



31 August 2024

CERTIFICATE ON FAIR MARKET VALUE OF HOTEL BUSINESS UNDERTAKING OF CESSNA GARDEN DEVELOPERS PRIVATE LIMITED, COMPUTED UNDER RULE 11UAE OF INCOME TAX RULES, 1962 READ WITH RULE 11UA OF INCOME TAX RULES, 1962 AND SECTION 50B OF THE INCOME TAX ACT, 1961

This valuation has been conducted for determining the fair market value of Hotel Business Undertaking of Cessna Garden Developers Private Limited ('CGDPL' or 'the Company') which is proposed to be transferred via slump sale on a going concern basis, in accordance with Section 50B of the Income Tax Act, 1961 read with Rule 11UAE and Rule 11UA of Income Tax Rules, 1962.

Cessna Garden Developers Private Limited ('CGDPL' or 'the Company') registered under Companies Act, 1956 with Corporate Identification Number U85110KA1995PTC018755 having its registered office at Cessna Business Park, Outer ring Road Post-Kadubeesanahalli, Bellandur, Bangalore, Karnataka India 560103. CGDPL was incorporated on 12 September 1995 and is engaged in the business of owning and managing a commercial office park viz. Cessna Business Park and hotel under the brand name of Aloft Hotel (hereinafter Aloft Hotel Business is referred to as 'Hotel Business Undertaking').

We have been informed by the Management of CGDPL (hereinafter referred to as 'the Management') that the Company intends to transfer the Hotel Business Undertaking of CGDPL to Novo Themes Properties Private Limited (hereinafter referred to as 'NTPPL' or 'Purchaser') on a slump sale basis for lumpsum consideration vide a Business Transfer Agreement ('BTA').

It is in this regard, the Management intends to determine the fair market value of Hotel Business Undertaking (i.e. capital assets getting transferred by way of slump sale), as per Section 50B of the Income Tax Act, 1961 read with Rule 11UAE and Rule 11UA of Income Tax Rules, 1962.

We have conducted the valuation in accordance with the sub rule (1) of Rule 11UAE of the Income-Tax Rules, 1962 read with Section 50B of the Income-Tax Act, 1961 and Rule 11UA of Income Tax Rules, 1962 (hereinafter together referred to as 'Regulations') which prescribes that the fair market value of capital asset shall be higher of either (a) FMV (1) determined under sub rule 2 or (b) FMV (2) determined under sub rule 3.

INR in Million

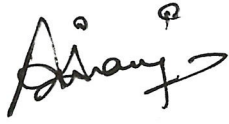
S. No.	Particulars	Amount
(a)	FMV (1) of Hotel Business Undertaking as per sub rule (2) of Rule 11UAE [Refer Annexure A (I)]	57.0
(b)	FMV (2) of Hotel Business Undertaking as per sub rule (3) of Rule 11UAE [Refer Annexure A (II)]	60.0
	Fair market value of Hotel Business Undertaking as at 31st March 2024 to be higher of (a) or (b)	60.0

For the purpose of calculating the fair market value of Hotel Business Undertaking, we have relied on the unaudited provisional carve-out financial statements of Hotel Business Undertaking for the period ended 12 August 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 Hotel Business Undertaking proposed to be transferred by way of slump sale computed in accordance with the aforesaid Regulations as at 12 August 2024 is **INR 60.0 Million (Rupees Sixty Million only)**.

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

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



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Date: 31 August 2024

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Annexure "A"

Determination of Fair Market Value of Hotel Business Undertaking in accordance with Rule 11UAE of the Income-Tax Rules, 1962 read with Section 50B of the Income-Tax Act, 1961 along with Rule 11UA the Income-Tax Rules 1962.

(I) Calculation of FMV (1) under sub-rule (2) of Rule 11UAE

Based on unaudited provisional carve-out financial statement of Hotel Business Undertaking of CGDPL as at 12 August 2024

INR in Million

S. No.	Particulars	Amount
<u>A</u>	Book value of all the assets (other than jewellery, artistic work, shares, securities and immovable property) as appearing in the balance-sheet of the undertaking transferred by way of slump sale	354.3
<u>Less:</u>	(i) any amount of income tax paid less the amount of income tax refund claimed, if any related to the undertaking transferred (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)	354.3
<u>B</u>	Price which the jewellery and artistic work would fetch if sold in the open market on the basis of valuation report obtained from a registered valuer	-
<u>C</u>	Fair market value of shares and securities as per Rule 11UA	-
<u>D</u>	Value adopted by any authority or Government for purpose of stamp duty for immovable property (Refer Note 2)	1,142.5
<u>L</u>	Book value of liabilities as appearing in the balance sheet of undertaking transferred 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	1,439.8
	FMV (1) under sub rule (2) of 11UAE (A+B+C+D-L)	57.0

Notes:

- Section 50B of the Income-Tax Act, 1961 read with Rule 11UAE and Rule 11UA of Income Tax Rules, 1962 prescribes for valuation of capital asset as on the date of transfer. However, as the audited carve-out financial statements of Hotel Business Undertaking 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 carve-out financial statements of Hotel Business Undertaking for the period ended 12 August 2024.
- For, the purpose of determining the stamp duty of the immovable property, 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 the Hotel Business Undertaking under Rule 11UAE.
- We understand from the Management 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 FMV (1) under sub rule (2) of Rule 11UAE.

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(II) Calculation of FMV (2) under sub-rule (3) of Rule 11UAE

Based on discussion with the Management and draft BTA to be entered into between the Company and the Purchaser

INR in Million

S. No.	Particulars	Amount
E	Value of the monetary consideration received or accruing as a result of the transfer	60.0
F	Fair market value of non-monetary consideration received or accruing as a result of the transfer represented by property referred to in sub-rule (1) of rule 11UA determined in the manner provided in sub-rule (1) of rule 11UA for the property covered in that sub-rule	-
G	The price which the non-monetary consideration received or accruing as a result of the transfer represented by property, other than immovable property, which is not referred to in sub-rule (1) of rule 11UA would fetch if sold in the open market on the basis of the valuation report obtained from a registered valuer, in respect of property	-
H	Value adopted by any authority or Government for purpose of stamp duty for immovable property in case the non-monetary consideration received or accruing as a result of the transfer is represented by the immovable property	-
	FMV (2) under sub rule (3) of Rule 11UAE (E+F+G+H)	60.0

Note: The Management has represented that Hotel Business Undertaking is proposed to be transferred for a full and final lump sum consideration of INR 60.0 Million and no non-monetary consideration represented by any form of property (i.e. movable or immovable) as defined in sub-rule (1) of Rule 11UA shall be received as a part of consideration.



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