
**Max Ventures and Industries Limited
&
Max Estates Limited**

Share Entitlement Report recommending share
exchange ratio for the proposed amalgamation of
Max Ventures and Industries Limited into Max Estates
Limited



CorpValuers

IBBI Registered Valuers & Corporate Law Professionals

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Registered Valuer

Securities or Financial Assets

Regn No. IBBI/RV/06/2019/12564

ICAIRVO membership no. ICAIRVO/06/RV-P00292/2019-2020



April 18, 2022

To,
The Board of Directors
Max Ventures and Industries Limited
L-12, Max Towers, C-001/A/1,
Sector- 16B Noida
Uttar Pradesh – 201301

The Board of Directors
Max Estates Limited
Level 12, Max Towers, C-001/A/1,
Sector- 16B, Noida
Uttar Pradesh – 201301

Sub.: Report on share exchange ratio for the proposed Composite Scheme of Amalgamation and Arrangement amongst Max Ventures and Industries Limited and Max Estates Limited and their respective shareholders and creditors

Dear Sir / Madam,

I refer to the engagement letter dated April 01, 2022 with Max Ventures and Industries Limited (the "Transferor Company") to report fair share exchange ratio for the proposed amalgamation of **Max Ventures and Industries Limited** ("Transferor Company" / "MVIL") with **Max Estates Limited** ("Transferee Company" / "MEL"), as a part of Composite Scheme of Amalgamation and Arrangement with effect from Appointed date, i.e. April 01, 2022, or such other date as may be approved by the Hon'ble National Company Law Tribunal, Chandigarh Bench ('NCLT').

Share exchange ratio is the number of shares of the Transferee Company, that a shareholder of the Transferor Company would be entitled to in proportion to the existing shareholding in the Transferor Company.

SCOPE AND PURPOSE OF ENGAGEMENT

This transaction is proposed under a Composite Scheme of Amalgamation and Arrangement under Sections 230-232 and other applicable provisions of the Companies Act, 2013, as may be applicable, read with Section 66 of the Companies Act, 2013 (the "Scheme"). As per the Scheme, the Transferee Company will issue its equity shares to the shareholders of the Transferor Company as a consideration for the amalgamation of the Transferor Company with the Transferee Company and the equity shares held by the Transferor Company or its nominees, if any, in the share capital of the Transferee Company shall stand cancelled. Further, the paid up equity capital of the Transferee Company to that effect shall stand cancelled and reduced, which shall be regarded as reduction of share capital of the Transferee Company pursuant to the provisions of Section 66 of the Companies Act. 2013 (Refer to **Annexure I** for more details).

This report provides the share exchange ratio for the proposed amalgamation and is subject to the scope limitations, exclusions and disclaimers detailed hereinafter. As such the report is to be read in totality and not in parts, in conjunction with the relevant documents referred to therein.

This report is being issued under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 including the Master Circular (SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665) dated November 23, 2021 (as updated) issued by the Securities and Exchange Board of India ("Master Circular") and in accordance with the requirement of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (as amended)

DISCLOSURE OF VALUER INTEREST OR CONFLICT

I hereby declare that I am independent of the subject Companies for valuation and have not been under any direct or indirect influence, which may affect the valuation exercise. I also state that have no financial interest in the subject companies for valuation. I also confirm that this engagement shall be in compliance with the model Code of Conduct issued by IBBI vide Valuation Rules.

IDENTITY OF THE VALUER AND ANY OTHER EXPERTS INVOLVED IN THE VALUATION

There were no other valuers, apart from me, and experts involved in the carrying out process of valuation.

DATE OF APPOINTMENT, VALUATION DATE AND DATE OF REPORT

For the purpose of this assignment of valuation, following shall be the key dates:

- a) **Valuation Date** - It refers to a point of time at which the asset is being valued in this report. The same is not relevant in this case.
- b) **Date of Appointment** - It refers to a date on which the engagement is provided to a Valuer i.e. April 01, 2022.
- c) **Date of Report** - It refers to a date on which the Report is signed by a Valuer. i.e. April 18, 2022.

BACKGROUND

Max Ventures and Industries Limited ('Transferor Company') (formerly known as Capricorn Ventures Limited), is a public company, limited by shares and listed on the National Stock Exchange of India Ltd. ("NSE") and the BSE Limited ("BSE"). The Transferor Company was incorporated under the Companies Act, 2013 on January 20, 2015 and is presently having its registered office situated at 419, Bhai Mohan Singh Nagar Village Railmajra, Tehsil Balachaur Nawanshehar Nawan Shehar Punjab – 144533 and Corporate Office at Level 12, Max Towers, C-001/A/1, Sector 16B, Noida – 201301, Uttar Pradesh. The Corporate Identification Number ('CIN') of the Transferor Company is L85100PB2015PLC039204.

The Transferor Company is primarily engaged in the real estate sector through its investments in its subsidiaries and also provides management consultancy services to the group companies.

Max Estates Limited ("Transferee Company") was incorporated under the Companies Act, 2013 on March 22, 2016 as a public company, limited by shares, having its registered office situated at 419, Bhai Mohan Singh Nagar Village Railmajra, Tehsil Balachaur Nawanshehar Nawan Shehar Punjab – 144533 and Corporate Office at Level 12, Max Towers, C-001/A/1, Sector 16B, Noida – 201301, Uttar Pradesh. The CIN of the Transferee Company is U70200PB2016PLC040200.

The Transferee Company is engaged in the development of real estate directly and indirectly through its subsidiaries and joint ventures. Transferee Company is a wholly owned subsidiary of Transferor Company i.e. 100% of share capital of Transferee Company is held by Transferor Company and its nominees.

As per the draft scheme and discussions with the management, I understand that in pursuance of the amalgamation, the entire business and undertaking of the Transferor Company shall be and stand transferred to and be vested in the Transferee Company. In consideration thereof, shares of the Transferee Company will be issued to the shareholders of the Transferor Company and the existing shares of the Transferee Company held by the Transferor Company and its nominees would stand cancelled. Consequently, the Transferor Company and the



Transferee Company will have mirror shareholding and the shares of the Transferee Company would be listed on the National Stock Exchange of India Ltd. ("NSE") and the BSE Limited ("BSE").

Further, the Transferor Company shall be automatically dissolved without being wound up and all the assets and liabilities as well as reserves shall be transferred to the Transferee Company.

SOURCES OF INFORMATION

For the purpose of this exercise, I have,

- Considered the audited financials of Transferor Company as on March 31, 2021 and limited reviewed financials as on December 31, 2021;
- Considered the audited financials of Transferee Company as on March 31, 2021 and audited financial statement as on December 31, 2021;
- Considered the draft Composite Scheme of Amalgamation and Arrangement;
- Considered the existing shareholding pattern of the Transferor Company and the Transferee Company and the stock options granted under MVIL ESOP Plan 2016 (as defined under the Scheme);
- Relied on the representations of the management; and
- Carried out such other analysis, reviews and inquires as I considered necessary.

SCOPE LIMITATIONS, EXCLUSIONS AND DISCLAIMERS

I have relied upon the information, data and explanations given to us by the Management of the Transferor Company for the purposes of concluding on the reasonableness of Share Entitlement ratio in connection with the proposed amalgamation. I have not carried out due diligence or audit of information provided for the purpose of engagement nor have I independently investigated or otherwise verified the data provided. I do not express any form of assurance that the financial information or other information as provided by the Management is accurate.

Our conclusions assume that the Transferor Company and the Transferee Company comply fully with the relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and the Companies are being managed in a competent and reasonable manner. Further, except as specifically stated to the contrary, this report has given no consideration to matters of legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the financial statements.

This Share Exchange Ratio is essentially based on the information provided by the Management for which the Transferor Company accepts full responsibility. Our review and analysis have been limited to the above mentioned procedures and our analysis is subject to this limitation. Our reliance and use of this information provided by the Transferor Company or the management should not be construed as expression of our opinion on it and I do not and will not accept any responsibility or liability for any inaccuracy in it.

The exercise of valuation is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single share exchange ratio. While I have concluded on the reasonableness of the share exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as on the same.

SHARE EXCHANGE RATIO

As of the Report Date the issued and subscribed paid up capital of the Transferor Company consists of 14,69,46,648 Equity Shares of face value Rs. 10/- each.

I understand from the Management of the Transferor Company that the Transferee Company is a wholly owned subsidiary of the Transferor Company and it proposes to rationalize and streamline the existing group structure.

As per the draft scheme provided to us and information provided by the Management of the Transferor Company, I understand that pursuant to the Scheme, 100% of the pre-scheme total issued and subscribed capital of the



Transferee Company, held by the Transferor Company and its nominees, shall stand cancelled, without any further act or deed on part of the Transferee Company.

Further, upon the Scheme coming into effect on the Effective Date and immediately after issuance of the equity shares of the Transferee Company to the equity shareholders of the Transferor Company, the Transferor Company shall be automatically dissolved without being wound up.

I understand that in in consideration of the amalgamation of the Transferor Company with the Transferee Company, the Transferee Company would issue its equity shares to the equity shareholders of the Transferor Company in the following manner:

“for every 1 (One) equity share of face value of INR 10/- (Indian Rupees Ten only) each held in MVIL as on the Record Date, the equity shareholders of MVIL shall be issued 1 equity share of face value INR 10/- (Indian Rupees Ten only) each credited as fully paid-up in MEL.”

Since Transferee Company is wholly owned subsidiary of Transferor Company, the set of shareholders and holding proportion being proposed for MEL is identical to MVIL, the beneficial economic interest of MVIL shareholders in MEL will remain same at the time of amalgamation.

Further, upon the Scheme coming into effect, in respect of the stock options granted by the Transferor Company under the MVIL ESOP Plan 2016 (as defined under the Scheme) which have been granted (whether vested or not) but have not been exercised as on the Effective Date by the eligible Employees (as defined under MVIL ESOP Plan 2016), the Transferee Company shall grant 1 (one) employee stock option of Transferee Company, in lieu of every 1 (one) stock option (whether vested or unvested) held by such Eligible Employees under the MVIL ESOP Plan 2016 in accordance with the Amalgamation Share Entitlement Ratio as above.

Simultaneously, all the equity shares held by the Transferor Company or its nominees, if any, in the share capital of the Transferee Company, that is, 7,79,10,000 (Seven Crores, Seventy-Nine Lakhs and Ten Thousand) equity shares shall stand cancelled and reduced, which shall be regarded as reduction of share capital of the Transferee Company pursuant to the provisions of Section 66 of the Act.

Based on the aforementioned and that upon amalgamation, the set of shareholders and holding proportion being proposed for the Transferee Company is identical to that of the Transferor Company. Hence the beneficial economic interest of the shareholders of the Transferor Company in the Transferee Company will remain identical after the amalgamation. Further, since, there is no issuance of additional equity shares (over and above the capital base of the Transferor Company) by the Transferee Company, we are of the opinion that pricing provisions of Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 are not applicable in the subject case and we have therefore, not considered the same for our analysis. Further, in terms of the Scheme, no change is expected in the shareholding pattern of the Transferor Company and the same will remain identical in the Transferee Company post amalgamation and the existing capital of the Transferee Company shall stand cancelled. Accordingly, the requirement of obtaining a valuation report (in terms of Para 4 of the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021) and the valuation approaches as indicated in the format as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE are not relevant in the instant case.

I believe that the abovementioned share exchange ratio is fair and reasonable considering that all the shareholders of the Transferor Company are and will, upon amalgamation, be the ultimate beneficial owners of the Transferee Company and in the same ratio as they hold shares in the Transferor Company, as on record date to be decided by the management of the Transferor Company.

Our report and share exchange ratio is based on the current equity share capital structure of the Companies, proposed cancellation of existing share capital of the Transferee Company held by the Transferor Company and its nominees and reduction of paid up share capital of the Transferee Company in the manner as envisaged in the draft Scheme.



I also reproduce the table as prescribed by Stock Exchanges for the purposes of issuance of this report in pursuance of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended from time to time:

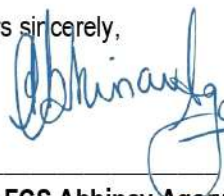
Computation of Fair Share Exchange Ratio (To be read along with the note below)

Valuation Approach	Max Ventures and Industries Limited		Max Estates Limited	
	Value per Share	Weight	Value per Share	Weight
Asset Approach	N.A	N.A	N.A	N.A
Income Approach	N.A	N.A	N.A	N.A
Market Approach	N.A	N.A	N.A	N.A
Relative Value per Share	N.A		N.A.	
Exchange Ratio (rounded off)	N.A			

Note: Consequent to this Composite Scheme of Amalgamation and Arrangement, the economic beneficial interest of the shareholders of the Transferor Company shall remain the same. Also, post the scheme, the shareholding pattern of the shareholders of the Transferor Company in the Transferee Company would be identical / mirror shareholding as compared to their shareholding in the Transferor Company as on the record date. Hence, this is a value neutral amalgamation. Therefore, valuation as per the above methods is not required.

Thanking you,

Yours sincerely,




RV FCS Abhinav Agarwal

Registered Valuer & Corporate Law Advisor

IBBI Reg. No. IBBI/RV/06/2019/12564

ICAI RVO membership no. ICAIRVO/06/RV-P00292/2019-2020

Date: April 18, 2022

Place: New Delhi

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Share Cancellation Clause for cancellation of capital of the Transferee Company (Clause 21 of the Draft Scheme)

CANCELLATION OF EXISTING SHARES OF TRANSFEEE COMPANY

- 21.1 Simultaneously, with the issue and allotment of the Amalgamation Equity Shares by the Transferee Company to the equity shareholders of the Transferor Company in accordance with Clause 18.1 above, all the equity shares held by the Transferor Company or its nominees, if any, in the share capital of the Transferee Company, shall, without any further application, act, instrument or deed, be automatically cancelled, extinguished and annulled on and from the Effective Date and the paid up equity capital of the Transferee Company to that effect shall stand cancelled and reduced, which shall be regarded as reduction of share capital of the Transferee Company pursuant to the provisions of Section 66 of the Act.
- 21.2 The reduction in the share capital of the Transferee Company as contemplated in Clause 21.1 above shall be effected as an integral part of this Scheme in accordance with the provisions of Section 230 to 232 of the Act, and any other applicable provisions of the Act. The order of the NCLT sanctioning this Scheme shall also include approval and confirmation of the reduction of share capital of the Transferee Company which shall be deemed to be an order under Section 66 of the Act confirming the reduction and pursuant to the provisions under Explanation to Section 230, no separate sanction shall be necessary. The consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the provisions of Section 66 of the Act as well and no further compliances would be separately required.
- 21.3 The reduction as contemplated above would not involve any diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital.
- 21.4 Notwithstanding the aforesaid reduction, the Transferee Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon reduction.

