REPORT ON FAIR VALUE OF EQUITY

Icon Hospitality Private Limited

By **Guru & Jana**,
Chartered Accountants

July 17, 2023

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A. INTRODUCTION OF THE ENTITY

Name of the Company	Icon Hospitality Private Limited (herein after referred to as "IHPL" or "Company")
Registered Address	The Central Park, No. 47/1, Dickenson Road, Bangalore - 560042
Date of Incorporation	January 28, 2003
CIN	U55101KA2003PTC031516
Listing Status	Unlisted
Directors of the Company	- Panemanalore Dayananda Pai - Panemangalore Satish Pai - Keshav Baljee - Haripal Singh Uberoi - Leena S Pirgal
Nature of Operations	The Company owns a hotel which features 130 comfortable suites and rooms. The hotel offers 4 banquet halls for celebrations and corporate events. Further, it also operates a coffee shop, a Chinese restaurant and an in-house spa.

B. PURPOSE

We have been appointed as valuer by the Management of the Company to determine the Fair Value of Equity of the Company as on March 31, 2023 ("Valuation Date") for the purpose of management internal evaluation & assessment.

The value arrived by us is meant for said purpose only. This report should neither be placed before any third party nor be made available for circulation except to the management, and shareholders of the Company as required for the said purpose.

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C. VALUATION BASE AND PREMISE

Premise of valuation applied for subject valuation is "Going concern" and valuation base is "Fair Value".

ICAI Valuation Standard 101 defines "Fair Value" as the price that would be received to sell an asset or paid to transfer a liability in an **orderly transaction** between **market participants** at the valuation date.

"**Orderly Transaction**" is a transaction that assumes exposure to the market for a period before valuation date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities and that is not a forced transaction. The length of exposure time will vary according to the type of asset and market conditions.

"**Market Participants**" would mean buyers and sellers in the principal or most advantageous market for the asset/liability who are independent of each other, knowledgeable, able and willing to enter into the transaction for the concerned asset/liability and are not forced or otherwise compelled to do so.

We have determined the Fair Value of Equity of the Company relying upon the Company's ability and intention to operate as going concern, i.e., the Company is an ongoing operating entity and reliable estimates, to this extent, were provided by management.

Hence, Fair Value of Equity of the Company is derived by referring to the total value that the Company can accumulate over the period by operating as going concern.

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D. INFORMATION RELIED UPON AND INSPECTIONS

- Understanding the nature of business and operations of the Company based on the explanations provided by the management;
- Audited financial statements of the Company for the Financial Year ending March 31, 2022;
- Unaudited and management certified provisional financial statements of the Company for year ended March 31, 2023;
- Unaudited and management certified periodical projected financial statements of the Company for ten financial years starting from financial year ended March 31, 2024 to the financial year ended March 31, 2033 including assumptions underlying;
- Assumptions relating to Perpetuity/ Terminal value estimates of the Company;
- Other information and explanations given by management of the Company *(Refer Annexure-A for detailed representations)*;
- Information pertaining to general market and industry conditions, obtained from sources in public domain which are considered to be reliable in general;

We have reviewed the projected operational cashflow statements provided by the Company and have assessed the reasonableness of the same based on our discussions with the Company's management concerning its prospects.

In the course of the study, we have used financial and other information provided by the Company or obtained from private and reliable public sources. However, we have not validated such information and our conclusions are dependent on such information being complete and accurate in all material respects.

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E. RESTRICTIONS ON USAGE OF REPORT

This valuation report has been prepared for the purpose mentioned herein and shall not be disclosed or transmitted, in whole or in part, to any third party or used for any purpose whatsoever other than those indicated in the Engagement Letter or in this report.

Any other use, in whole or in part, of the report will have to be previously agreed and authorised in writing by us.

The conclusion contained in this report is based on valuation assumptions and methodology stated herein and therefore no part of this report may be used apart from the document in its entirety.

The Fair Value of Equity arrived at in this report is exclusively for the purpose mentioned herein and has no relevance for any other purpose.

F. STATEMENT OF LIMITATIONS AND DISCLAIMERS

For the preparation of this report, we have relied upon the accuracy and completeness of the financial and other information provided by the Company. We have relied upon all specific information as received and decline any responsibility should the results presented be affected by the lack of completeness or truthfulness.

Publicly available information, from sources which are generally considered to be reliable, deemed relevant for the purpose of the analysis contained in this Report has also been used for the purpose of valuation. However, we make no representation as to accuracy or completeness of such information.

For the purpose of determination of Fair Value of Equity of the Company, we have performed our analyses based on the information provided by the management and obtained from sources in public domain which are generally considered reliable, and methodologies illustrated herein, reaching the conclusion contained in this Report. The conclusion arrived at is subjective and dependent on exercise of individual judgement.

Fair Value of Equity of the Company arrived at herein is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained, and that the character and integrity of the company would not be materially or significantly impacted / altered through any sale, reorganisation, exchange or any other transaction, except as may be required to achieve the business and financial plan of the Company.

We have not compiled or validated the prospective financial information of the Company or any related assumptions and therefore, we do not express an audit opinion or any such assurance on the same. There may be material differences between such prospective financial information and actual results, due to change in events and circumstances or otherwise.

This report and the conclusion are necessarily based on economic, market and other conditions as of the date hereof, and the written and oral information made available to us until **July 17, 2023.** It is to be understood that subsequent developments may affect the conclusion of the report and we have no obligation to update, revise, or reaffirm our opinion for the same.

Further, we are expressing no opinion as to the price at which any securities of the Company may trade on the stock market at any time. Future services regarding the subject matter of this report, including, but not limited to testimony or attendance in court, shall not be required of us or any of our employees unless previous arrangements have been made in writing.

We confirm that we are an independent party. We do not hold/intend to hold any instruments of the Company directly and indirectly and there is no conflict of interest, whatsoever, according to our knowledge as on the date of this report.

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G. APPROACHES TO VALUATION

1. Income Approach

Income approach is the valuation technique that converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts. Income approach includes different models of valuation, out of which Discounted Cash Flow model ("DCF") is the most commonly used methodology for various assets such as shares, businesses, real estate projects, debt instruments, etc.

The DCF method values the asset by discounting the cash flows expected to be generated by the asset for the explicit forecast period and also the perpetuity value (or terminal value) in case of indefinite life assets. Terminal value is the value of the asset at the end of the explicit forecast period. DCF is based upon expected future cashflows of the Company that will determine investor's actual return and is not influenced by short-term market conditions or non-economic indicators. DCF methodology is not vulnerable to accounting conventions since it is based on cashflows rather than accounting profits. DCF method of valuation is based on two key inputs: Cash flows and Discount rate.

Cash flow projections used for DCF shall reasonably capture the growth prospects and earnings capability of the Company, and shall be determined based on its past performance and factors such as the Company's vulnerability to advancement in technology, actions by competitors, changes in end-user requirements, expansion plans, cyclical fluctuations, effects of change in government policies, availability of financing etc.

Discount rate ("Cost of Capital") is the return expected by a market participant from a particular investment and shall not only reflect the time value of money but also the inherent risk in the asset being valued as well as risk inherent in achieving the future cash flows. There are many methods which are used for determining the discount rate. The most commonly used methods are Capital Asset Pricing Model ("CAPM") and Weighted Average Cost of Capital ("WACC") which is the combination of cost of equity and cost of debt weighted for their relative funding in the asset. Additional risk premium can be added to the Discount rate to incorporate specific risks associated with stage and size of business of the Company.

Terminal value represents the present value at the end of explicit forecast period of all subsequent cash flows to the end of the life of the asset or into perpetuity if the asset has an indefinite life. There are multiple methods in estimating the terminal value which include Gordon (Constant) growth model, Variable growth model, Exit multiple and Salvage/ liquidation value among others.

2. Market Approach

Market approach is a valuation technique 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. Most commonly used methods under market approach are Market price method, Comparable companies multiple (CCM) or Comparable transactions multiple (CTM) method. Under Market price method the traded price of the asset observed over a reasonable period shall be considered. Comparable Companies Multiple Method, also known as Guideline Public Company Method, involves valuing an asset based on market multiples derived from prices of market comparables traded on active market. While identifying and selecting the market comparables, following factors shall be considered:

- industry to which the asset belongs;
- geographic area of operations;
- similar line of business, or similar economic forces that affect the asset being valued; or
- other parameters such as size (for example - revenue, assets, etc.), stage of lifecycle of the asset, profitability, diversification, etc.

Comparable Transaction Multiple Method, also known as 'Guideline Transaction Method', involves valuing an asset based on transaction multiples derived from prices paid in transactions of asset to be valued /market comparables (comparable transactions). While identifying and selecting the comparable transaction, following factors shall be considered:

- transactions that have been consummated closer to the valuation date are generally more representative of the market conditions prevailing during that time;
- there shall be in an orderly transaction;

- availability of sufficient information on the transaction to reasonably understand the market comparable and derive the transaction multiple; or
- availability of information on transaction from reliable sources;

3. Asset Approach

Asset approach is a valuation technique that reflects the amount that would be required to replace the current service capacity of net assets of the Company or the value that net assets of the Company can derive. The asset approach may be most appropriate for valuation in following specific circumstances:

- An asset can be quickly recreated with substantially the same utility as the asset to be valued and without regulatory or legal restrictions;
- In case of liquidation; or
- In cases where income approach and/or market approach cannot be used, such as:
  a. Where there is paucity of information about future profitability or uncertainty about future cash flows;
  b. Where there are violent fluctuations or disruptions in future cashflows;
- Where it is required by specific provisions of any tax or other statutes;

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H. SELECTION OF APPROACH & METHOD

We have considered various approaches and methods available for determining the fair value of equity of the Company, the relative emphasis of each was considered based on:

- Nature and stage of business of the Company;
- Nature of industry to which the Company belongs;
- Reliability and availability of adequate inputs/information for each method/approach of valuation;
- Extent of availability of industry and comparable information;
- The purpose of valuation;

Keeping in mind the purpose of the report and availability of information, for valuation of the Company, we have adopted both Market Approach – Comparable Companies Multiple Methodology and Income Approach – Discounted Cash Flow Methodology, with 50% weightage to the Market Approach and 50% to the Income Approach.

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I. VALUATION CALCULATIONS

i) Valuation under Income Approach

1. Assumptions for Determining the Fair Value

Head	Assumption
Discount for lack of Control and Marketability	Control Premium generally represents the amount paid by acquirer for the benefits it would derive by controlling the acquiree's assets and cash flows. Discount for lack of control is opposite of Control Premium and is to be applied in case of valuation of a noncontrolling interest, as value of the Company determined under Income Approach inherently assumes existence of control. The investment in privately held securities is not as liquid and have lesser degree of marketability as compared to the publicly traded securities. A rational investor will pay a premium on price for higher liquidity and will demand a price discount for lack of liquidity. Considering that any investment in Equity of the Company will represent non-controlling interest and lack ready and regulated market we have applied Discount for Lack of Control and Marketability of 15%.
Discount Rate	We have arrived at Cost of equity using Capital Asset Pricing Model ("CAPM"). As the Company does not have long term debt leverage, such cost of equity is considered as the rate of discount.
Terminal Value	Terminal value has been estimated using a stable growth rate of 5%, which reflects basis of long term expected average growth rate of the market (economy) in which the Company is operating.
Additional Risk Premium	Discount rate is arrived at using CAPM, which is based on statistics of the overall market and fails to capture company specific risk premium and the investment risks associated with investments in privately owned companies. To offset such risks, we have considered the additional risk premium of 3%.
Tax Rate	Effective Tax rate of 25.17% has been considered for determination of projected operational cashflows by the management, after adjustment of accumulated tax benefits.

2. Computation of Discount Rate

a) **Equity Risk Premium** applicable to the Company is 8.56% basing the average of S&P BSE SENSEX;

b) **Risk free rate** is based on the average yield of 10-Year government bond is 7.33%;

c) Industry Benchmark Average Beta (considering Hotel and Restaurant Industry) applicable to the company is 1.02 and the same has been considered for the CAPM computation.

d) **Cost of Equity** arrived at using CAPM is 19.04%.

3. Calculation of Present Value of Future Cashflows

Amount in INR

Particulars	01-Apr-23 31-Mar-24	Year ended 31-Mar-25	Year ended 31-Mar-26	Year ended 31-Mar-27	Year ended 31-Mar-28
Profit After Tax	6,65,79,135	9,13,80,861	11,71,99,775	14,59,37,591	16,54,43,070
Add:					
Depreciation	90,00,000	88,00,000	86,00,000	84,00,000	82,00,000
Interest on borrowings	1,30,95,600	1,04,76,480	78,57,360	52,38,240	26,19,120
Other specific adjustments					
Other Income	-73,28,807	-1,20,78,085	-99,99,593	-1,14,45,975	-1,29,66,350
Non Operational Expenses	1,34,69,760	1,58,56,109	1,83,78,451	2,10,36,786	2,38,31,114
Changes in working Capital					
Increase/(Decrease) in Current liabilities	-1,08,88,930	68,78,752	67,90,814	78,80,578	1,02,60,223
(Increase)/Decrease in Current Assets	-2,39,39,997	-98,46,510	-1,04,80,740	-1,11,32,653	-1,46,63,902
Cashflows from Operational Activity	**5,99,86,762**	**11,14,67,609**	**13,83,46,067**	**16,59,14,567**	**18,27,23,274**
(Additions)/Deletions to Capital Assets	-2,50,00,000	-2,50,00,000	-2,00,00,000	-1,50,00,000	-1,50,00,000
Cashflows from Investing Activity	**-2,50,00,000**	**-2,50,00,000**	**-2,00,00,000**	**-1,50,00,000**	**-1,50,00,000**
Net Operational Cashflows	**3,49,86,762**	**8,64,67,609**	**11,83,46,067**	**15,09,14,567**	**16,77,23,274**
Period Adjustment	0.50	1.51	2.51	3.51	4.51
Discounting Factor	0.92	0.77	0.65	0.54	0.46
Discounted Operational Cashflows	**3,20,43,894**	**6,65,11,464**	**7,64,71,940**	**8,19,19,003**	**7,64,62,476**

Amount in INR

Particulars	Year ended 31-Mar-29	Year ended 31-Mar-30	Year ended 31-Mar-31	Year ended 31-Mar-32	Year ended 31-Mar-33
Profit After Tax	16,10,83,118	18,31,57,016	21,33,38,259	23,93,61,298	27,51,33,814
Add:					
Depreciation	80,00,000	78,00,000	76,00,000	74,00,000	72,00,000
Interest on borrowings	-	-	-	-	-
Other specific adjustments					
Other Income	-1,45,60,718	-1,58,97,873	-1,72,59,692	-1,86,46,175	-2,00,57,323
Non Operational Expenses	2,67,61,434	2,92,19,018	3,17,21,932	3,42,70,178	3,68,63,754
Changes in working Capital					
Increase/(Decrease) in Current liabilities	88,08,634	1,11,19,769	1,11,08,208	1,32,72,215	1,32,56,596
(Increase)/Decrease in Current Assets	-1,28,52,084	-1,47,12,029	-1,57,27,240	-1,67,94,332	-1,79,18,641
Cashflows from Operational Activity	**17,72,40,385**	**20,06,85,901**	**23,07,81,467**	**25,88,63,184**	**29,44,78,201**
(Additions)/Deletions to Capital Assets	-1,00,00,000	-1,00,00,000	-1,00,00,000	-1,00,00,000	-1,00,00,000
Cashflows from Investing Activity	**-1,00,00,000**	**-1,00,00,000**	**-1,00,00,000**	**-1,00,00,000**	**-1,00,00,000**
Net Operational Cashflows	**16,72,40,385**	**19,06,85,901**	**22,07,81,467**	**24,88,63,184**	**28,44,78,201**
Period Adjustment	5.51	6.51	7.51	8.51	9.51
Discounting Factor	0.38	0.32	0.27	0.23	0.19
Discounted Operational Cashflows	**6,40,32,095**	**6,13,31,043**	**5,96,52,631**	**5,64,71,480**	**5,42,14,946**

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4. Terminal Value

Particulars	Amount in INR
Growth adjusted normalised cashflows	30,43,79,245
Terminal Growth Rate	5%
Cost of Capital	19.04%
Terminal Cashflows	**2,16,78,64,461**
Discount rate	0.19
Discounted Terminal Value	**41,31,44,681**

5. Value of Equity Under Income Approach

Particulars	Amount in INR
Present Value of Explicit Period Cashflows	62,91,10,972
Discounted Terminal Value	41,31,44,681
Present Value of Future Operational Cashflows	**1,04,22,55,653**
Add:	**4,18,68,240**
Cash in Hand	99,38,000
Loans extened by the Company	37,40,000
Accrued Interest Receivable	12,18,000
Income Tax Advance	17,72,240
Other Non-Operational Assets	2,52,00,000
Less:	**-23,95,07,000**
Term Loan	-19,55,56,000
Accured Interest on Borrowings	-4,39,51,000
Gross Equity Value	**84,46,16,893**
Discount for Lack of Control and Marketability@15%	-12,66,92,534
Fair Value of Equity	**71,79,24,359**

Note: We understand from the management that, during prior years, the Company had received an Order from Office of the Commissioner of Customs (Export) imposing differential duties and penalties amounting to ₹ 3.78 crores plus applicable interests for certain alleged violations of the Export Promotion Capital Goods Scheme. In response to this, the Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai and an unconditional stay in the matter is granted till the disposal of the appeal. Based on a detailed evaluation and independent advice obtained, the management believes that the case will be settled in the company's favour. Therefore, the management has only disclosed this as a footnote to financial statements and has not recorded any provisions with respect to such contingencies in Unaudited and Management Certified Balance Sheet as on March 31, 2023. Accordingly, we have not taken the impact of such contingencies in the valuation workings.

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ii) Valuation under Market Approach

1. Comparable Companies Method

Based on the classification of the activities undertaken by the Company, we have identified comparable listed companies (as discussed with and confirmed by management) under the same industries which according to us can be most likely considered as comparable to the subject company.

Based on availability of data on reliable public sources, we have determined the Enterprise Value and the average EBITDA of such comparable companies to derive the appropriate Market Multiple of EBITDA for IHPL.

Company Name	Country	Enterprise Valuation (In INR Crores) - (A)	EBITDA (In INR Crores) - (B)	EBITDA Multiple (A/B)
Indian Hotels Co Ltd	India	45,843	1,805	25.40
Lemon Tree Hotels Ltd	India	7,841	451	17.38
TajGVK Hotels & Resorts Ltd	India	1,235	119	10.38
Oriental Hotels Ltd	India	1,550	112	13.80
Kamat Hotels (India) Ltd	India	629	109	5.77

Note: Below is brief description of nature of operations of the comparable companies:

- The Indian Hotels Company Ltd is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts.
- Lemon Tree Hotels Ltd is largest mid-priced and the third largest overall hotel chain in India. It operates in the upscale segment and in the mid-priced sector, consisting of the upper-midscale, midscale and economy segments. It delivers differentiated yet superior service offerings, with a value-for-money proposition.
- TajGVK Hotels & Resorts Limited, incorporated in 1995, is a joint venture between the Hyderabad-based GVK Group and Indian Hotels Company Limited (IHCL). The Company is engaged in the business of owning, operating & managing hotels, palaces, and resorts under the brand name of "TAJ".
- Oriental Hotels Ltd is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts.
- Kamat Hotels India Ltd is one of the companies of the Kamats Group. KHIL is engaged in the Hospitality business and other related services like hotel consultancy, setup, etc.

2. Value of Equity under Market Approach

Based on the sustainable Annual EBITDA of the Company as per unaudited and management certified financial statements for year ending March 31, 2023 in FY 22-23, the Value of Equity under Comparable Companies EBITDA Multiple Approach is as under:

Particulars	Amount in INR
Comparable EBITDA Multiple (Mean)	14.55
Comparable EBITDA Multiple (Median)	13.80
Comparable EBITDA Multiple	**13.80**
Discount on size, growth prospects and illiquidity	25%
Adjusted Comparable EBITDA Multiple	**10.35**
Annual Sustainable EBITDA of IHPL (FY 22-23)	9,84,21,000
Enterprise Value	**1,01,89,71,985**
Add: Cash & Cash Equivalents	99,38,000
Add: Non-operational Assets	3,19,30,240
Less: Debt	-23,95,07,000
Fair Value of Equity	**82,13,33,225**

Notes:

- Enterprise Value derived under Market Multiple approach is adjusted by Cash & Cash Equivalents, Non-operational assets and Debt of the Company as on the Valuation Date to derive the Fair Value of Equity.
- Discount on account of differences in size, growth aspects & illiquidity between listed companies to IHPL, is applied at 25% on the Comparable EBITDA Multiple to arrive at the Fair Value of Equity.

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iii) Determination of Fair Value of the Company

Fair Value of Equity of the Company

Particulars	Amount	Weightage	Amount
Fair Value of Equity under Income Approach	71,79,24,359	50%	35,89,62,179
Fair Value of Equity under Market Approach	82,13,33,225	50%	41,06,66,612
Fair Value of Equity			**76,96,28,792**

Note: Fair Value derived under Income approach is assigned a 50% weight and Fair Value derived under Market approach has been assigned a 50% weight to derive the Fair Value of Equity of the Company.

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J. CONCLUSION

The valuation was conducted as per ICAI Valuation Standards and internationally accepted pricing methodology. No difficulties or other obstacles have arisen in valuing the subject Company.

Based on our analysis, as described in the valuation report, and subject to the assumptions presented therein, in our opinion, the estimated Fair Value of Equity of Icon Hospitality Private Limited as on March 31, 2023, is INR 76,96,28,792/- *(Indian Rupees Seventy-Six Crore Ninety-Six Lakh Twenty-Eight Thousand, Seven Hundred and Ninety-Two only)*.

We have no obligation to update this report or our conclusion for information that comes to our attention after the date of report.

For Guru & Jana

Chartered Accountants

VIJAY RAJA

Digitally signed by VIJAY RAJA
Date: 2023.07.17 18:27:00 +05'30'

Vijay Raja

Partner

Membership No: 206600

Firm Registration No: 006826S

UDIN: 23206600BGSVRZ2328

Date: July 17, 2023

Place: Bangalore

Annexure – A

We have relied upon following management representations/assumptions in subject valuation:

1. Icon Hospitality Private Limited was incorporated on January 28, 2003 and owns a hotel which features 130 comfortable suites and rooms. The hotel offers 4 banquet halls for celebrations and corporate events. Further, it also operates a coffee shop, a Chinese restaurant and an in-house spa.

2. Audited financial statements of the Company for the FY 2021-22 and unaudited & management certified financial statements for the year ended March 31, 2023 are as follows:

Statement of Profit and Loss Account:

Amount in INR

Particulars	Year ended 31-Mar-22	Year ended 31-Mar-23
Income	**10,91,44,000**	**26,05,41,000**
Operational Revenue	**10,91,44,000**	**26,05,41,000**
Revenue from Room Rent	6,58,83,000	16,94,82,000
Revenue from Food/Beverage/Banquets	4,09,00,000	8,43,83,000
Other Services	23,61,000	66,76,000
Operational Expenses	**9,25,10,000**	**16,21,20,000**
Food & Beverage Consumed	1,31,91,000	2,52,15,000
Employee benefit costs	2,53,50,000	4,56,37,000
Other Expenses	5,39,69,000	9,12,68,000
EBITDA	**1,66,34,000**	**9,84,21,000**
Depreciation	3,85,81,000	3,80,91,000
Operational Profits	**-2,19,47,000**	**6,03,30,000**
Non-Operational Revenue	24,26,000	15,72,000
Other Income	24,26,000	15,72,000
Non-Operational Expenses	**3,17,74,000**	**4,24,76,000**
Interest on Borrowings	2,43,30,000	2,66,65,000
Remeasurement in defined benefit plans	21,58,000	-3,94,000
Other Non-operational Expenses	52,86,000	1,62,05,000
Profit before Tax	**-5,12,95,000**	**1,94,26,000**

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Balance Sheet:

Amount in INR

Particulars	As on 31-Mar-22	As on 31-Mar-23
Non-Operational Assets	1,35,72,000	3,20,93,000
Loans extened by the Company	32,02,000	37,40,000
Accrued Interest Receivable	10,38,000	12,18,000
Income Tax Advance	3,57,000	19,35,000
Balances with banks held as lien	89,75,000	2,52,00,000
Property, Plant and Equipment	40,27,73,000	36,90,48,000
Tangible & Intangible Assets	40,27,73,000	36,90,48,000
Operational Assets	1,91,60,000	3,39,15,000
Security Deposits	11,09,000	14,73,000
Inventories	23,42,000	31,62,000
Trade Receivables	1,29,30,000	2,47,24,000
Other Current Assets	27,79,000	45,56,000
Cash & Cash Equivalents	61,37,000	99,38,000
Total Assets	**44,16,42,000**	**44,49,94,000**
Shareholders Funds	**13,80,12,900**	**15,20,11,900**
Equity Share Capital	19,00,40,900	19,00,40,900
Instruments entirely in the nature of Equity (CCD's)	3,01,49,000	3,01,49,000
Share Application Money		
Share Capital Premium	35,77,34,000	35,77,34,000
Reserves & Surplus	(43,99,11,000)	(42,59,12,000)
Borrowings	**23,29,92,717**	**23,95,07,000**
Term Loan	19,43,62,164	19,55,56,000
Accured Interest on Borrowings	3,86,30,553	4,39,51,000
Operational Liabilities	**7,06,36,383**	**5,34,75,100**
Employee Related Provisions/Liabilities	44,36,562	38,43,000
Trade Payable	5,49,45,000	3,53,77,000
Other Current Liabilities	1,12,54,821	1,42,55,100
Total Liabilities	**44,16,42,000**	**44,49,94,000**

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3. Projected financial statements of the Company for ten financial years starting from financial year ended March 31, 2024 to March 31, 2033 are as follows-

Statement of Profit and Loss:

Amount in INR

Particulars	01-Apr-23 31-Mar-24	Year ended 31-Mar-25	Year ended 31-Mar-26	Year ended 31-Mar-27	Year ended 31-Mar-28
Income	**34,08,20,064**	**40,12,00,926**	**46,50,22,760**	**53,22,85,566**	**62,03,16,624**
Operational Revenue	**34,08,20,064**	**40,12,00,926**	**46,50,22,760**	**53,22,85,566**	**62,03,16,624**
Revenue from Room Rent	19,58,73,600	23,05,75,245	26,72,54,460	30,59,11,245	34,65,45,600
Revenue from Food/Beverage/Banquets	13,71,11,520	16,14,02,672	18,70,78,122	21,41,37,872	25,99,09,200
Other Services	78,34,944	92,23,010	1,06,90,178	1,22,36,450	1,38,61,824
Operational Expenses	**23,95,34,609**	**28,19,71,390**	**31,75,26,094**	**35,81,31,519**	**41,62,89,289**
Food & Beverage Consumed	4,11,33,456	4,84,20,801	5,61,23,437	6,42,41,361	7,79,72,760
Employee benefit costs	6,81,64,013	8,42,52,195	9,30,04,552	10,11,34,258	11,47,58,575
Other Expenses	13,02,37,140	14,92,98,394	16,83,98,105	19,27,55,900	22,35,57,953
EBITDA	**10,12,85,455**	**11,92,29,536**	**14,74,96,667**	**17,41,54,047**	**20,40,27,335**
Depreciation	90,00,000	88,00,000	86,00,000	84,00,000	82,00,000
Operational Profits	**9,22,85,455**	**11,04,29,536**	**13,88,96,667**	**16,57,54,047**	**19,58,27,335**
Non-Operational Revenue	97,93,680	1,61,40,267	1,33,62,723	1,52,95,562	1,73,27,280
Other Income	97,93,680	1,61,40,267	1,33,62,723	1,52,95,562	1,73,27,280
Non-Operational Expenses	**3,55,00,000**	**3,51,88,942**	**3,50,59,615**	**3,51,12,019**	**3,53,46,154**
Interest on Borrowings	1,75,00,000	1,40,00,000	1,05,00,000	70,00,000	35,00,000
Remeasurement in defined benefit plans					
Other Non-operational Expenses	1,80,00,000	2,11,88,942	2,45,59,615	2,81,12,019	3,18,46,154
Profit before Tax	**6,65,79,135**	**9,13,80,861**	**11,71,99,775**	**14,59,37,591**	**17,78,08,461**
Current Tax	-	-	-	-	1,23,65,391
Deferred Tax					
Profit After Tax	**6,65,79,135**	**9,13,80,861**	**11,71,99,775**	**14,59,37,591**	**16,54,43,070**

Amount in INR

Particulars	Year ended 31-Mar-29	Year ended 31-Mar-30	Year ended 31-Mar-31	Year ended 31-Mar-32	Year ended 31-Mar-33	Terminal
Income	**69,65,91,970**	**78,18,06,874**	**87,18,41,398**	**96,67,94,422**	**1,06,67,64,823**	**1,12,01,03,064**
Operational Revenue	**69,65,91,970**	**78,18,06,874**	**87,18,41,398**	**96,67,94,422**	**1,06,67,64,823**	**1,12,01,03,064**
Revenue from Room Rent	38,91,57,525	42,48,95,040	46,12,91,745	49,83,47,640	53,60,62,725	56,28,65,861
Revenue from Food/Beverage/Banquets	29,18,68,144	33,99,16,032	39,20,97,983	44,85,12,876	50,92,59,589	53,47,22,568
Other Services	1,55,66,301	1,69,95,802	1,84,51,670	1,99,33,906	2,14,42,509	2,25,14,634
Operational Expenses	**45,70,28,155**	**51,14,47,860**	**55,98,25,508**	**61,86,50,754**	**66,94,37,276**	**70,29,09,140**
Food & Beverage Consumed	8,75,60,443	10,19,74,810	11,76,29,395	13,45,53,863	15,27,77,877	16,04,16,770
Employee benefit costs	12,53,86,555	13,68,16,203	14,82,13,038	15,95,21,080	17,06,82,372	17,92,16,490
Other Expenses	24,40,81,157	27,26,56,847	29,39,83,075	32,45,75,812	34,59,77,028	36,32,75,880
EBITDA	**23,95,63,815**	**27,03,59,014**	**31,20,15,890**	**34,81,43,667**	**39,73,27,546**	**41,71,93,924**
Depreciation	80,00,000	78,00,000	76,00,000	74,00,000	72,00,000	72,00,000
Operational Profits	**23,15,63,815**	**26,25,59,014**	**30,44,15,890**	**34,07,43,667**	**39,01,27,546**	**40,99,93,924**
Non-Operational Revenue	1,94,57,876	2,12,44,752	2,30,64,587	2,49,17,382	2,68,03,136	2,68,03,136
Other Income	1,94,57,876	2,12,44,752	2,30,64,587	2,49,17,382	2,68,03,136	2,68,03,136
Non-Operational Expenses	**3,57,62,019**	**3,90,46,154**	**4,23,90,865**	**4,57,96,154**	**4,92,62,019**	**4,92,62,019**
Interest on Borrowings	-	-	-	-	-	
Remeasurement in defined benefit plans						
Other Non-operational Expenses	3,57,62,019	3,90,46,154	4,23,90,865	4,57,96,154	4,92,62,019	4,92,62,019
Profit before Tax	**21,52,59,672**	**24,47,57,612**	**28,50,89,612**	**31,98,64,895**	**36,76,68,664**	**38,75,35,041**
Current Tax	5,41,76,554	6,16,00,596	7,17,51,354	8,05,03,597	9,25,34,849	9,75,34,819
Deferred Tax						
Profit After Tax	**16,10,83,118**	**18,31,57,016**	**21,33,38,259**	**23,93,61,298**	**27,51,33,814**	**29,00,00,222**

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Balance Sheet:

Amount in INR

Particulars	As on 31-Mar-24	As on 31-Mar-25	As on 31-Mar-26	As on 31-Mar-27	As on 31-Mar-28
Non-Operational Assets	2,52,00,000	-	-	-	-
Balances with banks held as lien	2,52,00,000	-			
Property, Plant and Equipment	38,50,48,000	40,12,48,000	41,26,48,000	41,92,48,000	42,60,48,000
Tangible & Intangible Assets	38,50,48,000	40,12,48,000	41,26,48,000	41,92,48,000	42,60,48,000
Operational Assets	5,78,54,997	6,77,01,506	7,81,82,246	8,93,14,899	10,39,78,801
Security Deposits	14,73,000	14,73,000	14,73,000	14,73,000	14,73,000
Inventories	34,27,788	40,35,067	46,76,953	53,53,447	64,97,730
Trade Receivables	4,77,14,809	5,61,68,130	6,51,03,186	7,45,19,979	8,68,44,327
Other Current Assets	52,39,400	60,25,310	69,29,107	79,68,472	91,63,743
Cash & Cash Equivalents	8,97,41,208	13,82,65,312	19,14,86,161	27,86,82,677	43,29,22,068
Total Assets	**55,78,44,205**	**60,72,14,819**	**68,23,16,407**	**78,72,45,576**	**96,29,48,869**
Shareholders Funds	**36,85,91,035**	**45,99,71,896**	**57,71,71,671**	**72,31,09,261**	**88,85,52,331**
Equity Share Capital	19,00,40,900	19,00,40,900	19,00,40,900	19,00,40,900	19,00,40,900
Instruments entirely in the nature of Equity (CCD's)	3,01,49,000	3,01,49,000	3,01,49,000	3,01,49,000	3,01,49,000
Share Application Money	15,00,00,000	15,00,00,000	15,00,00,000	15,00,00,000	15,00,00,000
Share Capital Premium	35,77,34,000	35,77,34,000	35,77,34,000	35,77,34,000	35,77,34,000
Reserves & Surplus	(35,93,32,865)	(26,79,52,004)	(15,07,52,229)	(48,14,639)	16,06,28,431
Borrowings	**14,66,67,000**	**9,77,78,000**	**4,88,89,000**	**-**	**-**
Term Loan	14,66,67,000	9,77,78,000	4,88,89,000	-	-
Operational Liabilities	**4,25,86,170**	**4,94,64,923**	**5,62,55,737**	**6,41,36,315**	**7,43,96,537**
Employee Related Provisions/Liabilities	47,71,481	58,97,654	65,10,319	70,79,398	80,33,100
Trade Payable	2,14,21,325	2,47,14,899	2,80,65,193	3,21,24,658	3,76,91,339
Other Current Liabilities	1,63,93,365	1,88,52,370	2,16,80,225	2,49,32,259	2,86,72,098
Total Liabilities	**55,78,44,205**	**60,72,14,819**	**68,23,16,407**	**78,72,45,576**	**96,29,48,869**

Amount in INR

Particulars	As on 31-Mar-29	As on 31-Mar-30	As on 31-Mar-31	As on 31-Mar-32	As on 31-Mar-33	Terminal
Non-Operational Assets	-	-	-	-	-	-
Balances with banks held as lien						-
Property, Plant and Equipment	42,80,48,000	43,02,48,000	43,26,48,000	43,52,48,000	43,80,48,000	43,80,48,000
Tangible & Intangible Assets	42,80,48,000	43,02,48,000	43,26,48,000	43,52,48,000	43,80,48,000	43,80,48,000
Operational Assets	11,68,30,884	13,15,42,914	14,72,70,153	16,40,64,485	18,19,83,126	19,10,08,632
Security Deposits	14,73,000	14,73,000	14,73,000	14,73,000	14,73,000	14,73,000
Inventories	72,96,704	84,97,901	98,02,450	1,12,12,822	1,27,31,490	1,33,68,064
Trade Receivables	9,75,22,876	10,94,52,962	12,20,57,796	13,53,51,219	14,93,47,075	15,68,14,429
Other Current Assets	1,05,38,305	1,21,19,051	1,39,36,908	1,60,27,444	1,84,31,561	1,93,53,139
Cash & Cash Equivalents	58,79,61,736	76,53,26,492	97,16,45,719	1,20,48,84,900	1,47,25,56,670	1,76,01,29,483
Total Assets	**1,13,28,40,621**	**1,32,71,17,406**	**1,55,15,63,872**	**1,80,41,97,386**	**2,09,25,87,796**	**2,38,91,86,116**
Shareholders Funds	**1,04,96,35,449**	**1,23,27,92,465**	**1,44,61,30,724**	**1,68,54,92,022**	**1,96,06,25,837**	**2,25,06,26,058**
Equity Share Capital	19,00,40,900	19,00,40,900	19,00,40,900	19,00,40,900	19,00,40,900	19,00,40,900
Instruments entirely in the nature of Equity (CCD's)	3,01,49,000	3,01,49,000	3,01,49,000	3,01,49,000	3,01,49,000	3,01,49,000
Share Application Money	15,00,00,000	15,00,00,000	15,00,00,000	15,00,00,000	15,00,00,000	15,00,00,000
Share Capital Premium	35,77,34,000	35,77,34,000	35,77,34,000	35,77,34,000	35,77,34,000	35,77,34,000
Reserves & Surplus	32,17,11,549	50,48,68,565	71,82,06,824	95,75,68,122	1,23,27,01,937	1,52,27,02,158
Borrowings	**-**	**-**	**-**	**-**	**-**	**-**
Term Loan	-	-	-	-	-	-
Operational Liabilities	**8,32,05,171**	**9,43,24,941**	**10,54,33,148**	**11,87,05,363**	**13,19,61,959**	**13,85,60,057**
Employee Related Provisions/Liabilities	87,77,059	95,77,134	1,03,74,913	1,11,66,476	1,19,47,766	1,25,45,154
Trade Payable	4,14,55,200	4,68,28,957	5,14,51,559	5,73,91,209	6,23,44,363	6,54,61,581
Other Current Liabilities	3,29,72,913	3,79,18,849	4,36,06,677	5,01,47,678	5,76,69,830	6,05,53,322
Total Liabilities	**1,13,28,40,621**	**1,32,71,17,406**	**1,55,15,63,872**	**1,80,41,97,386**	**2,09,25,87,796**	**2,38,91,86,116**

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4. In relation with the detailed projections as shared for the valuation, it is confirmed, to the best of our knowledge and belief that:

    - The financial position and operating results for the forecast period reflect the best judgment of the Management, based on expected future market conditions and the likely course of action to be taken by the Company as at the Valuation Date.
    - Accounting principles used in the preparation of the forecast data are in consistent with generally accepted accounting principles.
    - All key assumptions for the forecast period are applied consistently and no factors that may be relevant are neglected.

5. In case of happening of events beyond the control, the projected operational cashflow statements may not hold good.

6. There are no unusual contractual obligations, substantial commitments or any surplus non-operating assets for the Company as on the Valuation Date other than those disclosed, which would materially affect the forecasts relied upon.

7. During prior years, the Company had received an Order from Office of the Commissioner of Customs (Export) imposing differential duties and penalties amounting to ₹ 3.78 crores plus applicable interests for certain alleged violations of the Export Promotion Capital Goods Scheme. In response to this, the Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai and an unconditional stay in the matter is granted till the disposal of the appeal. Based on a detailed evaluation and independent advice obtained, the management believes that the case will be settled in the company's favour. Therefore, the management has only disclosed this as a footnote to financial statements and has not recorded any provisions with respect to such contingencies in Unaudited and Management Certified Balance Sheet as on March 31, 2023.

8. Long term expected growth rate of the Company based on industry conditions and operating outlook of the Company is 5%.

9. Effective Tax rate of 25.17% has been used in the projections, which in our view reflects the best estimate of the tax incidence borne by the Company.

10. It is the current intention to run the Company as a going concern.

11. We confirm that all our replies to your queries either via correspondences or management meetings on the earnings capacity and operating outlook of the Company reflect our best judgment, as at Valuation Date, regarding the future profitability of the business after considering industry and operating conditions.

12. All documents, records and information relevant for review of the financial outlook have been disclosed and are complete and accurate in relation to the valuation of the Company as at Valuation Date.

13. The commercial decision is independent of valuation report

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