

**Shreekant Bhoot**

Registered Valuer (SFA) IBBI/RV/01/2021/13961

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To,

<b>Adarsh Ecstasy Projects Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India	<b>Adarsh Haven Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India	<b>Adarsh Realty And Hotels Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India	<b>Akarsha Prime Project Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India
<b>Akarshak Realty Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India	<b>Shivakar Developers Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India	<b>Shivakar Infra Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India	<b>Shreshta Apartments Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India
<b>Vismaya Builders And Developers Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India	<b>Vismaya Superprojects Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India	<b>Bangalore Best Realty Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India	<b>Adarsh Nest Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India
<b>Akarsha Realty Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India	<b>Adarsh Nivaas Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India	<b>Akarsh Residence Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India	<b>Shreshta Infra Projects Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India
<b>Alekhyia Property Developments Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India	<b>Varin Infra Projects Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India	<b>Palmmeadows Club Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India	<b>Kalpak Superprojects Private Limited</b> No. 2/4, Langford Garden, Richmond Town, Bengaluru - 560025, Karnataka, India

(collectively referred to as “Companies”)

Dear Sir/Madam,

**Subject: Report on recommendation of fair value of Listed Non-Convertible Debentures (“ Listed NCD”) issued by Shreshta Infra Projects Private Limited (“Company” or “Shreshta Infra”) and fair share swap ratio of the NCD (“Fair Swap Ratio”), if applicable, for the Proposed Transaction (defined hereinafter) as per the provisions SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) read with SEBI Master Circular no. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 dated May 21, 2024 (together referred to as “SEBI Regulations”)**

**Background:**

I hereby refer to the draft composite scheme of arrangement which includes the following arrangements (“Proposed Transaction”):

- a. Transfer by way of amalgamation of Bangalore Best Realty Private Limited (“Bangalore Best”) with and into Adarsh Nivaas Private Limited (“Adarsh Nivaas”) and, in consideration, the consequent issuance of equity shares by Adarsh Nivaas to all the shareholders of Bangalore Best (other than Adarsh Nivaas) pursuant to Part B of the Scheme (“Amalgamation 1”);
- b. Transfer by way of demerger of Demerged Undertaking 1, Demerged Undertaking 2 and Demerged Undertaking 3 of Adarsh Nivaas (after taking into effect of amalgamation of Bangalore Best) (“Demerged Company 1”), Akarsh Residence Private Limited (“Demerged Company 2”) and Shreshta Infra Projects Private Limited (“Demerged Company 3”) respectively into Alekhya Property Development Private Limited (“Alekhya Property”) and in consideration, the consequent issuance of equity shares by Alekhya Property to all the shareholders of the Demerged Company 1, the Demerged Company 2 and the Demerged Company 3 in pursuance to Part C of the Scheme (“Demerger 1”);
- c. Transfer by way of amalgamation of Adarsh Nest Private Limited (“Adarsh Nest”) with and into Varin Infra Projects Private Limited (“Varin Infra”) and in consideration, the consequent issuance of equity shares by Varin Infra to all the shareholders of Adarsh Nest in pursuance to Part D of the Scheme (“Amalgamation 2”);
- d. Transfer by way of demerger of demerged undertaking of Varin Infra (after taking into effect of amalgamation of Adarsh Nest) (“Demerged Undertaking 4”) (“Demerged Company 4” or “Merged Varin Infra”) into Palmmeadows Club Private Limited (“Palm Meadows”) and in consideration, the consequent issuance of equity shares by Alekhya Property (as the holding company of the Palm Meadows) to all the shareholders of Merged Varin Infra in pursuance to Part E of the Scheme (“Demerger 2”);
- e. Transfer by way of demerger of demerged undertaking (“Demerged Undertaking 5”) of Akarsha Realty Private Limited (“Demerged Company 5” or “Akarsha Realty”) into Kalpak Superprojects Private Limited (“Kalpak Superprojects”) and in consideration, the consequent issuance of equity shares by Alekhya Property (as the holding company of the Kalpak

Superprojects) to all the shareholder of Akarsha Realty in pursuance to Part F of the Scheme (“Demerger 3”);

- f. Transfer by way of amalgamation of Akarsha Realty Private Limited (after taking into effect the demerger of Demerged Undertaking 5) (“Demerged Akarsha Realty”) with and into Alekhya Property and in consideration, the consequent issuance of equity shares by Alekhya Property to all the shareholder of Demerged Akarsha Realty in pursuance to Part G of the Scheme (“Amalgamation 3”);
- g. Transfer by way of amalgamation of Adarsh Ecstasy Projects Private Limited (“Adarsh Ecstasy”), Adarsh Haven Private Limited (“Adarsh Haven”), Adarsh Realty And Hotels Private Limited (“Adarsh Realty”), Akarsha Prime Project Private Limited (“Akarsha Prime”), Akarshak Realty Private Limited (“Akarshak Realty”), Shivakar Developers Private Limited (“Shivakar Developers”), Shivakar Infra Private Limited (“Shivakar Infra”), Shreshta Apartments Private Limited (“Shreshta Apartments”), Vismaya Builders and Developers Private Limited (“Vismaya Builders”) and Vismaya Superprojects Private Limited (“Vismaya Superprojects”) (together referred to as “Transferor Companies”) with and into Alekhya Property and in consideration, the consequent issuance of equity shares by Alekhya Property to all the shareholders of the Transferor Companies, in pursuance to Part H of the Scheme (“Amalgamation 4”).

(Bangalore Best, Adarsh Nivaas, Demerged Undertaking 1, Demerged Undertaking 2, Demerged Undertaking 3, Adarsh Nest, Varin Infra, Demerged Undertaking 4, Demerged Undertaking 5, Demerged Akarsha Realty, Transferor Companies and Alekhya Property are hereinafter collectively referred to as “Companies”)

I, Shreekant Bhoot, a Registered Valuer (“I” or “me”), have been appointed by the management of Alekhya Property on behalf of the Company, vide engagement letter dated 26, 2025, with a view to determine fair value of the Listed NCDs issued by Company and Fair Swap Ratio as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Master Circular no. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/48 dated May 21, 2024 (“SEBI Regulations”).

The information contained herein, and this report is confidential. This certificate is being issued at the request of Companies and is intended only for the sole use and information of Companies. I am not responsible to any other person/party for any decision of such person or party based on this report. It is hereby notified that reproduction, copying or otherwise quoting of this report or any part thereof, other than for the purpose set out herein, can be done only with my prior permission in writing.

The report is structured in the following manner:

- a) Sources of Information
- b) Scope and Limitations
- c) Brief Background of companies
- d) Purpose of Valuation Exercise and Appointing Authority
- e) Identity of the Valuer and other experts involved
- f) Disclosure of Valuer Interest/Conflict
- g) Date of appointment, Valuation Date and date of the report

- h) Procedures adopted in carrying out a valuation
- i) Valuation Methodology and Approach
- j) Conclusion

## **1. SOURCES OF INFORMATION**

1.1 For the purposes of the Fair value of NCDs and fair swap ratio determination exercise, I have relied upon the following sources of information:

- (a) Brief overview of the Company and its operations;
- (b) Draft scheme/explanation/overview of proposed arrangement;
- (c) Terms of Listed NCDs of the Company;
- (d) Published and secondary sources of data whether or not made available by the Companies; and
- (e) Such other analysis, reviews, enquiries as considered relevant in preparation of this report.

1.2 In addition to the above information, I have also held various discussions with the management and other key personnel from time to time regarding past, current and future business operations, either in oral or written form or in soft copy.

1.3 The Companies has been provided with the opportunity to review the draft report as part of the standard practice to make sure that factual inaccuracies/omissions are avoided in the final report.

## **2. SCOPE AND LIMITATIONS**

2.1 This report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts.

2.2 This report is subject to the laws of India.

2.3 The report and its contents and the results herein are specific to the purpose mentioned in the report, specific to the date of the valuation, based on the information provided to me by the management of the Company.

2.4 The work did not constitute an audit, a due diligence, an independent validation of the financial statements and accordingly, I do not express any opinion on the same.

2.5 An exercise of this nature involves consideration of various factors and industry trends in particular. This report is issued on the understanding that the management has drawn my

attention to the relevant material information, which they are aware of concerning the financial position and any other matter, which may have an impact on the valuation.

- 2.6 During the course of my work, I have relied upon information, data, assumptions, explanations and representations made by the management. Further, the assumptions require the exercise of judgment and are subject to uncertainties. I have assumed such representations to be reliable and my conclusion is dependent on such information being complete and accurate in all material respects.
- 2.7 The conclusions are based on the information given by/on behalf of Company. The management of Company has indicated to me that they have understood that any omissions, inaccuracies or misstatements may materially affect my valuation analysis and results. Accordingly, I assume no responsibility for any errors, omission, inaccuracies or misstatements in the above information furnished by Company and their impact on the present exercise. In my limited view, nothing has come to my attention to indicate that the information provided was materially incorrect/misstated.
- 2.8 The determination of fair value of Listed NCDs and fair swap ratio, by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinion may differ due to number of separate judgment and decisions, which have to be made. There can therefore be no standard formulae to arrive at an undisputable fair value or swap ratio.
- 2.9 This report is prepared for Companies and must be used only for the specific engagement and regulatory reporting purposes and must not be copied, disclosed or circulated or referred to in correspondence or discussion with any person. The report is confidential, and it is given on the express undertaking that it is not communicated, in whole or in part, to any third party without my prior written consent. Neither this report nor its contents may be used for any other purpose without my prior written consent. While the consent will not be reasonably withheld, I shall require a hold harmless letter in a form expressly agreed by us from each party to whom the valuation report is proposed to be made available. In absence of this, I will not accept any liability/responsibility to such parties to whom the report is shown. Neither the report nor its contents may be referred to or quoted in any registration statement, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the intended use, without my prior written consent except for disclosures to be made to relevant regulatory authorities.
- 2.10 Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair and reasonable, neither myself, nor any of my partners, officers or employees shall in any way be responsible for the contents stated herein. Accordingly, I make no representation or warranty, express or implied, in respect of completeness, authenticity or accuracy of such statements. I expressly disclaim any and all liabilities which may arise based upon the information used in this report. I am not liable to any third party in relation to the issue of this report. In no event I shall be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or willful

default on the part of Companies, their management, directors, employees or agents. I owe responsibility to only the board of directors of the respective Companies who has appointed me under the terms of my engagement and nobody else. I do not accept any liability to any third party in relation to the issue of this report. In no event I shall be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentation or willful default on the part of the Companies, their directors, employees or agents.

- 2.11 The report assumes that the Companies has complied with relevant laws and regulations applicable in all its areas of operations and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration to matters of a legal nature including issues of legal title and compliance with local laws, litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies. My conclusion of value assumes that the assets and liabilities of the Companies, reflecting in their respective latest balance sheets remain intact as on the report date.
- 2.12 I am not an advisor with respect to legal, tax and regulatory matter for the proposed transaction. This valuation report does not look into the business/commercial reasons behind the proposed transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed transaction as compared with any other alternative business transaction or other alternative, or whether or not such alternatives could have been achieved or are available. Further, no investigation has been carried out of the Companies' claim to title of assets have been made for the purpose of this report and the Companies' claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of legal nature.
- 2.13 The above comments are based on the information provided by the Board of Directors of the Companies who accept full responsibility. My analysis and reviews are limited to the above-mentioned procedures and are subject to this limitation. My reliance and use of information provided by the Company should not be construed as expression of my opinion on it and I will not accept any responsibility or liability for any inaccuracy in it.
- 2.14 The determination of fair value of Listed NCDs and fair swap ratio will rest with the Board of Directors of the respective Companies, who should consider other factors such as their own assessment of the proposed transaction and inputs from other advisors. The fair value of Listed NCDs and fair swap ratio is something on which the parties themselves must agree. I emphasize that my opinion is not the only factor that should be considered by parties in agreeing to fair value of Listed NCDs and fair swap ratio.
- 2.15 This report is not, nor should it be construed as my opining or certifying the compliance with the provisions of any law including company law, exchange control regulations and taxation law or as regards any legal implications or issues arising in relation thereto.

- 2.16 For the present exercise, I have also relied on information available in the public domain; however, the accuracy and timeliness of the same have not been independently verified by me.
- 2.17 I have no obligation to update this report because of events or transactions occurring subsequent to the date of this report.

### 3. **BRIEF BACKGROUND OF THE COMPANY**

- 3.1 Shreshta Infra (CIN: U45200KA2011PTC060517) having its registered office at No. 2/4, Langford Garden, Richmond Town, Bengaluru – 560025, is primarily engaged in the business of construction and development of real estate projects. It has issued certain non-convertible debentures which are listed on the BSE Limited. Shreshta Infra has a paid-up capital of INR 4,00,000 divided into 40,000 equity shares of INR 10/- each.
- 3.2 The brief terms of the Listed NCDs issued by the Company are as follows:

Category	Pre Scheme
ISIN	INE0CKK08019
Face Value (per NCD in INR)	1,00,000 (Post Repayment - 19,428.57)
Face Value after repayment (per NCD in INR)	19,428.57
No. of NCDs	35,000
Principal Amount (Sanctioned) (in INR)	3,50,00,00,000
Principal Amount (Outstanding as of 31 <sup>st</sup> January, 2025) (in INR)	68,00,00,000
Tenure/ Maturity (in no. of days)	Forty-one months and fifteen days starting from 17 <sup>th</sup> Jan 2024 (i.e., 1,260 days)
Coupon Rate	15% per annum
Coupon Frequency	Annually
Credit Rating	Acuite Provisional B/Stable Outlook
Debenture Trustee	Vistra ITCL (India) Limited

- 3.3 As per discussion with the management of the Company, I understand that there will not be any impact on the debenture holders of the Company pursuant to the Scheme. The Scheme envisages that the Listed NCDs to be retained in Company and shall not form part of the Demerged Undertaking 3 proposed to be transferred to Alekhya Property Developments Private Limited pursuant to Demerger 1 and, hence, all rights, powers, duties and obligations in relation thereto shall continue to remain and exercised by or against Shreshta Infra. Pursuant to the Scheme, there will be no change in terms and conditions of Listed NCDs. The holders of Listed NCDs as on the effective date of the Scheme will continue to hold Listed NCDs in Shreshta Infra, without any interruption and on the same terms and conditions. Further, sufficient assets to repay the Listed NCDs shall be maintained by Company, thus, adequately safeguarding the interests of the NCD holders.

3.4 Further, as represented by management, the incremental rate of borrowing for the Company for similar NCDs shall be approximately ~15% per annum.

**4. PURPOSE OF VALUATION AND APPOINTING AUTHORITY**

4.1 I understand that the management of Companies (hereinafter referred to as “the Management”) are contemplating to undertake the Proposed Transaction through a Composite Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the rules and regulations made thereunder and, such other applicable provisions, if any.

4.2 The Board of Directors of the Companies have appointed me, [•] , Registered Valuer, to determine fair value of Listed NCDs and fair swap ratio under the SEBI Regulations.

4.3 The fair value of Listed NCDs and fair swap ratio is determined with reference to the valuation date, which is 31<sup>st</sup> January 2025.

4.4 As per Section 247 of the Companies Act, 2013, the Board of Directors of the Companies have appointed me, Shreekant Bhoot, Registered Valuer, Securities or Financial Assets for fair value of Listed NCDs and fair swap ratio of the Listed NCDs of the Company.

4.5 I have provided the valuation opinion in the capacity of the Registered Valuer under the provisions SEBI Regulations.

**5. DISCLOSURE OF VALUER INTEREST/CONFLICT**

5.1 I hereby declare that I do not have any form of relationship with the Companies that could influence the information or opinion contained in this report.

5.2 I acknowledge that I have no present or contemplated financial interest in the Companies. My fee for this valuation is based upon my normal billing rates, and not contingent upon the results or the value of the business or in any other manner.

5.3 I have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

**6. DATE OF APPOINTMENT, VALUATION DATE AND DATE OF THE REPORT**

6.1 The Board of Director of Company has appointed me, Registered Valuer, Securities or Financial Assets, IBBI Enrolment Number Regn IBBI/RV/01/2021/13961. Fair value of Listed NCDs and fair swap ratio of the Listed NCDs is determined with reference to the Valuation Date which is 31<sup>st</sup> January 2025.

6.2 The valuation report is issued on February 27, 2025.



## **7. PROCEDURE ADOPTED IN VALUATION**

- 7.1 There is no single definition of the term 'Value' that is suitable for all purposes or at all times. The value of a particular asset may vary according to different valuation methodologies that are adopted to ascertain the value for a specific purpose. However, for the purpose of valuation, it is necessary to select an appropriate basis of valuation amongst various alternatives. It is universally recognized and understood that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable having regard to the facts and circumstances of the case. The application of any particular method of valuation depends upon various factors such as the size of the company, nature of business and purpose of valuation.
- 7.2 The valuation of any company or its assets or any instrument is inherently imprecise and is subject to certain/uncertainties and contingencies, all of which are difficult to predict and at times beyond any one's control. Having said the above, the concept of valuation is all about a price at which the transaction takes place i.e., the price at which seller is willing to sell and the buyer is willing to buy. Accordingly, a fair and proper approach for valuing the instruments of the company is to use a combination of various methods. In the instant case, the choice of methodology of valuation has been arrived at using usual methodologies adopted for transactions of similar nature, regulatory guidelines and reasonable judgment in an independent and bonafide manner.
- 7.3 In the section below, I have discussed some of the commonly used valuation methodologies. The valuation methodology to be adopted varies from case to case depending upon different factors affecting valuation. There are a number of methodologies to value, Listed NCDs by the Company.
- 7.4 This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their Lawyer, Attorney or Accountant.
- 7.5 I have, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not required to give expert testimony or to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.

## **8. VALUATION METHODOLOGY AND APPROACH**

### **8.1 Basis of Valuation**

- 8.1 There are several commonly used and accepted methods for determining the fair value of debentures of a company. Amongst others, the Income Method focuses on the profit/earnings potential of the instrument being valued.

- 8.2 Under the Income method, the projected free cash flows to the instrument are discounted at the appropriate discount rate. The sum of the discounted value of such free cash flows is the value of the instrument. Using the Income Method analysis involves determining the following:
- Estimating future free cash flows:
  - Free cash flows are the cash flows expected to be generated towards the instrument
  - Appropriate discount rate to be applied to cash flows.
- 8.3 This discount rate, which is applied to the free cash flows, should reflect the opportunity cost. The opportunity cost equals the rate of return the capital provider expects to earn on other investments of equivalent risk.
- 8.4 Since fair value of Listed NCDs would depend upon future cash flow from the instrument, therefore, Income method is the most appropriate method to determine the fair value of Listed NCDs. As discussed in paragraph 3.4 of this report, the Company's incremental cost of borrowing is equivalent to the Coupon Rate as provided in paragraph 3.2 of this report. Based on the above, I have used incremental cost of borrowing/ Coupon rate as an appropriate discount rate for the purpose of Listed NCD.
- 8.5 As discussed in paragraph 3.3 of this report, since there is no swap of Listed NCDs envisaged under the scheme of arrangement. Hence, there is no fair swap ratio provided for the Listed NCDs.

## 9. CONCLUSION

Since Coupon rate of 15% on Listed NCDs is at arms' length, I have considered the same as an appropriate discount rate for the purpose of Listed NCDs. Therefore, in my view, the fair value per Listed NCDs of the Company shall be INR 19,428.57/- (Rupees Nineteen thousand four hundred twenty-eight rupees and fifty-seven paise Only), which is equal to the face value (outstanding) of such Listed NCDs.

As mentioned earlier, the Scheme provides that the Listed NCDs will remain with Shreshta Infra and will not be included in Demerged Undertaking 3, which is to be transferred to Alekhya Property Developments Private Limited under Demerger 1. Since the Scheme does not contemplate a swap of NCDs, no swap ratio for the Listed NCDs has been included in this report.

This report is based on the information provided to us by the management. This report has been prepared solely for the purpose of assisting the management in determining the fair value of Listed NCDs and fair swap ratio for the purpose as stated above and should not be used for any other purpose.

Thanking you,

*Shreekant Bhoot*



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**SHREEKANT BHOOT**  
**(Registered Valuer)**  
**Regn IBBI/RV/01/2021/13961**