CS Venkata Subbarao Kalva
Company Secretary in Practice,
Insolvency Professional & Registered Valuer

41/1, 2nd Floor, 11th Cross
8th Main, Jayanagar 2nd Block
Bengaluru-560 011
Email: subbaraocs@gmail.com
Mobile: +91-8147238639

Date: 30th December 2023

To,	To,
The Board of Directors **Green Gold Animation Private Limited** **Office No. A1101, The Platina, 11th Floor, A Block, Gachibowli, Hyderabad, Telangana-500032**	**The Board of Directors** **Megraj Holdings Private Limited** **Office No. A1101, The Platina 11th Floor, A Block Gachibowli, Hyderabad, Telangana- 500032**

Dear Sir,

Sub: Recommendation of Security Exchange Ratio for the proposed amalgamation of Megraj Holdings Private Limited ("Transferor Company" / "MHPL") with Green Gold Animation Private Limited ("Transferee Company" / "GGAPL") and their respective shareholders and creditors ("Proposed Transaction" / "Amalgamation"/ "Scheme")

We understand that the management of MHPL and GGAPL proposed scheme of amalgamation of under Section 230 to 232 of Companies Act 2013 ("**the Act**") and rules made thereunder with an appointed date of 1st July, 2023.

In this regard, I Venkata Subbarao Kalva, FCS, being Registered Valuer (Securities or Financial Assets) with IBBI Registration No: IBBI/RV/04/2019/11140 (referred to as "**Valuer**" or "**We**" or "**Us**") has been appointed to recommend the fair share exchange ratio and non-convertible debenture exchange ratio (together referred as "**Security Exchange Ratio**") in connection with Proposed Transaction of MHPL and GGAPL as required under the provisions of the Companies Act 2013 and as required under the various SEBI circulars including SEBI/HO/DDHS/PoD1/P/CIR/2023/108 dated 29th July, 2022 and updated 20th June, 2023, as amended for the Scheme involving companies whose NCDs listed on recognized stock exchange in India .

This Valuation report has been prepared based on the information furnished by GGAPL and MHPL. In the first instance we are arriving at the Fair value per Equity Share of GGAPL and of MHPL. The Security Exchange Ratio has been arrived at by comparing both the companies' Fair Value per Equity Share. Based on the valuation, we recommend the following Exchange Ratio for Amalgamation of MHPL with GGAPL:

1 (One) fully paid-up Equity Shares of GGAPL of face value of Rs. 10/- each for every 58.262 Equity Shares of face value of Rs. 10/- each held in MHPL. **The resultant shares can be rounded off and / or adjusted to the nearest whole number.**

Further, we understand that in terms of the Scheme, holders of the NCDs of MHPL shall be entitled to receive the NCDs in GGAPL on the same terms. Therefore, pursuant to the Scheme, we recommend following Exchange Ratio for NCDs (including the coupon rate, tenure, redemption price and quantum, nature of security, etc.). In view thereof, we recommend following non-convertible debenture exchange ratio:

1 (One) fully paid-up NCD's of GGAPL of face value of Rs. 1,00,000/- each to be issued for every 1 (One) fully paid-up NCD's of face value of Rs. 1,00,000/- each held in MHPL.

In our opinion, the above Exchange Ratios of Security would be fair and equitable to the shareholders and holders of NCDs of both the Companies. I appreciate the co-operation received from your executives during this assignment.

Thanking you,

KVSubbaRao

Venkata Subbarao Kalva
Registered Valuer - Securities or Financial Assets
Regn No : IBBI/RV/04/2019/11140
COP No: IIV-RVO/OM/386/2019

INDEX

Regd. No. IBBI/RV/04/2019/11140 Bangalore

I. APPOINTING AUTHORITY & PURPOSE OF VALUATION

A) APPOINTING AUTHORITY

The Board of Directors of MHPL and GGAPL has appointed Venkata Subbarao Kalva as Registered Valuer on 12th December, 2023 having Regn No: IBBI/RV/04/2019/11140 Registered with Insolvency and Bankruptcy Board of India (IBBI) under Securities or Financials Assets Category to recommend the fair share exchange ratio and non-convertible debenture exchange ratio (together referred as Security Exchange Ratio) in relation to the proposed transaction of MHPL with GGAPL (hereinafter jointly referred to as " Companies") as required under the provisions of the Companies Act 2013 and rules made thereunder, and also various Circulars issued by Securities and Exchange Board of India (SEBI) up to date. The engagement letter has been signed by both companies on 12th December 2023.

B) PURPOSE OF VALUATION

The management of MHPL and GGAPL are contemplating scheme of amalgamation of MHPL with GGAPL with their respective shareholders and creditors in terms of sections 230 to 232 of Companies Act, 2013 and Rules made thereunder, and also various circulars issued by Securities and Exchange Board of India (SEBI) up to date.

As per the Scheme, the Parties thereto have agreed that, upon the Scheme becoming effective, and in consideration of the amalgamation of MHPL in GGAPL, GGAPL will issue and allot its equity shares to the shareholders of MHPL in lieu of their existing shareholding. Therefore, for the purpose of issuance of equity shares by GGAPL, Share Exchange Ratio is required to be determined.

Further in terms of the Scheme, whole of the Undertaking, properties, assets and liabilities of MHPL shall be transferred and vested in GGAPL. Thus, holders of the NCDs of MHPL shall be entitled to receive the NCDs in GGAPL on the same terms. Therefore, for the purpose of issuance of NCDs by GGAPL, non-convertible debenture exchange ratio is required to be determined.

II. BACKGROUND INFORMATION OF THE ASSET TO BE VALUED AND THE COMPANY

Megraj Holdings Private Limited (Transferor Company/MHPL)

Asset Being Valued	Equity Shares and NCDs
Name of the Company	**Megraj Holdings Private Limited**
Date of incorporation	27th September, 2022
Registered Office	Office No. A1101, The Platina 11th Floor, A Block Gachibowli, Hyderabad, Telangana- 500032
Status of the company	Private Limited Company

MHPL is a private company, incorporated under the provisions of the Companies Act, 2013 and engaged in the business of *inter-alia* providing financial services, management and consultancy services, business development and other advisory services relating to investments coming in and flowing from India. The Secured, Redeemable, Rated Non-Convertible Debentures issued and allotted on private placement basis by the Transferor Company are listed on the wholesale debt market segment of BSE Limited.

Equity Shareholding of Megraj Holdings Private Limited as on 30th September 2023

S. No.	Name	No. of Shares held	Face Value per share	% of Shareholding
1.	Megha Chilakalapudi W/o Sitarama Rajiv Chilakalapudi	9100	10	91%
2.	Sitarama Rajiv Chilakalapudi	900	10	9%
	Total	**10,000**	**10**	**100%**

NCD Holdings in Megraj Holdings Private Limited as on 30th September 2023

S. No.	Name	No. of NCD held	Face Value per NCD	% of Shareholding
1.	ADM Capital Limosa Fund II LP	14,000	1,00,000	100%
	Total	**14,000**	**1,00,000**	**100%**

GREEN GOLD ANIMATION PRIVATE LIMITED (Transferee Company/GGAPL):

Asset Being Valued	Equity Shares and NCDs
Name of the Company	Green Gold Animation Private Limited
Date of incorporation	23rd February,2004
Registered Office	Office No. A1101, The Platina, 11th Floor, A Block, Gachibowli, Hyderabad, Telangana-500032
Status of the company	Private Limited Company

GGAPL is a private company, incorporated under the provisions of the Companies Act, 1956 and is engaged in the business of *inter-alia* of producing animation content in 2D and 3D multimedia and other kinds of animations.

Equity Shareholding of Green Gold Animation Private Limited as on 30th September 2023

S. No.	Name	No. of Shares held	Face Value per share	% of Shareholding
1.	Sitarama Rajiv Chilakalapudi	24,50,000	10	50%
2.	Kazoom Holding Private Limited	24,50,000	10	50%
	Total	**49,00,000**	**10**	**100%**

NCD Holdings in Green Gold Animation Private Limited as on 30th September 2023

S. No.	Name	No. of NCD held	Face Value	% of Shareholding
1.	ADM Capital Limosa Fund II LP	2,000	1,00,000	100%
	Total	**2,000**	**1,00,000**	**100%**

III. IDENTITY OF THE VALUER AND ANY OTHER EXPERTS INVOLVED IN THE VALUATION

Mr. Venkata Subbarao Kalva Registered Valuer under Securities or Financial Assets Category registered with Insolvency Bankruptcy Board of India (IBBI) having Regn No: IBBI/RV/04/2019/11140. He is graduated from Nagarjuna University in Commerce and Fellow Member of Institute of Company Secretaries of India (ICSI). He is also an LLB Graduate from Nagarjuna University and Masters in Business Administration (MBA) from Pondicherry University with 20 years' experience. He is also a certified Insolvency Professional registered with Insolvency Bankruptcy Board of India (IBBI).

No other experts have been involved in the Valuation.

IV. DISCLOSURE OF VALUER INTEREST/CONFLICT, IF ANY

The Valuer does not have any interest or conflict of interest of any kind with the Companies and also decisions are made without any presence of bias, coercion or undue influence of any party. The Valuer is independent of the Company.

V. DATE OF APPOINTMENT, VALUATION DATE AND DATE OF REPORT

MHPL and GGAPL:

Date of appointment: 12th December 2023

Date of engagement Letter: 12th December 2023

Valuation date: 30th September 2023

Date of report: 30th December 2023

VI. INFORMATION RELIED UPON BY US

We have prepared Valuation Report on the basis of the following information provided by MHPL and GGAPL:

(a) Audited financial statements for three years i.e. 2022-23, 2021-22, 2020-21 and Audited/limited reviewed financial statements for the half year ended 30th September, 2023
(b) Income and Balance Sheet Projections from 1st October 2023 to 31st March 2028 of GGAPL.
(c) Management Representation Letter dated 29th December, 2023
(d) Shareholding Pattern as on Valuation date i.e., 30th September, 2023
(e) Credit rating of MHPL and GGAPL
(f) Draft Scheme of Amalgamation between MHPL and GGAPL
(g) General Profile of both the companies
(h) Other information available in Public domain www.mca.gov.in
(i) Discussions with and explanations given by the management / senior executives of the companies on various matters;

VII. INSPECTIONS AND INSVESTIGATIONS UNDERTAKEN :

We have inspected the relevant documents of the Companies. We have also inspected the public documents of the Company available online on the website of Ministry of Corporate Affairs – www.mca.gov.in .

VIII. VALUATION STANDARDS

The Report has been prepared in compliance with the internationally accepted Valuation Standards issued by International Valuation Standards Council (IVSC) 2022.

In connection with this exercise, we have adopted the following procedures to carry out the valuation analysis.

- Requested and received relevant information and data from the management
- Discussions with management on understanding of business the companies – business and fundamental factors that affect their earning capacity including historical performance, future plans and prospects etc.
- Obtained and analysed data made available to us as well as in public domain, as considered relevant by us
- Selection of valuation approach and valuation methodology / (ies), in accordance with IVS, as considered appropriate and relevant by us
- Determination of values of the equity shares of the companies, as relevant
- Preparation and issuance of this valuation report

IX. RESTRICTIONS ON USE OF THE REPORT

The Final Report has been prepared for the purpose of arriving at the Fair Value of Megraj Holdings Private Limited (Transferor Company) and Green Gold Animation Private Limited (Transferee Company) and then arrive at Security Exchange Ratio in relation to Amalgamation of Megraj Holdings Private Limited (Transferor Company) and Green Gold Animation is Private Limited (Transferee Company) and matters connected therewith.

The information contained herein our report is absolutely confidential. It is intended only for the sole use and information of the companies and only in connection with the proposed amalgamation as aforesaid including for the purpose of obtaining regulatory approvals for the proposed amalgamation. We are not responsible to any other person/party for any decision of such person or party based on this report. Any person/party intending to provide finance/invest in shares/ business of any of the companies and/or investor companies shall do so after seeking their own professional advice and carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other and in connection with proposed amalgamation as aforesaid, can be done only with our prior permission in writing.

Therefore, the Final Report may not be disclosed, in whole or in part, to any third party or used for any purpose whatsoever other than those indicated in the Engagement and in the Final Report itself, provided that the Final Report may be transmitted to the experts appointed in compliance with the law and its content may be disclosed publicly where required by regulations of the Indian authorities. Any other use, in whole or in part, of the Final Report will have to be previously agreed and authorised in writing by Valuer.

X. PROCEDURES ADOPTED IN CARRYING OUT THE VALUATION

The general process for the valuation starts with analysis of historical and current financials, then analysis of future projections, if applicable, is done and discussion with the company is performed to understand the future assumptions. After analysing the data appropriate valuation method is determined, valuation is done and report is prepared.

As per the Scheme and information relied by us, the face value of shares of MHPL and GGAPL is INR 10/- per equity share. In accordance with International Valuation Standards, to arrive the security exchange ratio, it is required to determine the fair value of equity of shares of MHPL and GGAPL. These values are to be determined on a per share basis and are independently without considering the Proposed Transaction. The valuers are then to be assessed on a relative basis to determine the share exchange ratio.

For the purpose of valuation, it is necessary to select an appropriate basis of valuation amongst the various valuation techniques. It is universally recognized that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. The application of any particular method of valuation depends upon various factors including size of company, nature of it is business and purpose valuation. Further, the concept of valuation is all about the price at which a transaction takes place i.e the price that which the seller is willing to sell, and the buyer is willing to buy. Accordingly, a fair and reasonable approach for valuing the shares of the company implies using a combination of these methods.

VALUATION METHODOLOGY

There are several commonly used and accepted methods for determining the fair value of the business of a company. They mainly fall under the following three categories:

A. Income based valuation approach ("Income Approach").
B. Net Asset Value based valuation approach ("Cost Approach");
C. Market based valuation approach ("Market Approach"); and

The application of any aforesaid method of valuation depends on the nature of operations, level of maturity of the businesses, future business potential and purpose of valuation. For the purpose of arriving at Security Exchange Ratio to be fixed MHPL (Transferor Company) and GGAPL (Transferee Company), it would be necessary to select an appropriate basis for valuation from among the various alternatives available for both the companies.

A. Income Approach

There are several models of income approach depending on which type of income flows that will be discounted. The common benefit flows that are usually used in the income-based approach are dividends, free cash flows and residual income. The dividends and cash flow are two measures which refer to direct payment flows from a company to shareholders and the residual income measure has focus on return which is derived from company's book value and based on accrual accounting.

The Discounted Cash Flow (DCF) method under income approach is commonly used. It is accepted as an appropriate method by business appraisers. This approach constitutes estimation of the business value by calculating the present value of all the future benefit flows which the company is expected to generate.

Mathematically it can be expressed as the following formula:
$PV = \Sigma FV / (1 + i)^n$

Where,
PV = Present Value
FV = Future Value
i = discount rate reflecting the risks of the estimated future value
n = raised to the nth power, where n is the number of compounding periods

As formula shows, according to the income-based approach to determine a business value the appraiser must always make an estimation of the elements below –

- Estimation of business life expectancy;
- Estimation of future income flows that a business will generate during its life expectancy
- Estimation of discount rate in order to calculate the present value of the estimated income flows.

The discount rate applied to these expected cash flows is generally based upon rates of return available from alternative investments of similar type and quality.

Discounted Cash Flow Method

This method values the equity on the basis of its future cash flows and it has two components as follows:

(i) Discounted value of Free Cash Flows of the company for the Explicit Forecast Period; and

(ii) Terminal Value (value after the explicit forecast period).

This method is suitable for GGAPL as the industry in which the company operated depends on future profitability and cash flows and also this method is in accordance with the Internationally Accepted Methodologies. Moreover, DCF method is more scientific in nature and hence has been considered for valuation.

Considered the quantum and nature of business operations of MHPL, we have not considered DCF method to determine the value of shares of MHPL for the said valuation purpose.

Cost Approach – Net Asset Value ("NAV) method

The purpose of the model is to study and revaluate the company's assets and liabilities obtaining the substance value which also is the equity. The substance value is thus estimated as assets minus liabilities. The basic idea is that the company's value could be determined by looking at the Balance Sheet.

The Asset Based Valuation Method is not an appropriate method of valuing the business on a going concern basis, because it does not truly measure the earning capacity of an enterprise.

The Asset Based Valuation Method is appropriate mainly in the cases of liquidation of a company. The value under the cost approach is determined based on the underlying value of the assets which could be on book value basis, replacement cost basis or on the basis of realizable value. Under the NAV method, total value of the business is based either on net asset value or realizable value or replacement cost basis. Adjusted NAV method determines the value of the business by replacing the book value of the assets with their fair values, to the extent applicable. NAV methodology is most applicable for the business where the value lies in the underlying assets and not the ongoing operations of the business.

We have considered adjusted NAV method to determine the value of shares of GGAPL as GGAPL has recorded certain immovable assets (equipment, computers etc) which are generally in nature. However, we understand that this method may not reflect the true earning potential of the business and assigned zero weightage to the value arrived using this method. This Asset method is not followed for arriving at fair value of GGAPL.

However, considering the nature of business operations of MHPL, we have considered adjusted NAV method, to determine the value of shares of MHPL. Asset Approach is most suitable for arriving at fair value of equity shares of MHPL as the company holds only investment in equity shares of Transferee Company and doesn't have any operations. After amalgamation MHPL shall cease operations and hence Asset Approach is most appropriate. We have assigned 100% weightage to the value of equity shares of MHPL arrived at using the adjusted NAV method.

Market Approach

The market approach determines company value by comparing one or more aspects of the subject company to the similar aspects of other companies which have an established market value.

When applied to the valuation of an equity interest, consideration is given to the financial condition and operating performance of the subject company compared to either publicly traded companies with similar lines of business or recent corporate acquisitions ("Guideline Companies"). Typically, the companies selected for comparison are subject to economic, political, competitive, and technological factors that correspond with those confronting the Company. The Market Approach is conceptually preferable to the other two approaches both because it uses direct comparisons to similar enterprises and because the analysis is based upon actual market transactions. However, comparable that fit perfectly rarely exist. Privately held companies are compared to publicly traded ones that are typically further along in their stage of development, have superior access to capital, and have common stock that is readily marketable.

Often historical results of public companies are being compared to projected results for the private company being valued. In order to reflect these differences, data from the Guideline Companies must be appropriately adjusted. Selecting the market multiple to apply to the Company requires judgment.

I. **Market Price Method:** Under this method, the value of shares of company is determined by taking the average of the market capitalization of the equity shares of such company as quoted on a recognized stock exchange over reasonable periods of time where such quotations are arising from the share 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 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 a merger / demerger, 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. This method would also cover any other transitions in the shares of the company including primary/preferential issues /open offer in the shares of the company available in the public domain.

II. **Comparable Companies Multiple (CCM) method:** under CCM method, the value of shares of the subject company is determined on the basis of multiples derived from valuations of comparable companies. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. The CCM method arrives at the value of the company by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. The relevant multiples need to chosen carefully and adjusted for differences, such as growth potential, past track record, size, company dynamics etc.

We understand from the management that there are no companies unlisted / listed on stock exchanges operating in similar business line as MHPL and GGAPL, thus making the method ineffective for use for the said valuation purpose. By virtue of this, we have not considered the CCM method valuation to determine the value of shares of MHPL and GGAPL.

Since the market approach will not give us the correct exchange ratio for amalgamation, hence not used for valuation of MHPL and GGAPL.

XI. MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING THE VALUATION

A. SHARE EXCHANGE RATIO

Megraj Holdings Private Limited (Transferor Company/MHPL):

Premise of Valuation: The estimate of the valuation of the company was on the basic assumption of Liquidation of the Company.

The valuation exercise of MHPL was carried out keeping in mind the standard methodologies, and influenced by the following factors:

i. Considering the company doesn't have any revenue
ii. The company is going to amalgamate with GGAPL

The estimate of the valuation of the company was on the basic assumption of liquidation value and is based on following methodologies: **Asset Approach (Net Asset Value Method)**

Green Gold Animation Private Limited (Transferee Company/GGAPL):

Premise of Valuation: The estimate of the valuation of the Company was on the basic assumption of Going concern concept.

The valuation exercise of GGAPL was carried out keeping in mind the standard methodologies, and influenced by the following factors:

(i) Discounted value of Free Cash Flows of the Company for the Explicit Forecast Period; and
(ii) Terminal Value (value after the explicit forecast period).

The estimate of the valuation of the company was on the basic assumption of a going concern entity and is based on following methodologies:

Income Approach (Discounted Cash Flow Method)

B. NCD EXCHANGE RATIO

As per the Scheme, holders of the NCDs of MHPL will hold NCDs of GGAPL, with the same terms (including the coupon rate, tenure, redemption price and quantum, nature of security etc.) Therefore, we understand that all NCD holders in MHPL would become NCD holders in GGAPL, and that the Proposed Transaction would not alter the number and/or terms of the NCDs held by such holders, and the rights, security coverage, payment terms, interest rates etc. would be the same as when such NCDs were held in MHPL. Further, upon the Scheme becoming effective, the beneficial economic interest of the NCD holders of MHPL in the NCDs of GGAPL would be same and therefore the Proposed Transaction shall be value-neutral to the NCD holders of MHPL. Accordingly, the fair value of NCDs of is not relevant for the present exercise.

Further, it is understood from the Management that considering the credit ratings of existing NCDs of MHPL and GGAPL, the existing market yields having same terms as that of current NCDs of GGAPL will not be materially different from that of NCDs of MHPL proposed to be held by NCD holders GGAPL.

XII. VALUATION OF MHPL & GGAPL:

The Fair Market Value per equity share of Megraj Holdings Private Limited (Transferor Company) as per Net Asset Method is considered as Rs. 10/- (Detailed Valuation of MHPL enclosed as ***Annexure-1***)

The Fair Market Value per equity share of Green Gold Animation Private Limited (Transferee Company) per Discounted Cash Flow Method is Rs. 582.62 (Detailed Valuation of SDTPL enclosed as ***Annexure-2***)

XIII. SUBSEQUENT FACTS AFTER VALUATION DATE

The Valuation date is 30th September, 2023 and Valuation Report is issued on 30th December, 2023 whereas. There are no other subsequent material facts after valuation date.

XIV. ASSUMPTIONS

1) The value given in this report is based on information provided in part by the management by the Company and other sources as listed in the report. This information is assumed to be accurate and complete.

2) I have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.

3) I have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry.

4) I have been informed by management that there are not environmental or toxic contamination problems any significant lawsuits, or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. I have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

Bangalore

XV. CAVEATS, LIMITATION AND DISCLAIMERS:

1. In preparing the Final Report, Valuer has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by both the Companies MHPL and GGAPL.

2. Valuer has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. Publicly available information deemed relevant for the purpose of the analyses contained in the Final Report has also been used. However I make no representation as to accuracy or completeness of such information and have performed no procedures to corroborate the information.

3. Therefore the Final Report is based on my interpretation of the information which MHPL and GGAPL, as well as its representatives and advisers, have supplied to us to date; In the execution of the Engagement, Valuer has elaborated its own analyses based on the methodologies illustrated below, reaching the conclusions contained in the final paragraph of this Final Report.

4. The conclusion of value arrived at herein is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained, and exchange, or diminution of the owners' participation would not be materially or significantly changed.

5. Future services regarding this subject matter of this report, including, but not limited to testimony or attendance in court, shall not be required of Valuer or any of its employees unless previous arrangements have been made in writing.

6. Prospective financial information approved by the management of MHPL and GGAPL has been used in my work. I have not examined or compiled the prospective financial information and therefore, do not express an audit opinion or any such assurance on the prospective financial information or other related assumptions. Events and circumstances frequently do not occur as expected and there will usually be differences between prospective financial information and actual results, and those differences may be material.

7. Neither all nor any part of the contents of this report should be disseminated to the public through advertising media, public relations, news media, mail, direct transmittal, or any other means of communication without the prior written consent and approval of Valuer.

8. The conclusions described in the Final Report have been prepared with the sole purpose of determining valuation of shares of MHPL and GGAPL for the purposes mentioned in the report therefore; the values contained in this Final Report have no relevance for other purposes.

9. The conclusions contained in this Final Report are based on the whole of the valuations contained herein and therefore no part of the Final Report may be used apart from the document in its entirety.

10. The Final Report and the Opinion are necessarily based on economic, market and other conditions as of the date hereof, and the written and oral information made available to us. It is understood that subsequent developments may affect the conclusions of the Final Report and of the Opinion and that, in addition, Valuer has no obligation to update, revise, or reaffirm the Opinion.

11. Other factors after the date hereof may affect the value of the businesses of MHPL and GGAPL or its business units.

12. In no circumstances however, will Valuer or its associates or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on valuer or its associates or employees by any third party, GGAPL shall indemnify them.

XVI. CONCLUSION

The basis of Security exchange ratio would have to be determined after taking into consideration all the factors and methods mentioned in this report. Though different values have been arrived at under each of the above methods, for the purposes of recommending he fair exchange ratio of equity shares it is necessary to arrive at a final value for each of the Companies Shares. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of the companies, but at their relative values to facilitate the determination of the fair equity share exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approaches / methods.

The fair equity security exchange ratio has been arrived on the basis of relative equity valuation of the Companies that is based on various approaches / methods explained herein earlier, various qualitative factors relevant to each company, the business dynamics, growth potential of the business of the Companies, having regard to information base, key underlying assumptions and limitations. We have independently applied methods discussed above, as considered appropriate i.e adjusted NAV method for MHPL and DCF method for GGAPL and arrived the assessment of the value per equity share of MHPL and GGAPL.

In the light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove referred to earlier in this report for the proposed transaction and upon the proposed scheme becoming effective, in our opinion, we recommend fair equity share exchange ratio for the amalgamation of MHPL and GGAPL as below.

The fair value of the equity share of MHPL is negative and considered fair value as Rs. 10/- per share and face value Rs.10/-. The fair value of GGAPL considered as Rs. 582.62 and face value of Rs.10/-.

VENKATA SUBBARAO KALVA Regn. No. IBBI/RV/04/2019/11140 Bangalore Registered Valuer (Securities or Financial Assets)

The computation of Share Exchange Ratio as derived by us, is given below:

	Equity Shares Exchange Ratio			
Valuation Approach	**MHPL (Transferor) In Rs.**	**Weight(%)**	**GGAPL (Transferee) In Rs.**	**Weight(%)**
Income Approach – DCF Method	NA	0.00%	582.62	100.00%
Asset Approach – NAV Method	10.00	100.00%	NA	0.00%
Market Approach – Market Price Method	NA	0.00%	NA	0.00%
Market Approach – CCM Method	NA	0.00%	NA	0.00%
Relative Value per Equity Share	**10.00**	**100.00%**	**582.62**	**100.00%**
Equity Shares Exchange ratio / Swap ratio	1:58.262 i.e., 1 (One) fully paid-up Equity Shares of GGAPL of face value of Rs. 10/- each for every 58.262 Equity Shares of face value of Rs. 10/- each held in MHPL.			

The computation of non-convertible debenture (NCD) exchange ratio as derived by us, is given below:

	Equity Shares Exchange Ratio			
Valuation Approach	**MHPL (Transferor)**	**Weight(%)**	**GGAPL (Transferee)**	**Weight(%)**
Income Approach	NA	-	NA	-
Asset Approach	NA	-	NA	-
Market Approach	NA	-	NA	-
Relative Value per NCD*	NA	-	NA	-
Non-convertible debenture (NCD) Exchange ratio / Swap ratio*	1:1 i.e., 1 (One) fully paid-up NCD of GGAPL of face value of Rs. 1,00,000/- each to be issued for every 1 (One) fully paid-up NCD of face value of Rs. 1,00,000/- each held in MHPL.			

KV SubbaRao

Venkata Subbarao Kalva
Registered Valuer - Securities or Financial Assets
Regn No : IBBI/RV/04/2019/11140
COP No: IIV-RVO/OM/386/2019

* *As per the Scheme, holders of the NCDs of MHPL will hold NCDs of GGAPL, with the same terms. Thus, upon the Scheme becoming effective, the beneficial economic interest of the NCD holders of MHPL in the NCDs of GGAPL would be same and therefore the Proposed Transaction shall be value-neutral to the NCD holders of MHPL. Accordingly, the fair value of NCDs of is not relevant for the present exercise.*

ANNEXURE 1

VALUATION OF MEGRAJ HOLDINGS PRIVATE LIMITED (MGPL)

(Transferor Company)

Net Asset Value Method:

Amount in Rs.

Particulars	As on 30th September,2023
Value of Assets (A) (Refer to Note No.1)	1,40,07,93,000
Value of Liabilities (L) (Refer to Note No.2)	1,46,85,51,000
Amount of paid up equity share Capital (Share Capital)	1,00,000
Paid up value of equity share (Face Value)	10
No. of Shares (Share Capital/Face Value)	10,000
Fair Value of the Company i.e. Assets - Liabilities (A-L)	(6,77,58,000.00)
Fair value of unquoted equity share ((A-L)/No. of Shares)	**(6,775.80)**
Fair value of unquoted equity share considered as on 30.09.2023	**10**
Note No. 1- Calculation of Value of Assets	
Particulars	
Current Assets	
Trade Receivables	5,20,000
Other current assets	1,88,000
Cash and cash equivalents	85,000
Non-Current Assets	
Investments in Optionally Convertible Debentures	1,40,00,00,000
Total Assets	**1,40,07,93,000**
Note No. 2 - Calculation of Value of Liabilities	
Particulars	
Current Liabilities	
Trade Payables	14,000
Provisions	13,000
Other current liabilities	1,76,000
Non-Current Liabilities	
Long term borrowings – Issuance of Non-Convertible Debentures	1,46,83,48,000
Total Liabilities	**1,46,85,51,000**

VENKATA SUBBARAO KALVA
Regn. No. IBBI/RV/04/2019/11140
Bangalore
Registered Valuer - Securities or Financial Assets

ANNEXURE 2

VALUATION OF GREEN GOLD ANIMATION PRIVATE LIMITED (GGAPL)

(Transferee Company)

For valuing the **GGAPL** Discounted Cash Flow Method has been adopted. In Discounted Cash Flow Method, the financial projections as provided by the Company for five years starting from 1st October 2023 to 31st March 2028 has been taken into account. The Free Cash Flows to equity approach has been adopted to derive the enterprise equity value of the Company.

Under this method, the valuation is arrived based on discounting of the free cash flows of the company for the explicit forecast period which in this case is from 1st October 2023 to 31st March 2028.

Income Projections:

Amount in INR Crores

Income Statement	April-Sept23	Oct-March 24	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28
Revenue							
Revenue from operations	64.3	39.2	103.6	125.3	147.5	169.3	218.7
Other Income	1.0	0.0	1.1	1.1	1.1	1.1	1.1
Total Revenue	**65.4**	**39.3**	**104.7**	**126.3**	**148.5**	**170.4**	**219.8**
Growth %			*54.6%*	*93.3%*	*278.1%*	*62.8%*	*74.0%*
Expenses							
Cost of production	25.3	3.5	28.8	36.5	44.0	53.7	64.8
Employee benefit expense	22.0	16.0	37.9	44.8	51.7	57.2	62.6
Changes in Inventories	(11.9)	11.9					
Other Expenses	5.1	8.1	13.2	14.1	15.1	16.2	17.8
EBITDA	**24.8**	**(0.1)**	**24.7**	**30.9**	**37.8**	**43.4**	**74.7**
EBITDA Margin (%)	*38.0%*	*-0.4%*	*23.6%*	*24.5%*	*25.4%*	*25.5%*	*34.0%*
Depreciation and Amortization Cost	2.7	1.9	4.6	4.8	5.2	5.5	5.7
EBIT	**22.2**	**(2.1)**	**20.1**	**26.2**	**32.6**	**37.9**	**69.0**
EBIT Margin (%)	*33.9%*	*-5.3%*	*19.2%*	*20.7%*	*22.0%*	*22.2%*	*31.4%*
Finance Cost	2.0	0.7	2.7	3.4	3.4	2.0	-
PBT	**20.2**	**(2.7)**	**17.4**	**22.8**	**29.2**	**35.9**	**69.0**
PBT Margin (%)	*30.9%*		*16.6%*	*18.0%*	*19.7%*	*21.1%*	*31.4%*
Current Tax	5.0	(0.5)	4.5	5.8	7.5	9.2	17.7
Deferred Tax	0.0	(0.0)	-	-	-	-	-
PAT	**15.2**	**(2.2)**	**13.0**	**16.9**	**21.7**	**26.7**	**51.3**
PAT Margin (%)	*23.2%*	*-5.7%*	*12.4%*	*13.4%*	*14.6%*	*15.7%*	*23.4%*

VENKATA SUBBARAO KALVA Regn. No. IBBI/RV/04/2019/11140 Bangalore Registered Valuer - Securities or Financial Assets

Discounted Cash Flows:

Amount in INR Crores

Particulars	Oct-March 24	Mar-25	Mar-26	Mar-27	Mar-28
Profit after tax	(2.2)	16.9	21.7	26.7	51.3
Add: Depreciation	1.9	4.8	5.2	5.5	5.7
Add/Less: Changes in Working Capital	4.2	(10.9)	(7.4)	(6.0)	(20.7)
Add/Less: Capital Expenditure	6.2	(6.0)	(6.5)	(7.0)	(7.0)
Net Cash inflow	**10.1**	**4.8**	**13.0**	**19.2**	**29.3**
Discounting Rate	13.0%	13.0%	13.0%	13.0%	13.0%
Discounting period	0.5	1.5	2.5	3.5	4.5
Discounting factor	0.94	0.83	0.74	0.65	0.58
Discounted Cash Flow	**9.5**	**4.0**	**9.6**	**12.5**	**16.9**

Value per Share of GGAPL

Particulars	**Amount in INR Crores**
Horizon Value	52.43
Terminal Value	237.20
Enterprise Value	**289.63**
Add: Cash and Cash Equivalents	13.84
Add: Non-Current Investments	8.70
Less: Debt	26.69
Equity Value	**285.48**
No. of Equity Shares	49,00,000
Equity Value per share in INR	582.62

Workings :

Calculation of Cost of Equity (ke)			
Particulars	**Source**		
Risk Free Rate	1		7.21%
Add: Beta Adjusted Equity Risk Premium			7.15%
Market Risk Premium (Rm-Rf)	2	7.15%	
Beta		1.0	
Add: Company Specific Risk Premium			0.00%
Cost of Equity (Ke)			**14.36%**
Cost of Debt (kd)			
Particulars			
Before tax cost of debt			12.00%
Tax Rate			25.60%
After tax Cost of Debt (Kd)			**8.93%**
WACC			
Particulars			
Debt %			24.9%
Equity %			75.1%
WACC			**13.0%**

VENKATA SUBBARAO KALVA
Reg. No. IBBI/RV/04/2019/11140
Bangalore
Registered Valuer - Securities or Financial Assets