

April 18, 2022

To,

**Board of Directors  
Max Estates Limited  
419, Bhai Mohan Singh Nagar  
Village Railmajra, Tehsil Balachaur  
Nawanshahr - 144 533, Punjab**

**Board of Directors  
Max Ventures and Industries Limited  
419, Bhai Mohan Singh Nagar  
Village Railmajra, Tehsil Balachaur  
Nawanshahr - 144 533, Punjab**

**Sub.: Fairness opinion upon the valuation 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,

We, Sundae Capital Advisors Private Limited (referred to as "**Sundae**" or "**We**"), refer to the engagement letter dated March 08, 2022 with Max Ventures and Industries Limited (referred to as "**MVIL**" / "**Transferor Company**"), wherein we have been requested to provide an opinion on the captioned subject on the basis of the Share Entitlement Report dated April 18, 2022 issued by Abhinav Agarwal, Registered Valuer (IBBI Reg. No. IBBI/RV/06/2019/12564) (referred to as "**Valuer**").

#### SCOPE AND PURPOSE OF THIS REPORT

The equity shares of Max Ventures and Industries Limited are listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**"). The Company is proposing amalgamation of Max Ventures and Industries Limited with Max Estates Limited. The said amalgamation is proposed to be implemented by undertaking a Composite Scheme of Amalgamation and Arrangement amongst Max Ventures and Industries Limited ("**MVIL**" or "**Transferor Company**") and Max Estates Limited ("**MEL**" or "**Transferee Company**") and their respective shareholders and creditors (the "**Scheme of Arrangement**").

This Fairness Report is being issued in accordance with the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended from time to time, on the valuation of the proposed Composite Scheme of Amalgamation and Arrangement. This certificate has been issued for the sole purpose to facilitate the companies to comply with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and it shall not be valid for any other purpose.

#### COMPANY BACKGROUND

**Max Ventures and Industries Limited** (formerly known as Capricorn Ventures Limited) / **Transferor Company**, is a public limited company, incorporated under the Companies Act, 2013 on January 20, 2015, having Corporate Identification Number L85100PB2015PLC039204. The transferor company has its registered office located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar, Punjab, 144533.

The equity shares of MVIL are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). 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.





As on December 31, 2021, the promoters own 49.60% equity shares of MVIL and the balance 50.40% equity shares are held by the public shareholders.

**Max Estates Limited / Transferee Company**, is a public limited company, incorporated under the Companies Act, 2013 on March 22, 2016, having Corporate Identification Number U70200PB2016PLC040200. MEL has its registered office located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar, Punjab – 144533.

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

## SUMMARY OF PROPOSED TRANSACTION

The management of MVIL has decided on amalgamation of the business of the Company by way of a Composite Scheme of Amalgamation and Arrangement whereby the existing business of MVIL will be amalgamated with MEL as a going concern with effect from the Appointed Date. The transaction is proposed under the Composite Scheme of Amalgamation and Arrangement under section 230-232 and other applicable provisions of Companies Act, 2013 read with Section 66 of the Companies Act, 2013.

Pursuant to the Scheme, MEL will issue its equity shares to the shareholders of MVIL as a consideration to amalgamate the business of MVIL engaged in real estate sector through its investments in its subsidiaries. Further, the investment of MVIL in MEL shall stand cancelled.

As presented by Management, the Scheme is a part of an overall re-organization plan to rationalize and streamline the existing group structure. Further, the Scheme is expected to provide the following benefits for MVIL and MEL:

- a) The Amalgamation would lead to simplification of the existing holding structure and reduction of shareholding tiers to remove impediments, if any, in facilitating future expansion plans and create enhanced shareholder value;
- b) Consolidation of businesses presently being carried on by the Transferor Company and the Transferee Company, which shall create greater operational synergies and efficiencies at multiple levels of business operations and shall provide significant impetus to their growth;
- c) The Amalgamation would result in financial resources being efficiently pooled, leading to centralized and more efficient management of funds, greater economies of scale and a bigger and stronger resource base for future growth, which are presently divided amongst two separate corporate entities within the group;
- d) Pooling of proprietary information, personnel, financial, managerial and other resources, thereby contributing to the future growth of the merged entity;
- e) The Transferor Company and the Transferee Company operate businesses that complement each other and therefore, can be conveniently combined for mutual benefit of the shareholders;
- f) Simplicity in working, reducing various statutory and regulatory compliances and related costs, which presently have to be duplicated, reduction in operational and administrative expenses and overheads, better cost and operational efficiencies and it would also result in coordinated optimum utilization of resources; and





- g) This Scheme shall be in the beneficial interest of all the stakeholders and the shareholders of the Transferor company.

## SOURCE OF INFORMATION AND REPRESENTATIONS

For the purpose of forming our opinion on the Share Entitlement Report, we have relied on the discussions with the Management of MVIL and the following information and documents made available to us:

- Valuation Report dated April 18, 2022 by Abhinav Agarwal, Registered Valuer;
- Memorandum and Articles of Association of the Transferor Company and Transferee Company;
- Audited Financial Statements of the Transferor Company for the Financial Years ended on March 31, 2021 and limited reviewed financial statements as on December 31, 2021;
- Audited Financial Statements of the Transferee Company for the Financial Years ended on March 31, 2021 and audited financial statements as on December 31, 2021;
- Draft Composite Scheme of Amalgamation and Arrangement for the proposed transaction;
- 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);
- Other information as available in public domain.

We have obtained explanations and information considered reasonably necessary for our exercise, from the executives and representatives of MVIL. Our analysis considers those facts and circumstances present at the Transferor Company and Transferee Company at the date of this Fairness Opinion. Our opinion would most likely to be different if another date was used.

## EXCLUSIONS AND LIMITATIONS

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by MVIL for the purpose of this opinion. With respect to the estimated financials, if any, provided to us by the management, we have assumed that such financials were prepared in good faith and reflect the best currently available estimates and judgments by the management of MVIL. We express no opinion and accordingly accept no responsibility with respect to or for such estimated financials or the assumptions on which they were based. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of the Transferor Company or the Transferee company. We have solely relied upon the information provided to us by the management. We have not reviewed any books or records of the Transferor Company or the Transferee company (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Transferor Company or the Transferee Company and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the Transferor Company or the Transferee Company. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by the Transferor Company or the Transferee Company for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of the Transferor Company or the Transferee Company with respect to





these matters. In addition, we have assumed that the proposed Composite Scheme of Amalgamation and Arrangement will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the proposed Composite Scheme of Amalgamation and Arrangement.

We understand that the managements of the Transferor Company or Transferee Company during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the proposed Composite Scheme of Amalgamation and Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that the Transferor Company or the Transferee company may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and, on the information, made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving the Transferor Company or the Transferee company or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to the Transferor Company or the Transferee company for providing a fairness opinion on the proposed transaction and will receive professional fees for our services. In the ordinary course of business, Sundae is engaged in merchant banking business including corporate advisory, re-structuring, valuations, etc. We may be providing various other unrelated independent professional advisory services to the Transferor Company or the Transferee company in the ordinary course of our business.

It is understood that this letter is solely for the benefit of and use by the Board of Directors of the Transferor Company or the Transferee company for the purpose of this transaction and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law. Statute, Act, guideline or similar instruction. Management should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to the Transferor Company or the Transferee company underlying decision to effect to the proposed transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of the Transferor Company or the Transferee company should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of the Transferor Company or Transferee Company will trade following the announcement of the transaction or as to the financial performance of the Transferor Company or the Transferee Company following the consummation of the transaction.

In no circumstances however, will Sundae or its associates, directors or employees accept any responsibility or liability to any third party. Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement with the Transferor Company.





## OUR OPINION

With reference to above and based on information and explanation provided by the management representative of Transferor Company and after analyzing the draft Composite Scheme of Amalgamation and Arrangement, we understand that 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. Hence, the Valuer has recommended as under:

***“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.”***

***“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 options 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.”***

***“Based on the information, data made available to us, including the Share Entitlement Report of Abhinav Agarwal, Registered Valuer, to the best of our knowledge and belief, the entitlement ratio arrived at by Abhinav Agarwal, Registered Valuer under the draft Composite Scheme of Amalgamation and Arrangement, in our opinion, is fair considering that all the shareholders of MVIL are and will upon amalgamation, be the ultimate beneficial owners of the Transferee Company and in the same ratio (inter se) as they hold shares in MVIL, as on record date to be decided by the Management of MVIL.”***

The aforesaid Composite Scheme of Amalgamation and Arrangement shall be subject to the receipt of approvals from NCLT and other statutory authorities as may be required. The detailed terms and conditions are more fully set forth in the draft Composite Scheme of Amalgamation and Arrangement. Sundae has issued this Fairness Opinion with the understanding the draft Composite Scheme of Amalgamation and Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion shall not stand good in case the final Composite Scheme of Amalgamation and Arrangement alters the transaction.

***For Sundae Capital Advisors Private Limited  
(SEBI Registration No. INM000012494)***

***Ridima Gulati  
Senior Manager***

