

Determination of fair value of equity shares of **Aries Holdings (DIFC) Limited**

Valuation Date: 06th August 2024
Report Date: 08th August 2024

Rashmi Shah FCA

Registered Valuer (Securities or Financial Assets)

IBBI Reg. No.: IBBI/RV/06/2018/10240

For R V SHAH & ASSOCIATES

Chartered Accountants

702, Shah Trade Centre, Rani Sati Marg, Malad East, Mumbai – 400 097

Mobile: +91 98202 99754

E-mail: rashmi@rvs-ca.com

Kind Attn:

The Board of Directors

Schloss Chennai Private Limited

The Leela Palace, Diplomatic Enclave, Africa Avenue, Netaji Nagar,
New Delhi, Delhi, India – 110 023.

Determination of Fair Value of Equity Shares of Aries Holdings (DIFC) Limited

Management of Schloss Chennai Private Limited ('SCPL') requires valuation of common shares of Aries Holdings (DIFC) Limited (hereinafter referred to as "Aries Holdings" or "the Company"). Schloss Chennai Private Limited is contemplating to acquire equity shares of Aries Holdings (DIFC) Limited ("Proposed Transaction").

In this regard, R V Shah & Associates, Chartered Accountants ('RVS' or 'We') has been appointed by the Management of Schloss Chennai Private Limited ('the Management') to report on the fair valuation of equity shares of Aries Holdings as required under Regulation 16 Foreign Exchange Management (Overseas Investment) Rules, 2022 ('OI Rules 2022') notified by the Central government on 22 August 2022 read with Foreign Exchange Management (Overseas Investment) Regulations, 2022 ('OI Regulations 2022') notified by the Reserve Bank of India ('RBI') on 22 August 2022 and Foreign Exchange Management (Overseas Investment) Directions, 2022 ('OI Directions 2022') issued by RBI on 22 August 2022, as amended from time to time (together referred to as "Overseas Investment Framework"), as applicable in connection with the Proposed Transaction ('Valuation Purpose').

The Valuation Date is 06th August 2024 ('Valuation Date').

As required under Overseas Investment Framework, the valuation of equity shares of a foreign entity shall be as per any internationally accepted pricing methodology for valuation on an arms-length basis. On the basis of our analysis discussed under 'Valuation Analysis' section, the fair value of equity shares is **USD 0.02 per equity share or INR 2.01 per equity share**¹. Please find enclosed a narrative report detailing our recommendation of value, the methodology employed and the assumptions used in our analysis.

¹ USD – INR Exchange rate as of 06th August 2024 – 83.91

You have confirmed to us that you have provided us with all the relevant information, knowledge, supporting documents and confirmations completely and correctly and that no material information has been concealed or withheld or misrepresented by you and that you have checked to ensure that there are no factual errors in this report. It is our understanding that the results of our valuation will be used by the Management for compliance with the said Valuation Purpose only. If you have any questions or require additional information, please do feel free to contact us.

Respectfully submitted



Rashmi Shah FCA

Registered Valuer with IBBI Registration No.: IBBI/RV/06/2018/10240

R V Shah & Associates

Chartered Accountants

ICAI Membership No.: 123478

FRN: 133958W

Place: Mumbai

Date: 08th August 2024

ICAI UDIN: 24123478BKALAM3108

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Engagement Background and Corporate Overview

Aries Holdings was incorporated as a private company on 02nd November 2023. The registered office of the Company is located at Unit L24-00, Level 24, ICD Brookfield Place, Dubai International Financial Centre, 507 234 Dubai. Aries Holdings is engaged in the business of making investments and has obtained a commercial license to operate as holding company from DIFC authorities, Government of Dubai.

The shareholding pattern of Aries Holdings as of the Valuation Date is as below:

Name of Shareholder	No. of shares held	% Shareholding
Brookfield Private Capital (DIFC) Limited	4,199	100.00%
Total number of shares	4,199	100.00%



Valuation Conclusion

The fair value of equity shares of Aries Holdings (DIFC) Limited is determined to **USD 0.02 per equity share or INR 2.01 per equity share.**

Kindly refer detailed analysis in 'Valuation Analysis' section of this report.

Our valuation analysis is based on the financial and other information as provided to us by the Management as of the Valuation Date. Management has provided us with the unaudited financials for the period ended 06th August 2024 and has confirmed that there are no material changes between the financial position as of the report date and the balance sheet provided to us, so as to materially impact our value recommendation.



Valuation Analysis

Determination of fair value of equity shares of Aries Holdings (DIFC) Limited

We have determined value per share using the Net Asset Value (NAV) method. We have considered the financials provided to us by the Management of the Company as on 06th August 2024. The value of shares using the NAV method is **USD 0.02 per equity share or INR 2.01 per equity share as on the Valuation Date**. Please refer to the computation as below:

Particulars (Amounts in USD)	Book value	Fair value
Assets		
Cash and cash equivalents	1.00	1.00
Accounts receivable and other assets	99.37	99.37
Total Assets	100.37	100.37
Liabilities		
Accounts payable to related party	-	-
Total liabilities	-	-
Net asset value (NAV)	100.37	100.37
Number of equity shares	4,199	4,199
Value per share (USD)	0.02	0.02
Exchange rate		83.91
Value per share (INR)		2.01

In light of the above, the value of equity shares based on NAV method is **USD 0.02 per equity share or INR 2.01 per equity share**.



Valuation Methodologies

There are various internationally accepted pricing methodologies which can be applied to arrive at the valuation based on the specifics of the case. These include:

Aspect	Income Approach	Market Approach	Cost / Asset Approach
Valuation principle applied	Discounts future cash flows to the present date	Values of companies operating in the same industry are correlated	A prudent investor will pay no more for a business than the amount for which he could replace / re-create it
Relevant parameters	Discounted Cash Flows (DCF) method	Market Multiples Method for unlisted companies	Net Asset Value method
Appropriate situations to which the method may be applied	DCF is commonly used to value businesses or equity interests. It is appropriate for use when the wealth generating capacity of the business is determinable, going concern assumption is valid and when forecasts are available.	Market Approach is used when maintainable profit can be estimated, a set of suitable comparable companies is available and going concern assumption is valid.	Net Asset Value method is mainly used when maintainable profit of the entity cannot be estimated accurately. It is more suitable for loss making entities or entities that do not have a business plan as of the valuation date.



We have considered the Adjusted Net Asset Value method for valuation of equity shares of Aries Holdings due to the reason as mentioned below:

- The Discounted Cash Flows method determines the value of a business based on the cash flows expected to be generated over a period of time by a prudent investor. This method assumes the going concern concept and discounts the free cash flows during the forecast period and perpetuity value using an appropriate discount rate. We have not considered the DCF method considering the nature of business of Aries Holdings mentioned above. Management has confirmed to us that cash flows are not available for undertaking DCF based valuation and hence, we have not considered DCF method to determine the value of shares of Aries Holdings.
- Under the Market approach, the business / equity shares are valued considering the market price in comparison with other companies listed on stock exchanges. Management has confirmed to us that there are no direct comparable companies listed on stock exchanges having similar profile, products, economic reach and stage of business cycle. We have not considered the Comparable Companies' Multiple method for determining the value of equity shares of Aries Holdings.
- Cost approach determines the value of the company by considering the fair value of assets and liabilities as of the valuation date. Net Asset Value (NAV), the most commonly adopted valuation method under the cost approach is computed as the difference between the value of underlying assets less the value of liabilities. Given the purpose of valuation, we have considered the net asset value for determining the value of the investee companies. Additionally, we also understand that the income and market-based methods do not hold applicable for the valuation of the investee companies, which is why we have adopted cost-based methodology for the given valuation purpose.



Limiting Conditions

- Provision of valuation opinions and consideration of the issues described herein are areas of our regular valuation practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.
- The Report was prepared solely for the above Purpose and should not be used or relied upon for any other purpose including for filing with any statutory/regulatory authority, except as stated above.
- In accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements.
- We have been given to understand by the Management that it has made sure that no relevant and material factors have been omitted or concealed or given inaccurately by people assigned to provide information and clarifications to us for this exercise and that it has checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. We have assumed that the information provided to us presents a fair image of the valuation subject's activities and the assets being valued at the Valuation Date. Therefore, we will accept no responsibility for any error or omission in the Report arising from incorrect or incomplete information provided by Management. Also, we assume no responsibility for technical information furnished by the Management and believed to be reliable. We may however in no way be held responsible for completeness, accuracy, etc. for the data provided to us.
- The Report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that it will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to the following matters -
 - Matters of a legal nature, including issues of legal title and compliance with local laws, and
 - Litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Company.
- The valuation analysis and results are governed by concept of materiality.



- The opinion(s) rendered in the Report only represent the opinion(s) based upon information furnished by you and others on your behalf and other sources and the said opinion(s) shall be considered advisory in nature. Our opinion is however not for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors.
- The fee for the Report is not contingent upon the results reported.
- We owe responsibility to only to the directors of the company who have retained us and nobody else.
- We do not accept any liability to any third party in relation to the issue of this valuation report.
- The Report is not for anybody to make any investment into the valuation subject nor meant to assist anybody for any transaction purpose (for which expert opinion needs to be obtained) nor as to how the voting should be conducted in any meeting. The Report is purely for compliance with requirements of the said Valuation Purpose and the Rules made thereunder. This report has been prepared for a very specific purpose. Thus, this valuation report cannot be used for any other purpose apart from what is mentioned herein.
- We will not be held responsible to anybody in relation to this report. We understand that the contents of the report have been reviewed in detail before we issued the final signed report.
- We are not responsible to update this report subsequent to the date mentioned in this report because of any material event or any event that could have a bearing on our valuation analysis.



Sources of Information

The following sources of information have been obtained from the Management of Aries Holdings (DIFC) Limited utilized in conducting the valuation:

- Discussions with the Management.
- Unaudited financials for the period ended 06th August 2024.
- Shareholding Pattern.
- In addition to the above, we have also obtained such other information and explanations from the Management as considered relevant for the purpose of the valuation.

It may be mentioned that the Management has been provided with an opportunity to review factual information in our report as part of our standard practice to ensure that factual inaccuracies/omissions/etc. are avoided in our final signed report.