a small portion of inventory likely to be realized immediately. It is understood from the Management that NSIL does not have a business plan and is not expected to make any significant profits going forward. Therefore, I have not been able to use DCF Method to determine its value.

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4.7.2.3 <u>**Liquidation Approach**</u>

Liquidation value is the amount that will be realised on sale of an asset or a group of assets when an actual/hypothetical termination of the business is contemplated/assumed.

As discussed earlier, NSIL holds a small portion of inventory likely to be realized immediately. Further, is understood from the Management that NSIL does not have a business plan and is not expected to make any significant profits going forward. Therefore we have considered NSIL's value under liquidation approach.

The working is based on the latest available statement of assets and liabilities as on December 31, 2021, as prepared by the Management. The steps followed for valuation are given in Appendix 1.

It may also be noted 73.94% of the equity shares of NSIL are held by Anantnath Constructions and Farms Private Limited, a wholly owned subsidiary of MDL, against which no allotment will take place. We have considered the value derived under this approach for the purpose of determining the ratio of allotment. This will amount to allotment of only 4,69,080 equity shares of MDL of INR 10 each. This is 0.097% of the Market Capitalisation of MDL.

4.7.3 **Valuation of SEL**

4.7.3.1 <u>**Market Price Method:**</u>

This method involves determining the market price of an entity based on its traded price on the stock exchange over a reasonable period of time. The shares of SEL are not regularly traded. It was observed that there were high trading volumes on 22 days during the 12 months period ended on the Valuation date. If one were to exclude these days where trading was more than 5500 shares, we observe that the shares are not frequently traded. Further, SEL does not have any material business operations. Therefore, I have not considered this method to determine its value.

4.7.3.2 <u>**Income Approach:**</u>

SEL holds a small portion of inventory likely to be realized immediately. It is understood from the Management that SEL does not have a business plan and is not expected to make any significant profits going forward. Therefore, I have not been able to use DCF Method to determine its value.

4.7.3.3 <u>**Liquidation Approach**</u>

Liquidation value is the amount that will be realised on sale of an asset or a group of assets when an actual/hypothetical termination of the business is contemplated/assumed.

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As discussed earlier, SEL holds a small portion of inventory likely to be realized immediately. Further, it is understood from the Management that SEL does not have a business plan and is not expected to make any significant profits going forward. Therefore we have considered SEL's value under liquidation approach.

The working is based on the latest available statement of assets and liabilities as on December 31, 2021, as prepared by the Management. The steps followed for valuation of are given in Appendix 1.

It may also be noted that 72.70% of the equity shares of SEL are held by MDL itself against which no allotment will take place. Further, it may be noted that the value per share of SEL is negative. Also, as mentioned in para 2.2 above, the scheme proposes to rationalize costs by simplification of management structure leading to better administration and cost savings. Based on the understanding that Cost savings on merger would accrue to MDL and considering that the number of shares proposed to be issue to shareholders of SEL on merger are not material and the value per share of SEL is negative, I have considered the nominal value (being face value) of equity shares of SEL for the purpose of determination of fair ratio of exchange. This will amount to allotment of only 6,880 equity shares of MDL of face value of INR 10 each. This is 0.001% of the Market Capitalization of MDL.

4.7.4 Valuation of RFL

4.7.4.1 Market Price Method:

This method involves determining the market price of an entity based on its traded price on the stock exchange over a reasonable period of time. The shares of RFL are thinly traded. Further, RFL does not have any business operations. Therefore, I have not considered this approach to be appropriate in determining the value of RFL.

4.7.4.2 Income Approach

It is understood from the Management that RFL has surrendered its NBFC license in FY 2017 and had decided to pursue alternate business opportunities. Also, RFL has no business plan not expected to make any significant profits going forward. Therefore, I have not been able to use DCF Method to determine its value.

4.7.4.3 Liquidation Approach

Liquidation value is the amount that will be realised on sale of an asset or a group of assets when an actual/hypothetical termination of the business is contemplated/assumed.

As discussed earlier, RFL has surrendered its NBFC license in FY 2017 and had decided to pursue alternate business opportunities. Also, RFL has no business plan and is not expected to make any significant profits going forward. Therefore we have considered RFL's value under liquidation approach.

The working is based on the latest available statement of assets and liabilities as on December 31, 2021, as prepared by the Management. The steps followed for valuation are given in Appendix 1.

It may also be noted 74.25% of the equity shares of RFL are held by MDL itself, against which no allotment will take place. Also, as mentioned in para 2.2 above, the scheme proposes to rationalize costs by simplification of management structure leading to better administration and cost savings. Based on the understanding that Cost savings on merger would accrue to MDL and considering that the number of shares proposed to be issue to shareholders of RFL on merger are not material and the value per share of RFL is negative, I have considered the nominal value (being face value) of equity shares of RFL for the purpose of determination of fair ratio of exchange. This will amount to allotment of only 20,600 equity shares of MDL of face value of INR 10 each. This is 0.004% of the Market Capitalization of MDL.

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5 Conclusion

Based on the foregoing data, considerations and steps followed, I consider that the fair ratio of exchange would as follows:

- ***For NSIL***

  "For every 100 (Hundred) Equity shares of face and paid-up value of Rs. 10/- (Ten) held in NSIL, 9 (Nine) Equity shares of face and paid-up value of Rs. 10/- (Ten) in MDL"

- ***For SEL***

  "For every 1000 (Thousand) Equity shares of face and paid-up value of Rs. 10/- (Ten) held in SEL, 8 (Eight) Equity shares of face and paid-up value of Rs. 10/- (Ten) in MDL" (refer para 4.7.3.3)

- ***For RFL***

  "For every 1000 (Thousand) Equity shares of face and paid-up value of Rs. 10/- (Ten) held in RFL, 8 (Eight) Equity shares of face and paid-up value of Rs. 10/- (Ten) in MDL" (refer para 4.7.4.3)

  It may herein be noted that the SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000065 dated November 23, 2021 specifies the format in which the valuation report shall display the workings, relative fair value per share and fair share exchange ratio. The disclosure in the format suggested by the said Circular is as under:

- **The computation of fair equity share exchange ratio for Merger of NSIL into MDL is tabulated below**

Particulars	NSIL (A)		MDL (B)	
	Value per Share	Weight	Value per Share	Weight
Market Approach				
Market Price Method	NA	NA	1267.4	50%
Income Approach based on DCF Method	NA	NA	1323.8	50%
Liquidation Approach	121.9	100%	NA	NA
Relative Value per share	121.9		1295.6	
Exchange Ratio (rounded off) [(A)/(B)]		0.09		

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- **The computation of fair equity share exchange ratio for Merger of SEL into MDL is tabulated below**

Particulars	SEL		MDL	
	Value per Share	**Weight**	**Value per Share**	**Weight**
Market Approach				
Market Price Method	NA	NA	1267.4	50%
Income Approach based on DCF Method	NA	NA	1323.8	50%
Liquidation Approach	Negative	100%	NA	NA
Relative Value per share	10*		1295.6	
Exchange Ratio (rounded off) [(A)/(B)]		0.008		

* *Nominal Value of shares being the face value – refer para 4.7.3.3*

- **The computation of fair equity share exchange ratio for Merger of RFL into MDL is tabulated below**

Particulars	RFL		MDL	
	Value per Share	**Weight**	**Value per Share**	**Weight**
Market Approach				
Market Price Method	NA	NA	1267.4	50%
Income Approach based on DCF Method	NA	NA	1323.8	50%
Liquidation Approach	Negative	100%	NA	NA
Relative Value per share	10*		1295.6	
Exchange Ratio (rounded off) [(A)/(B)]		0.008		

* *Nominal Value of shares being the face value – refer para 4.7.4.3*

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6 Limitations and Disclaimers

This Report is subject to the scope of limitations detailed hereinafter.

6.1 The Report is to be read in totality and not in parts.

6.2 The valuation is based on the information furnished to me being complete and accurate in all material respect.

6.3 I have relied on the written representations from the Management that the information contained in this report is materially accurate and complete in the manner of its portrayal and therefore forms a reliable basis for the valuation.

6.4 The information presented in this report does not reflect the outcome of any financial due diligence procedures. The reader is cautioned that the outcome of that process could change the information herein and, therefore, the valuation materially.

6.5 My scope of work does not enable me to accept responsibility for the accuracy and completeness of the information provided to me. I have, therefore, not performed any audit, review or examination of any of the historical or prospective information used and therefore, I do not express any opinion with regard to the same.

6.6 I have relied on the judgment made by the Management and, accordingly, the valuation does not consider the assumption of contingent liabilities materializing (other than those specified by the Management and the Auditors). If there were any omissions, inaccuracies or misrepresentations of the information provided by the Management, then this may have the effect on the valuation computations.

6.7 The Report is meant for the specific purpose mentioned herein and should not be used for any purpose other than the purpose mentioned herein. The Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared.

6.8 No investigation of the Company's claim to the title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. The report is not, nor should it be construed, as my opining or certifying the compliance with the provisions of any law including company and taxation laws or as regards any legal, accounting or taxation implications or issues.

6.9 The valuation is based on the market conditions and the regulatory environment that existed at the Valuation Date. However, changes to the same in the future could impact the companies and the industry they operate in, which may impact the valuation.

6.10 I have no obligation to update this Report because of events or transactions occurring subsequent to the date of this Report.

6.11 I have not carried out any physical verification of the assets and liabilities of the Company and take no responsibility for the identification of such assets and liabilities.

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6.12 This Report does not look into the business/commercial reasons behind the proposed transaction nor the likely benefits arising out of it. Similarly, it does not address the relative merits of the proposed transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

6.13 I do not any conflict of interest in carrying out this valuation.

6.14 I have been informed that the business activities of MDL, NSIL, SEL and RFL have been carried out in the normal and ordinary course between December 31, 2021 and the Report date

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7 Gratitude

I am grateful to the Management for making information and particulars available to me, often at a short notice, to enable me to conclude my opinion in a time-bound manner.

DRUSHTI RAHUL DESAI ★ REGISTERED VALUER ★

DRUSHTI R. DESAI.
Registered Valuer
Registration Number: IBBI/RV/06/2019/10666

Place: Mumbai
Date: January 25, 2022
UDIN: 22102062AAAAJ4649

Appendix A: Broad Summary of Data Obtained

From the Management:

1. Projected Financial Statements of MDL for years to end on March 31, 2022 to March 31, 2031

2. Audited Standalone and Consolidated Financial Statements of MDL as on September 30, 2021 and March 31, 2021

3. Provisional Financial Statements of MDL for the period ended December 31, 2021.

4. Audited Financial Statements of National Standards (India) Limited, Sanathnagar Enterprises Limited and Roselabs Finance Limited as on December 31, 2021

5. Fair Valuation of Inventory held by National Standards (India) Limited as on December 31, 2021.

6. Answers to specific questions and issues raised to the Management after examining the foregoing data.

From publicly available sources :

1. Websites of Bombay Stock Exchange and National Stock Exchange

2. Data of Companies in Real Estate Development Sector from AceTP Database

3. Risk Free Interest rate from RBI website.

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Appendix B: Steps followed for determining value under Liquidation Approach

I have considered the following steps for determining value under Liquidation Approach . The working is based on the latest available Balance Sheet of Transferor Company as on the Reference Date (i.e., Balance Sheet as on December 31, 2021)

1. We have considered the market value of the Inventory proposed to be transferred with the business as given by the Management and relevant costs of liquidation.

2. Other assets comprise of Cash and cash equivalents, loans, other financial assets, current tax assets and Other current assets. I have considered their book values as on December 31, 2021 as their fair value.

3. Liabilities of the company comprise of other liabilities and payables. I have considered the book value of liabilities as their settlement values.

4. It may also be noted that I understand from the Management that in their knowledge there are no other agreements, brands, trademarks, etc. owned by the Transferor Company. Therefore, I have not added the value of intangible assets to this value.

5. The aggregate of the liquidation value of the assets net of liabilities is considered as the liquidation value of the Business.

6. I have divided such Business Value by number of fully paid, issued and subscribed equity shares to arrive at value per share of the Transferor Company.

DRUSHTI RAHUL DESAI
REGISTERED VALUER

CERTIFIED TRUE COPY

For ROSELABS FINANCE LTD

Company Secretary

ROSELABS FINANCE LIMITED

To,
The General Manager,
Department of Corporate Services
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the Scheme of Merger by Absorption of Roselabs Finance Limited ('First Transferor Company' or 'the Company'), National Standard (India) Limited ('Second Transferor Company'), Sanathnagar Enterprises Limited ('Third Transferor Company') (hereinafter collectively referred to as 'Transferor Companies') with Macrotech Developers Limited ('Transferee Company') and their respective shareholders ('Scheme').

Dear Sir/Madam,

This has reference to requirement for undertaking accompanying the valuation report as **prescribed in Para 2(b) Part I to the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ("SEBI Circular") in respect of Proposed Scheme.**

We confirm that no material event impacting the valuation has occurred during the intervening period of filing the scheme documents with Stock Exchange and period under consideration for valuation.

For Roselabs Finance Limited

ROSELABS FINANCE LIMITED

Abhijeet Shinde
Company Secretary & Compliance Officer
Membership No.: A33077

Place: Mumbai
Date: January 27, 2022

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