



06 August 2024

CERTIFICATE ON FAIR MARKET VALUE OF EQUITY SHARES OF KBJ HOTEL & RESTAURANTS PRIVATE LIMITED COMPUTED UNDER RULE 11UA/ RULE 11UAA OF INCOME TAX RULES, 1962 READ WITH SECTION 56(2)(X) and 50CA OF THE INCOME TAX ACT, 1961

This valuation has been conducted for determining the fair market value of equity shares of **KBJ Hotel & Restaurants Private Limited**, a Company registered under the Companies Act, 1956 with Corporate Identification Number U55101MH2008PTC181674, having its registered office at 20th Floor, Express Towers, Nariman Point, Mumbai, Maharashtra, India, 400021 in accordance with Rule 11UA/ Rule 11UAA of Income Tax Rules, 1962 read with Section 56(2)(X) and 50CA of the Income Tax Act, 1961 for the purpose of proposed secondary transfer of equity shares.

KBJ Hotel & Restaurants Private Limited ('KBJ' or 'the Company') was incorporated on April 28, 2004 and is engaged in the business of owning and operating hotel under the brand name Marriott.

We understand from the Management of KBJ (hereinafter referred to as 'the Management') that its existing shareholders are contemplating a proposal wherein they intend to transfer their respective equity stake in KBJ to Ventive Hospitality Private Limited (VHPL). It is in this regard, the Parties (i.e. existing shareholders and VHPL) to the aforesaid transaction intend to determine the fair market value of equity shares as per Section 56(2)(X)/Section 50CA of the Income-Tax Act, 1961 read with Rule 11UA/ Rule 11UAA of Income-Tax Rules, 1962.

Section 56(2)(X) of Income Tax Act, 1961 provides that where a person receives any property (including shares and securities of the company), the consideration for such transaction should not be less than fair market value of such property, which is to be determined in accordance with Rule 11UA of Income Tax Rules, 1962.

Section 50CA of Income Tax Act, 1961 provides that where consideration received or accruing as a result of the transfer by an assessee of a capital asset, being share of a company other than a quoted share, is less than the fair market value of such share determined in accordance with Rule 11UAA of Income Tax Rules, 1962, the value so determined shall, for the purposes of section 48, be deemed to be the full value of consideration received or accruing as a result of such transfer.

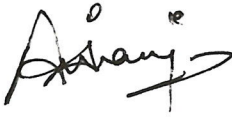
We have conducted the valuation in accordance with the valuation methodology prescribed under Rule 11UA/ Rule 11UAA of the Income-Tax Rules, 1962 read with Section 56(2)(X)/ Section 50CA of the Income-Tax Act, 1961 (hereinafter collectively referred to as 'the Regulations') based on the unaudited provisional financial statements of the Company for the financial year ended 31 March 2024.

Accordingly, it is hereby certified that based on the aforementioned valuation method, in our opinion and based on the information and explanation given to us and documents produced before us and subject to the key assumptions stated as notes to the detailed workings, the fair market value of one fully paid up equity share of the Company having a face value of INR 100 computed in accordance with the aforesaid Regulations as at 31 March 2024 is **INR 171.87 (Rupees One Hundred Seventy-One and Eighty-Seven Paise)** per equity share.

The computation of the fair market value in accordance with the provisions of Rule 11UA/Rule 11UAA is attached as "**Annexure A**".

Transaction Square Advisory LLP

Registered Valuer- Securities or Financial Assets
IBBI Registration Number- IBBI/RV-E/06/2023/194



Niranjan Kumar, Partner

Registered Valuer – Securities or Financial Assets
IBBI Registration Number- IBBI/RV/06/2018/10137
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Date: 06 August 2024

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Annexure "A"

Determination of Fair Market Value per Equity Share of KBJ Hotel & Restaurants Private Limited in accordance with Rule 11UA/Rule 11UAA of the Income Tax Rules, 1962 read with Section 56(2)(X)/Section 50CA of the Income-Tax Act, 1961

Based on unaudited provisional financial statements for the financial year ended 31 March 2024

INR in Million

S. No	Particulars	Amount
A	Book value of all the assets (other than jewellery, artistic work, shares, securities and immovable property) in the balance-sheet	2.7
Less:	(i) any amount of income-tax paid, if any, less the amount of income-tax refund claimed, if any	-
	(ii) any amount shown as asset including the unamortised amount of deferred expenditure which does not represent the value of any asset	-
	Sub Total (A)	2.7
B	Fair market value of any jewellery and artistic work on the basis of valuation report obtained from a registered valuer	-
C	Fair market value of shares and securities (Refer Note 3)	8.0
D	Value adopted by any authority or Government for purpose of stamp duty for immovable property (Refer Note 2)	565.9
L	Book value of liabilities shown in the balance sheet excluding i) paid-up capital in respect of equity shares; ii) amount set apart for payment of dividend; iii) reserves and surplus; iv) provision for tax and other expenses; v) provision for meeting unascertained liabilities; vi) amount representing contingent liabilities.	361.8
	Net Asset Value (A+B+C+D-L)	214.8
PE	Total amount of paid-up equity share capital as shown in balance sheet	125.0
PV	Paid-up value of equity share (INR per share)	100.0
	Fair market value per unquoted equity share (A+B+C+D-L)*(PV)/(PE) (INR per share)	171.87

Notes:

- Section 56(2)(X)/Section 50CA of the Income-Tax Act, 1961, read with Rule 11UA/11UAA of the Income-Tax Rules, 1962, prescribes for valuation of shares as on the date of transfer, however as the audited standalone financial statements as on the date of transfer were not available, we have conducted the valuation in accordance with the valuation methodology prescribed under the Regulations based on the unaudited provisional financial statements of the Company for the financial year ended 31 March 2024.
- For the purpose of determining the stamp duty value of the immovable properties, we have entirely relied on the stamp duty value workings provided by the Management for the purpose of arriving at the fair market value of equity shares under Regulations.
- As per the provisions of Rule 11UA of the Rules, fair market value of unquoted shares and securities other than equity shares in a company which are not listed in any recognised stock exchange shall be estimated to be price it would fetch if sold in the open market. Based on the statement of account provided by the Management, the investments in mutual funds held by it have been considered at fair value in accordance with the Regulations.
- The Management has represented that there are no amounts set apart for payment of dividends on equity shares of the Company.
- The Management has represented that there are no unascertained or contingent liabilities to be adjusted for the purpose of arriving at the fair value under Rule 11UA.
- The Management is in full agreement with the information provided to us regarding the Company from time to time, based on which we have performed the valuation analysis.



7. We understand from the Management that all the assets appearing in the books of accounts of the Company are realizable in the normal course of business and there are no write downs required in relation to the same.
8. We understand from the Management that all known liabilities have been recorded in the books of accounts of the Company and can be considered as such for the valuation exercise.
9. For the purpose of determining the fair market value of the Company under Regulations, we have deducted current tax liabilities from the total value of the liabilities.



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