

**Mr. Jayesh Parasmal
Shah**
Registered Valuer
Registration number
IBBI/RV/07/2020/13066

B2-402, Kutchi Sarvoday
Nagar, Chembur West,
Mumbai -400 043
India

Dated: 9 November 2020

To

The Board of Directors, Shree Renuka Sugars Limited 7th Floor, Devchand House, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400018, Maharashtra, India.	The Board of Directors, Gokak Sugars Limited 263, kolavi, Gokak - 591344 Karnataka, India
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**Sub: Recommendation of the fair equity share exchange ratio for the proposed
amalgamation of Gokak Sugars Limited into Shree Renuka Sugars Limited.**

Dear Madam / Sir,

This is with reference to my dated 9 November 2020 ("Report"). Please find enclosed relevant computations based on which our recommendation of the fair equity share swap ratio for the proposed amalgamation of Gokak Sugars Limited into Shree Renuka Sugars Limited.

In this connection, I have mention that the computations enclosed herewith need to be viewed in conjunction with the Report and the documents referred to in the Report.

The recommendation of the fair equity share swap ratio for the proposed amalgamation is arrived on the approach and methodology detailed in the Report and various qualitative factors relevant to each specific company having regard to the information, management representations, key underlying assumptions and limitations as referred in the Report.

Respectfully submitted,

Jayesh Parasmal Shah

Registered Valuer

Jayesh P shah

IBBI Registration Number: IBBI/RV/07/2020/13066

Date: 9 November 2020

Place: Mumbai

ANNEXURE 1: SUMMARY OF VALUATION APPROACHES & METHODOLOGIES

Valuation Approach	SRSL	GSL
Asset Approach - Net Asset Value Method ¹	No	No
Market Approach - Market Price Method ²	Yes	No
Market Approach - Comparable Companies Multiple Method ³	No	Yes
Income Approach - Discounted Cash Flow Method ⁴	No	No

NA = Not Applicable

Valuer's Note:

1. In the current analysis, the Proposed Amalgamation of the Companies is proposed with on the assumption that the Companies would merge as going concerns (subject to the implantation of the composite scheme of amalgamation) and on actual realization of the operating assets is not contemplated. The operating assets have therefore been considered at their book values. In such a going concern scenario, the relative earning power is of greater importance to the basis of amalgamation. Hence, the Cost approach is not adopted in the current case as this methodology doesn't capture the future growth potential of the business of the Companies.
2. Under the Market Approach, as equity shares of SRSL are listed on recognized stock exchange and are frequently traded, I have considered the market price method. The market price method is not considered for GSL as its equity shares are not listed on any stock exchange.
3. Considering the reasonable set of comparable companies to GSL, I have considered comparable companies multiples method to arrive at the relative fair value of the equity shares of GSL for the purpose of arriving at the Fair Equity Share Exchange Ratio.
4. Since, SRSL is a listed entity and GSL is a subsidiary of SRSL. The information related to future profit and loss accounts, balance sheet and cash flow is price sensitive. In light of the above, I was not provided with the projections of the Companies by their respective management. I have therefore, not used the DCF method for this valuation exercise.

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ANNEXURE 2: SUMMARY OF VALUATION OF SRSL AS PER MARKET PRICE METHOD

Sr. No.	Period	Weekly High (INR)	Weekly Low (INR)	Average of VWA (INR)
1	11-05-2020 to 15-05-2020	4.77	4.52	4.65
2	18-05-2020 to 22-05-2020	4.61	4.40	4.51
3	26-05-2020 to 29-05-2020	4.87	4.46	4.67
4	01-06-2020 to 05-06-2020	6.30	5.22	5.76
5	08-06-2020 to 12-06-2020	7.30	6.60	6.95
6	15-06-2020 to 19-06-2020	8.23	7.63	7.93
7	22-06-2020 to 26-06-2020	10.15	8.48	9.32
8	29-06-2020 to 03-07-2020	11.68	10.60	11.14
9	06-07-2020 to 10-07-2020	10.80	9.30	10.05
10	13-07-2020 to 17-07-2020	9.16	8.60	8.88
11	20-07-2020 to 24-07-2020	8.98	8.64	8.81
12	27-07-2020 to 31-07-2020	8.68	8.34	8.51
13	03-08-2020 to 07-08-2020	9.29	8.78	9.04
14	10-08-2020 to 14-08-2020	10.10	9.60	9.85
15	17-08-2020 to 21-08-2020	10.10	9.69	9.89
16	24-08-2020 to 28-08-2020	11.07	10.15	10.61
17	31-08-2020 to 04-09-2020	10.48	9.89	10.19
18	07-09-2020 to 11-09-2020	9.93	9.16	9.55
19	14-09-2020 to 18-09-2020	9.39	9.00	9.19
20	21-09-2020 to 25-09-2020	9.12	8.82	8.97
21	28-09-2020 to 01-10-2020	9.16	8.99	9.08
22	05-10-2020 to 09-10-2020	9.21	9.02	9.11
23	12-10-2020 to 16-10-2020	10.35	9.03	9.69
24	19-10-2020 to 23-10-2020	10.62	9.98	10.30
25	26-10-2020 to 29-10-2020	10.04	9.89	9.96
26	02-11-2020 to 06-11-2020	10.12	9.84	9.98
Average of last 26 weeks				8.71
Average of last 2 weeks				9.97
Share Price of SRSL (Higher of Above)				9.97

**ANNEXURE 3: SUMMARY OF VALUATION OF GSL AS PER COMPARABLE COMPANIES
MULTIPLES METHOD**

Particulars	INR
	31-Mar-20
Maintainable Revenue	2,38,04,36,594
Maintainable EBITDA %	10.00%
Maintainable EBITDA	23,80,43,659
Adjusted EV/EBITDA Considered	7.00
Enterprise Value	1,66,63,05,616
Add:Cash & Bank	28,04,60,000
Add:Investment	50,00,000
Less:Borrowings	(1,79,60,99,075)
Equity Value	15,56,66,541
Nos of Equity Shares	3,51,74,540
Value Per Equity Shares	4.43

EV/EBITDA OF SELECTED PEER COMPANIES

Particulars	EV/EBITDA
Dalmia Bharat Sugar and Ind. Ltd.	5.7
Dwarikesh Sugar Industries Ltd.	8.3
Dhampur Sugar	6.5
Balrampur Chini	6.5
Bajaj Hindustan Sugar Ltd.	11.9
Average	7.8
Discount to Average	10%
Adjusted EV/EBITDA	7.0

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Dated: 9 November 2020

To

The Board of Directors, Shree Renuka Sugars Limited 7th Floor, Devchand House, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400018, Maharashtra, India.	The Board of Directors, Gokak Sugars Limited 263, Kolavi, Gokak - 591344 Karnataka, India
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Sub: Recommendation of the fair equity share exchange ratio for the proposed amalgamation of Gokak Sugars Limited into Shree Renuka Sugars Limited.

Dear Madam / Sir,

I refer to the Service Level Agreement / appointment letter (together referred to as "Engagement Letter") whereby, Shree Renuka Sugars Limited and Gokak Sugars Limited has appointed RV, Registered Valuer (hereinafter referred to as "RV") vide the appointment letter dated 30 October 2020, for recommendation of the fair equity share exchange ratio for the proposed amalgamation of Gokak Sugars Limited into Shree Renuka Sugars Limited (hereinafter jointly referred to as the "Companies") on a going concern basis with effect from such date as approved by the Companies and National Companies Law Tribunal (NCLT) / other relevant authorities.

The Fair Equity Share Exchange Ratio for this report refers to number of equity shares of face value of INR 1/- each of Shree Renuka Sugars Limited ("SRSL"), which would be issued to the equity shareholders of Gokak Sugars Limited ("GSL") in lieu of their equity shareholding in SRSL pursuant to the proposed amalgamation (hereinafter referred to as "Fair Equity Share Exchange Ratio").

RV referred to as "Valuer" or "I" or "me" in this Fair Equity Share Exchange Ratio report ("Share Exchange Ratio Report" or the "Report"). I am a Registered Valuer Individual with Insolvency and Bankruptcy Board of India ("IBBI") for the asset class "Securities or Financial Assets" having registration number IBBI/RV/07/2020/13066.

SCOPE AND PURPOSE OF THIS REPORT

Shree Renuka Sugars Limited ("SRSL") is an integrated manufacturing company with strategic focus on Sugar and its allied products in Power and Ethanol. SRSL is involved in manufacturing, marketing and trading of sugar, energy, ethanol and biofertilizers in India. SRSL operates 6 sugar mills in India located in the states of Karnataka and Maharashtra. The mills in

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India are integrated to the fullest to process sugarcane, produce sugar and its by-products ethanol, power and organic manures. SRSL's shares are listed on the BSE Ltd and National Stock Exchange of India Ltd.

Gokak Sugars Limited ("**GSL**") is also engaged in the business of manufacturing, marketing and trading of sugar in India. GSL is a subsidiary of SRSL, where SRSL owns ~94% in GSL.

I understand that the management of the Companies are contemplating the merger of GSL into SRSL with effect from the proposed appointed date (i.e. the effective date) under a composite Scheme of Amalgamation under the provisions of Section 230 – 232 of the Companies Act, 2013 (including other applicable provisions of the Companies Act, 2013) and other applicable securities and capital market laws and rules issued thereunder to the extent applicable (hereinafter referred to as "**Proposed Amalgamation**"). As a consideration for this Proposed Merger, equity shareholders of GSL would be issued equity shares of SRSL in lieu of their shareholding in GSL.

It is in this connection, SRSL and GSL have appointed **RV** to submit a report on the Fair Equity Share Exchange Ratio. This Report will be placed before the Audit Committee and the Board of Directors (the "**Boards**") of the respective Companies and produced before the Honorable National Company Law Tribunal (NCLT) or judicial authorities, in connection with the Proposed Amalgamation to the extent mandatorily required under applicable laws of India. This Report is also required to meet with the applicable SEBI, the relevant stock exchanges and rules and regulations, as amended from time to time, to the extent mandatorily required in connection with the Proposed Amalgamation under applicable laws of India.

The scope of my services is to conduct a relative fair (and not absolute) valuation of the equity shares of the Companies, without considering the effect of Proposed Amalgamation and report on the Fair Equity Share Exchange Ratio for the Proposed Amalgamation in accordance with generally accepted professional standards.

I have, as considered appropriate by me, taken into consideration market parameters preceding 7 November 2020 ("**Valuation Date**") and the current market parameters, in my analysis and made adjustments for information made known to me by the managements of the Companies ("**Managements**") till the date of this Report which will have a bearing on the valuation analysis. The Managements have informed me since the last quarterly results were declared till the Report date there are no unusual / abnormal events / events not in the normal course of business in case of the Companies materially impacting their operating / financial information or financial performance. Further, the Managements have informed me that all material information impacting the Companies has been disclosed to me.

I have relied on the above while arriving at the Fair Equity Share Exchange Ratio for the Proposed Amalgamation.

This Report is my deliverable in respect of my recommendation of the Fair Equity Share Exchange Ratio for the Proposed Amalgamation.

This Report and the information contained in it is absolutely confidential and intended only for the sole use and information of the respective Boards of the Companies and only in connection with the Proposed Amalgamation including for the purpose of obtaining regulatory approvals, as required under applicable laws of India, for the Proposed Amalgamation. Without limiting the foregoing, I understand that the Companies may be required to share this Report with shareholders, Registrar of Companies, NCLT, stock exchanges, SEBI and office of other judicial authorities, their professional advisors including merchant bankers providing fairness opinion on the Fair Equity Share Exchange Ratio, in connection with the Proposed

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Amalgamation, to the extent mandatorily required (together referred to as the "Permitted Recipients"). I hereby give consent to such disclosure of this Report, on the basis that I owe responsibility to the Companies that have engaged me, under the terms of their respective engagement, and no other person; and that, to the fullest extent permitted by law, I accept no responsibility or liability to any other party, in connection with this Report. It is clarified that reference to this Report in any document and / or filing with Permitted Recipients, in connection with the Proposed Amalgamation, shall not be deemed to be an acceptance by me of any responsibility or liability to any person / party other than the respective Companies who have appointed me.

My report can be used by the Companies only for the purpose, as indicated in this report, for which I have been appointed. The results of my valuation analysis and my report cannot be used or relied by the Companies for any other purpose or by any other party for any purpose whatsoever. I am not responsible to any other person / party for any decision of such person / party based on this report. Any person / party intending to provide finance / invest in the shares / business of the Companies / their holding companies / subsidiaries / associates / investee companies / other group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person / party (other than the Companies) chooses to place reliance upon any matters included in the report, they shall do so at their own risk and without recourse to the Companies. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this report or any part thereof, except for the purpose as set out earlier in this report, without my prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so.

This Report is subject to the scope, assumptions, exclusions, limitations 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.

SOURCES OF INFORMATION

In connection with this exercise, I have used the following information:

- Annual reports for the year ended 31 March 2020 and earlier periods for the Companies;
- Unaudited reviewed results for the latest quarter ended 30 June 2020 for the Companies;
- Annual reports up to 31 March 2020 and summarized financial information up to 30 June 2020 as applicable of the subsidiaries / joint ventures / associates / other equity investments of the respective Companies
- Draft Composite Scheme of Amalgamation;
- Latest shareholding pattern of the Companies;
- Other relevant information and documents for the purpose of this engagement.

I have also obtained the explanations, information and representations, which I believed were reasonably necessary and relevant for my exercise from the Managements of the Companies. The Companies have been provided with the opportunity to review the draft report (excluding the recommended Fair Equity Share Exchange Ratio) for this engagement to make sure that factual inaccuracies / omissions are avoided in my final report.

APPROACH TO VALUATION ENGAGEMENT AND VALUATION METHODS FOLLOWED

In connection with this exercise, I have adopted following procedures to carry out the valuation:

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- Requested and received financial information;
- Obtained data available in public domain;
- Discussion with the Companies to understand the business and fundamental factors that affect the earning generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
- Undertook Industry Analysis:
 - Research publicly available market data including economic factors and industry trends that may impact the valuation;
 - Analysis of key trends and valuation multiples of comparable companies using:
 - Valuer's internal transaction database
 - Proprietary databases subscribed by the Valuer
 - Other publicly available information
- Analysis of Information
- Selection of appropriate internationally accepted valuation methodology/(ies) after deliberations
- Determining of relative values of the Companies
- Arriving at the Share Exchange Ratio.

The Companies have been provided with the opportunity to review the draft report (excluding the recommended fair equity exchange ratio) as part of my standard practice to make sure that factual inaccuracies/omissions are avoided in my final report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of my regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by me.

The recommendation contained herein is not intended to represent value at any time other than date of this Report. I have no obligation to update this report.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of my Engagement Letter; (ii) the date of this Report and (iii) are based on the audited financial statements of the Companies as at 31 March 2020 and unaudited reviewed financial results for the subsequent quarters. The Management has represented that the business activities of the Companies have been carried out in the normal and ordinary course between 31 March 2020 and the Report date and that no material change has occurred in their respective operations between 31 March 2020 and the Report date, other than that informed by the Management and mentioned in this Report.

Valuation analysis and results are specific to the purpose of valuation and as per the agreed terms of the respective engagements. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

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A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends, financial, economic and other conditions in general and industry trends in particular. This Report is issued on the understanding that the Managements of the Companies have drawn my attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on my opinion, on the Fair Equity Share Exchange Ratio for the Proposed Amalgamation. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this report.

Further, after declaration of Covid-19 as a pandemic by the World Health Organization and consequent imposition of lockdown in India has caused a widespread disruption in businesses as well as on the financial markets in India and globally alike. My assumptions for the valuation is surrounded by these unprecedented uncertainty across all the industries and sectors including the time period over which these circumstances could prevail. The valuation assumptions, the underlying projections and the outcome of the valuation analysis could materially change as a result of the continued or increased uncertainty around the prevalence of Covid-19 circumstances and hence, reliance on my valuation must be placed considering these unprecedented circumstances.

In the course of the valuation, I was provided with both written and verbal information, including market, financial and operating data. In accordance with the terms of my engagement, I have carried out relevant analyses and evaluations through discussions, calculations and such other means, as may be applicable and available, I have assumed and relied upon, without independently verifying (i) the accuracy of the information that was publicly available, sourced from subscribed databases and formed a substantial basis for this Report and (ii) the accuracy of information made available to me by the Companies. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness, I have obtained information, as far as possible, from sources generally considered to be reliable. I assume no responsibility for such information. My valuation does not constitute as an audit or review in accordance with the auditing standards applicable in India, accounting / financial / commercial / legal / tax / environmental due diligence or forensic / investigation services, and does not include verification or validation work. In accordance with the terms of my engagement / appointment letters and in accordance with the customary approach adopted in valuation exercises, I have not audited, reviewed, certified, carried out a due diligence, or otherwise investigated the historical financials / financial information or individual assets or liabilities, provided to me regarding the Companies / subsidiary / associates / joint ventures / investee companies. Accordingly, I do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in such historical financials / financial statements. Also, with respect to explanations and information sought from the Companies, I have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with me in case of any doubt. My conclusion is based on the assumptions and information given by / on behalf of the Companies. The respective Managements of the Companies have indicated to me that they have understood that any omissions, inaccuracies or misstatements may materially affect my valuation analysis / results.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. This Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited / unaudited balance sheets of the Companies / subsidiary / associates / joint ventures / investee companies, if any. No investigation of SRSL's and GSL's (or their investee companies) claim to title of assets has been made for the purpose of this Report and SRSL's and GSL's (or their

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investee companies) 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.

My Report is not, nor should it be construed as me opining or certifying the compliance of the Proposed Amalgamation with the provisions of any law / standards including Companies Act 2013, foreign exchange regulatory, accounting and taxation (including transfer pricing) laws / standards or as regards any economic rationale legal, accounting or taxation implications or issues arising from such Proposed Amalgamation.

My Report is not, nor should it be construed as me recommending the Proposed Amalgamation or anything consequential thereto / resulting therefrom. This Report does not address the relative merits of the Proposed Amalgamation as compared with any other alternatives or whether or not such alternatives could be achieved or are available. Any decision by the Companies / their shareholders / creditors regarding whether or not to proceed with the Proposed Amalgamation shall rest solely with them. This Report does not in any manner address, opine on or recommend the prices at which the securities of the Companies could or should transact at following the announcement / consummation of the Proposed Amalgamation and I express no opinion or recommendation as to how the shareholders of either Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Amalgamation. The recommendation(s) rendered in this Report only represent my recommendation(s) based upon information furnished by the Companies (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, my recommendation will however not be used for advising anybody to take buy or sell decision or as providing management services or carrying out management functions, for which specific opinion needs to be taken from expert advisors.

Except in respect of certain equity investments of the Companies, I have not conducted or provided an analysis for any individual assets / liabilities and have wholly relied on information provided by the Companies in that regard.

The fee for my valuation analysis and the Report is not contingent upon the results reported.

I owe responsibility to only the Boards of Directors of the Companies who have appointed me under the terms of my respective Engagement Letter and nobody else. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken by, omissions of or advice given by any other to the Companies. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of a Valuer or its employees, relating to the services provided in connection with the engagement set out in this Report will exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

I do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion. This Report is not a substitute for the third party's own due diligence / appraisal / enquiries / independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Amalgamation, without my prior written consent.

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Any discrepancies in any table / annexure between the total and the sums of the amounts listed are due to rounding-off.

SHARE CAPITAL DETAILS OF THE COMPANIES

Shree Renuka Sugars Limited

As at 31 March 2020, the issued and subscribed paid up equity share capital of SRSL was ~INR 1,916.82 million consisting of 1,916,819,292 equity shares of face value of INR 1/- each fully paid up.

On 21 September, 2020, SRSL has issued and allotted 211,670,481 equity shares of INR 1/- each fully paid up to Wilmar Sugar Holdings Pte. Ltd., promoter of the Company at INR 8.74 per equity share aggregating to INR 1,850 million as additional capital into SRSL on a preferential basis

As at 30 September 2020, the issued and subscribed paid up equity share capital of SRSL was ~INR 2,128.54 million consisting of 2,12,84,89,773 equity shares of face value of INR 1/- each fully paid up. The shareholding pattern was as follows:

Sr. No.	Shareholder	Nos. of Equity Shares	Percentage
1	Promoter and Promoter Group	1,32,98,75,232	62.48%
2	Public	79,86,62,541	37.52%
	Total	2,12,85,37,773	100%

The Management of SRSL has informed me that (i) there would not be any capital variation in SRSL from the Report date till the Proposed Amalgamation becomes effective without approval of the shareholders and other relevant authorities and (ii) they would not declare any dividend which is materially different than those declared in the past few years.

Gokak Sugars Limited

As at 30 September 2020, the paid-up equity share capital of GSL was ~INR 351.74 million consisting of 35,174,540 equity shares of face value of INR 10/- each fully paid up. The shareholding pattern was as follows:

Sr. No.	Shareholder	Nos. of Equity Shares	Percentage
1	SRSL	32,937,140	93.64%
2	Others	2,237,400	6.36%
	Total	35,174,540	100%

The Management of GSL has informed me that (i) there would not be any capital variation in GSL from the Report date till the Proposed Amalgamation becomes effective without approval of the shareholders and other relevant authorities and (ii) they would not declare any dividend which is materially different than those declared in the past few years.

APPROACH – BASIS OF AMALGAMATION

The Proposed Amalgamation is proposed under a composite Scheme of Amalgamation under the provisions of Section 230 – 232 of the Companies Act, 2013 (including other applicable provisions of the Companies Act, 2013) and other applicable securities and capital market laws and rules issued thereunder to the extent applicable (hereinafter referred to as "Proposed Amalgamation"). As a consideration for this Proposed Merger, equity shareholders of GSL would be issued equity shares of SRSL in lieu of their shareholding in GSL.

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In transaction of nature of merger or amalgamation of companies or merger or demerger of businesses, the consideration is often discharged primarily by issue of securities in the nature of equity shares of the acquirer or transferee entity with reference to an exchange ratio / entitlement ratio considering the relative values.

I have considered the valuation base as "Fair Value". I have considered Going Concern Value and "As is Where is" Value as applicable to the companies being valued, as the Premise of Value. Arriving at the Fair Equity Share Exchange Ratio for the purposes of amalgamation such as the Proposed Amalgamation, would require determining the relative fair values (and not absolute fair values) of each company involved and of their equity shares. These values are to be determined independently but on a relative basis, and without considering the effect of the amalgamation.

It may be noted that I am enrolled with PVAI Registered Valuer's Organization, which has recommended to follow the International Valuation Standards ("IVS") for undertaking valuation and accordingly, I have considered the International Valuation Standards issued by International Valuation Standards Council ("IVSC") in carrying out the valuation exercise.

The three main valuation approaches are the market approach, income approach and asset approach. There are several commonly used and accepted methods, within the market approach, income approach and asset approach, for determining the relative fair value of equity shares, which can be considered in the present case, to the extent relevant and applicable, and subject to the availability of detailed information, to arrive at the Fair Equity Share Exchange Ratio for the purpose of the Proposed Amalgamation, such as:

1. Asset Approach - Net Asset Value (NAV) Method
2. Income Approach - Discounted Cash Flow (DCF) Method
3. Market Approach
 - a) Market Price Method
 - b) Comparable Companies Multiple (CCM) Method

It should be understood that the valuation of any entity or its assets is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond my control. In performing my analysis, I have made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of the Companies and their assets. The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. My choice of method of valuation has been arrived at using usual and conventional methods adopted for transactions of a similar nature and my reasonable judgment, in an independent and bona fide manner based on my previous experience of assignments of a similar nature.

Asset Approach - Net Asset Value Method:

Under this approach, the net asset value method is considered, which is based on the underlying net assets and liabilities of the company, taking into account operating assets and liabilities on a book value basis and adjustments as considered appropriate by respective Valuers.

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The asset-based valuation technique is based on the value of the underlying net assets of the business either on book value or realizable value basis or replacement value basis. This valuation is mainly used in case where the firm is to be liquidated i.e. it does not meet the "Going Concern" criteria or in case where the asset base dominates the earnings capabilities. Further, this method does not capture the value of intangible assets in the form of customer relations, trademark, etc. as well as the future growth potential of the business. Hence, I have not used NAV method to determine the relative value of the equity shares of both the Companies.

Income Approach: Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalized) amount. The value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

- **Discounted Cash Flow (DCF) Method:** Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Such DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to the providers of the company's capital – both debt and equity.

Appropriate discount rate to be applied to cash flows i.e. the cost of capital:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

SRSI is a listed entity and the details related to future projections are price sensitive, also for listed companies which are frequently traded there is a pre-defined pricing formula defined. Thus, the income approach is not considered relevant for valuation. GSL is one of the major subsidiaries of SRSI and future projections of the same are considered price sensitive for the listed entity. Thus, the same has not been considered for valuation purpose.

Since the onset of pandemic, the overall economy has been affected and the financial data post March 2020 may not be reflective of normal business operations. For GSL, the annual performance of FY 2019-20 is considered for applying valuation techniques as the data represents normal business and operating scenario. As per our discussions with the management, we understand that the EBITDA margins for GSL for 2019-20 is impacted by a one-time exceptional item and a normalized EBITDA was used for valuation.

The information related to future profit and loss accounts, balance sheet and cash flow is price sensitive. In light of the above, I was not provided with the projections of the Companies by their respective management. I have therefore, not used the DCF method for this valuation exercise.

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, such as a business.

- **Market Price Method:** Under this method, the value of shares of a company is determined by taking the average of the market capitalization of the equity shares of such companies as quoted on a recognized stock exchange over reasonable

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periods of time where such quotations are arising from the shares being regularly and freely traded in an active market, subject to the element of speculative support that may be inbuilt in the market price. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share, especially where the market values are fluctuating in a volatile capital market. Further, in the case of an amalgamation, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

For SRS�:-

- i. The equity shares of SRS� are traded on BSE and NSE. As per definition provided under Regulation 164 (5) of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 the shares of SRS�'s shares are frequently traded shares.
 - ii. Attention may also be drawn to Regulation 158 of ICDR Regulations (read with SEBI Circulars CFD/DIL3/CIR/2017/21 dated March 10, 2017 and CFD/DIL3/CIR/2017/26 dated March 23, 2017), which specifies that issue of equity shares to shareholders of an unlisted entity pursuant to a National Company Law Tribunal approved scheme shall conform with the pricing provisions of preferential issue specified under Regulation 164 of the said regulations. Further it may be noted that Regulation 164 specifies the minimum price for issue of shares on a preferential basis. The relevant date as per the SEBI circular is November 09, 2020. The Pricing Formula provided in Regulations 164 (1) has been considered for arriving at the value per equity share of SRS� under the market price Method. The market price is considered as higher of following:
 - (a) Average of the weekly high and low of the volume weighted average price during the 26 weeks preceding November 09, 2020; or
 - (b) Average of weekly high and low of the volume weighted average price during the 2 weeks preceding November 09, 2020.
 - iii. As the equity shares of the SRS� are frequently traded, considering the foregoing Market Price Method under the Market Approach has been considered for valuation of the SRS�.
 - iv. In the present case, the equity shares of SRS� are listed on BSE and NSE. SRS�'s equity shares recorded the highest trading volume on NSE. Accordingly, the share price of SRS� as observed on NSE have been considered for arriving at the value per share of SRS� under the market price method.
- **Comparable Companies' Multiples (CCM) Method:** Under this method, one attempts to measure the value of the shares / business of a company by applying the derived market multiple based on market quotations of comparable public / listed companies, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company / business (based on past and / or projected working results). This valuation is based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

For GSL:-

- i. GSL is an unlisted company and the valuation is based on market multiples. The company has identified few peers and considering the same market multiple has been computed.
- ii. I have considered Enterprise value to Earnings before interest, tax, depreciation and amortization (EV/EBITDA) multiple of the comparable listed companies after giving an appropriate discount to account for size, marketability and other things. Also, EV/ EBIDTA is considered one of the most relevant market multiple for the subject industry.
- iii. To the value the business so arrived, adjustments need to be made for the value of borrowings, cash and cash like items in order to arrive at the value for equity shareholders.

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Basis of Fair Equity Share Exchange Ratio

The fair basis of the Proposed Amalgamation would have to be determined after taking into consideration all the factors, approaches and methods considered appropriate by the respective Valuers. Though different values have been arrived at under each of the above approaches / methods, for the purposes of recommending the Fair Equity Share Exchange Ratio it is necessary to arrive at a single value for the shares of the Companies involved in an amalgamation such as the Proposed Amalgamation. It is however important to note that in doing so, I am not attempting to arrive at the absolute values of the shares of the respective Companies but at their relative fair values to facilitate the determination of a Fair Equity Share Exchange Ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approach / method.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by me and judgments taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. The determination of exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single exchange ratio.

While I have provided my recommendation of the Fair Equity Share Exchange Ratio based on the information available to me and within the scope and constraints of my engagement, others may have a different opinion as to the Fair Equity Share Exchange Ratio of the equity shares of SRSL and GSL. The final responsibility for the determination of the exchange ratio at which the Proposed Amalgamation shall take place will be with the Board of Directors of the respective Companies who should take into account other factors such as their own assessment of the Proposed Amalgamation and input of other advisors.

The Fair Equity Share Exchange Ratio has been arrived at on the basis of a relative fair equity valuation of SRSL and GSL based on the various approaches / methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of these Companies, having regard to information base, key underlying assumptions and limitations.

I have applied methods discussed above, as considered appropriate, and arrived at assessment of the relative value per equity share of SRSL and GSL. To arrive at the consensus on the Fair Equity Share Exchange Ratio for the Proposed Amalgamation, suitable minor adjustments / rounding off have been done in the values.

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The Computation of Fair Equity Share Exchange Ratio as derived by me, is tabulated below:

Valuation Approach	SRSL		GSL	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach - Net Asset Value Method ¹	(0.63)	-	0.92	-
Market Approach – Market Price Method ²	9.97	100%	NA	-
Market Approach – Comparable Companies Multiple Method ³	--		4.43	100%
Income Approach – Discounted Cash Flow Method ⁴	--		--	
Relative Value per Share (INR)	9.97		4.43	
Fair Equity Share Exchange Ratio for Proposed Amalgamation of GSL into SRSL (rounded off)			0.44	

NA = Not Applicable

Valuer's Note:

1. In the current analysis, the Proposed Amalgamation of the Companies is proposed with on the assumption that the Companies would merge as going concerns (subject to the implantation of the composite scheme of amalgamation) and on actual realization of the operating assets is not contemplated. The operating assets have therefore been considered at their book values. In such a going concern scenario, the relative earning power is of greater importance to the basis of amalgamation. Hence, the Cost approach is not adopted in the current case as this methodology doesn't capture the future growth potential of the business of the Companies.
2. Under the Market Approach, as equity shares of SRSL are listed on recognized stock exchange and are frequently traded, I have considered the market price method. The market price method is not considered for GSL as its equity shares are not listed on any stock exchange.
3. Considering the reasonable set of comparable companies to GSL, I have considered comparable companies multiples method to arrive at the relative fair value of the equity shares of GSL for the purpose of arriving at the Fair Equity Share Exchange Ratio.
4. Since, SRSL is a listed entity and GSL is a subsidiary of SRSL. The information related to future profit and loss accounts, balance sheet and cash flow is price sensitive. In light of the above, I was not provided with the projections of the Companies by their respective management. I have therefore, not used the DCF method for this valuation exercise.

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In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, I recommend the following Fair Equity Share Exchange Ratio for the Proposed Amalgamation of SRSI into GSL:

44 equity shares of SRSI of INR 1/- each fully paid up for every 100 equity shares of GSL of INR 10/- each fully paid up.

Respectfully submitted,

Jayesh P shah

Jayesh Parasmal Shah

Registered Valuer

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UDIN: 20147216AAAABJ4392

Date: 9 November 2020

Place: Mumbai