

Date: May 30, 2022

The Board of Directors
Boutonniere Hospitality Private Limited
CIN: U55101HR2009PTC057252
R.O.: Plot No. 73-74, Phase-III, Industrial Area,
Dharuhera, Rewari, Haryana- 123106

Dear Sir/ Madam,

I, Yashlok Dubey, refer to our engagement letter, a registered valuer under the Companies Act, 2013 and having registration no. IBBI/RV/03/2019/11087 (hereinafter referred to as “Registered Valuer” or “Valuer”) has been appointed by **Boutonniere Hospitality Private Limited** (hereinafter referred to as “BHPL” or “Company”), a Company incorporated under the Companies Act, 1956 and having registered office at Plot No. 73-74, Phase-III, Industrial Area, Dharuhera, Rewari, Haryana- 123106I, which is contemplating to undertake Equity Valuation of Food Business Undertaking of BHPL as on March 31, 2022 (“Valuation Date”).

This cover letter is intended to provide you with an overview of the purpose and scope of my analysis and conclusions. Please refer to the enclosed report for a discussion and presentation of the analysis performed in connection with this engagement.

Purpose and Scope

Based on my discussions with the management, I understand that management of the Company requires the valuation analysis of the Equity Value of Food Business Undertaking of BHPL. In this regard, the management of the Company requires a report on valuation of Equity Value of Food Business Undertaking of BHPL carried out by a “Registered Valuer” (as defined in the Companies Registered Valuers and Valuation Rules, 2017). Therefore, this valuation analysis has been conducted in accordance with the provisions of internationally accepted valuation methods. I understand that this valuation report will be used by the management of the Company for its internal assessment and not otherwise.

The report has been prepared exclusively for specified purposes as mentioned above and hence should not be used for any other purpose, without obtaining the prior written consent from registered valuer. This opinion should not be considered, in whole or in part, as investment advice by anyone.

Summary of Findings

Based on our valuation analysis of the business of the Food Business Undertaking of BHPL, in our assessment, the fair value of equity value of the Company as on March 31, 2022 is as under:

Amount in INR Lakh except otherwise stated

Approaches	Fair Value	Weight %	Product
Asset Approach ¹	1,077.12	20.00%	215.42
Market Approach ²	6,142.47	80.00%	4,913.97
Income Approach ³	-	-	-
Weighted Average Value of Equity			5,129.40
Nos. of Equity Shares (Numbers in Lakh)			64.73
Fair Value per Shares (in INR)			79.24

Notes: ¹ Refer Exhibit A; ² Refer Exhibit B; ³ Since as of valuation date the Company is in loss and the projected financial statements were not made available to us therefore Income Approach has not been applied.

Registered Valuer has based this opinion on information provided and represented by the management of the Company and did not independently verify the information provided in that regard, the validity of the valuation depends on the completeness and accuracy of the information provided by the company.

Registered Valuer applies valuation techniques and methods that confirm to generally accepted valuation practices.

Yashlok Dubey

IBBI Registered Valuer

Class: Securities or Financial Assets

IBBI Reg. No.: IBBI/RV/03/2019/11087

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Exhibit A, B

1. ENGAGEMENT OVERVIEW

1.1 Purpose and Scope

Based on my discussions with the management of BHPL, I understand that management of the Company requires the valuation analysis of the equity value of the Food Business Undertaking of BHPL for internal assessment purpose of the management of the Company. In that regard, the Company requires report on valuation of shares carried out by a Registered Valuer in accordance with internationally accepted valuation standards. The report is required for necessary regulatory compliances.

In this context, management of the company has appointed Yashlok Dubey (hereinafter referred to as “**Registered Valuer**”) to carry out valuation of equity value of Food Business Undertaking of BHPL and submit share valuation report to BHPL.

Registered Valuer has performed a valuation analysis of the business of company as on valuation date as specified in this report. Registered Valuer understands that his analysis will be used by the management of the company for its internal assessment. The exercise has been carried out in accordance with the Caveats and Limitation set out in Section V of this report.

1.2 Standard of Value

Business valuation can be undertaken in a variety of contexts and for a variety of purposes. To begin with any valuation process, it is most pertinent to identify the type of value relevant to the transaction/case as different standards of value would yield different valuation figure for same business interest. In the given context, **Fair Value** is considered as the appropriate standard of value.

Fair value is defined as:

“The fair value of an asset (or liability) is the amount at which that asset (or liability) could be bought (or incurred) or sold (or settled) in a current transaction between willing parties, that is, other than in a forced or liquidation sale”.

1.3 Premise of Value

The present valuation of the Company is undertaken on a **Going Concern Premise** i.e. on the premise that the Company will continue to operate in future and earn cash flows.

1.4 Scope of Analysis

We were provided with the following information by the management of BHPL for the evaluation of fair value of Food Business Undertaking of BHPL:

- Provisional consolidated financial statements of Food Business Undertaking of BHPL as of valuation date;
- Audited financial statements of BHPL for FY 21 and FY 20;
- A copy of Memorandum and Articles of Association of the Company;
- Management representation letter.

From the public domain, we have used the following information for the purpose of our value analysis:

- Website of BSE Limited: <https://www.bseindia.com/>
- Website of National Stock Exchange of India Limited <https://www.nseindia.com/>
- Website of MCA: <https://www.mca.gov.in/>

1.5 Valuation Date

At the request of management, the valuation analysis has been performed as on March 31, 2022.

1.6 Valuation Standard

We have adopted IVS (International Valuation Standards) developed and issued by IVSC (International Valuation Standards Council).

1.7 Conflict of Interest

There is no conflict of interest in our opinion on valuation analysis of the businesses of the Company. Our fee is not contingent upon the opinion expressed herein. This report is subject to the terms and conditions outlined in the engagement letter.

2. CORPORATE OVERVIEW¹

Background of the Company

Boutonniere Hospitality Private Limited is a private limited company incorporated on September 24, 2009, under the jurisdiction of RoC –Delhi. The registered office of the Company is situated at Plot No. 73-74, Phase-III, Industrial Area, Dharuhera, Rewari, Haryana- 123106. The Company has two business undertaking Real Estates and Food Business.

As of the valuation date the authorised share capital of the Company is INR 7,00,00,000.00/- and paid- up share capital of the Company is INR 6,47,29,890.00/- divided into face value of INR 10.00/- each.

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¹ Source: Company Profile as provided by management of the Company

3. VALUATION APPROACH AND METHODOLOGY

3.1 Valuation Approaches

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- whether the entity is listed on a stock exchange
- industry to which the Company belongs
- past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated
- Extent to which industry and comparable company information is available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These approaches can be broadly categorized as follows:

1. Asset Approach
2. Income Approach
3. Market Approach

3.1.1 Asset Approach

This method determines the worth of a business by the assets it possesses. It involves examining every asset held by the company, both tangible and intangible. The value of intangibles is referred to as the company's goodwill, the difference in value between the Company's hard assets and its true value.

The value arrived at under this approach is based on the financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The Book Value is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern. Pursuant to accounting convention, most assets are reported on the books of the subject company at their acquisition value, net of depreciation where applicable. These values must be adjusted to fair value wherever possible. Further, the balance sheet values are to be adjusted for any contingent liabilities that are likely to materialize.

Intrinsic value is at the core of fundamental analysis since it is used in an attempt to calculate the value of the total assets of the business and then compare it with the fair value.

3.1.2 Income Approach

The income approaches determine fair value by dividing the benefit stream generated by the subject or target company by a discount or capitalization rate. The discount or capitalization rate converts the stream of benefits into present value. There are several different income approaches, including Capitalization of Earnings or cash flows, Discounted Future Cash Flows ("DCF"), and the Excess Earnings Method (which is a hybrid of asset and income approach of benefit stream to which it is applied). This approach of valuation quantifies the net present value of future benefits associated with ownership of the equity interest or asset. The estimated future benefits that accrue to the owner are discounted or capitalized at a rate appropriate for the risks associated with those future benefits. Common methods within the income approach include the capitalization of earnings (or cash flow) methodology and the discounted cash flow methodology.

The discounted cash flow (DCF) method is based on the following assumptions:

- A business is worth today what it can generate in future cash to its owners;
- Cash received today is worth more than an equal amount of cash received in the future; and
- Future cash flows can be reasonably estimated.

The DCF analysis is comprised of the sum of the present value of two components; projected cash flows and a residual or terminal value.

Cash flows are estimated for a future period based on projections provided by Management. These cash flows are then discounted back to their present value equivalents at a calculated discount rate and summed. A residual value based on an exit or steady state terminal multiple, which represents the future cash flows of the company beyond the discrete projection period, is then discounted to its present value and added to the initial amount. In applying the DCF analysis it is essential that the cash flows to be discounted are clearly defined and that a discount rate appropriate for the degree of risk inherent in that return stream is established.

3.1.3 Market Approach

The value of a business is determined by comparing the company's accounting ratios with another Company's of the same nature and size. This approach is used, where the

value of a stock is estimated based upon its current price relative to variables considered to be significant to valuation, such as earnings, cash flow, book value, or sales of various business of the same nature. Business appraisal includes comparative transaction method and publicly traded company method. Through this, it derives a relationship between performance, revenues and selling price.

3.2 Valuation Methodology Used

Considering the nature, stage and size of business and keeping in view the necessary regulatory guidelines, in the current analysis, Asset Approach and Income approach has been used to determine the fair equity value of Food Business Undertaking of BHPL.

Since the Company is in loss as of the valuation date and projected financial statements were not made available to us. Therefore, Income Approach has not been applied in the current valuation analysis.

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4. VALUATION FRAMEWORK AND OPINION

4.1 Valuation Framework

This study is undertaken to compute value of equity value of the Food Business Undertaking of BHPL as on valuation date as specified in the report.

The broad framework used in arriving at value of shares is as follows:

1. **Determine book value** which is the difference between the total assets and total outstanding liabilities of the Company. Refer Exhibit A
2. **Determine Value of equity shareholders through Market Approach:** Under this method, equity value of Company is derived by using EV/ EBITDA (Enterprise Value/ Earnings Before Interest Depreciation Amortisation and Tax) multiple, derived from listed peer companies. Refer Exhibit B
3. **Determine weighted average equity value** by giving weight to the equity value derived in steps 1 and 2.
4. **Determine fair equity value per share** by dividing the equity value of equity derived in step 3 by total number of equity shares outstanding as on valuation date.

4.2 Valuation Opinion

Based on our valuation analysis, in our assessment, the fair equity value of the Food Business Undertaking of BHPL as on March 31, 2022 is as under:

Amount in INR Lakh except otherwise stated

Approaches	Fair Value	Weight %	Product
Asset Approach ¹	1,077.12	20.00%	215.42
Market Approach ²	6,142.47	80.00%	4,913.97
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Notes: ¹ Refer Exhibit A; ² Refer Exhibit B; ³ Since as of valuation date the Company is in loss and the projected financial statements were not made available to us therefore Income Approach has not been applied.

5. CONDITIONS AND LIMITATIONS

5.1 Purpose and Distribution of Report

The report prepared by Registered Valuer is prepared solely for the purpose stated in the Engagement Letter and should not be used for any other purpose. Except as specifically stated in the report prepared by Registered Valuer, the Registered Valuer's report and its contents may not be quoted or referred to, in whole or in part, in any registration statement, prospectus, public filing, loan agreement, or other agreement or document without the prior written approval of Registered Valuer. Except as set forth in Registered Valuer's report, the Registered Valuer report is prepared for Client use only and may not be reproduced or distributed to any third parties without Registered Valuer prior written consent.

5.2 Scope of Analysis

The appraisal of any financial instrument or business is a matter of informed judgment. The accompanying appraisal has been prepared on the basis of information and assumptions set forth in the attached report, its appendices, our underlying work papers, and these limiting conditions and assumptions.

5.3 Nature of Opinion

Neither the opinion nor the report provided or prepared by Registered Valuer are to be construed as a fairness opinion as to the fairness of an actual or proposed transaction, a solvency opinion, or an investment recommendation, but, instead, are the expression of Registered Valuer's determination of the fair value of assets between a hypothetical willing buyer and a hypothetical willing seller in an assumed transaction on an assumed valuation date. For various reasons, the price at which the assets might be sold in a specific transaction between specific parties on a specific date might be significantly different from the fair value as expressed in our report.

5.4 Basis of analysis and Assumptions considered

Registered Valuer's analysis:

- a) is based on the information made available to us by the management of the subject Company and information obtained by us regarding the subject Company from public domain as mentioned in the report. Any subsequent changes to the financial parameters and other information provided to us, may affect the result set out in this report.

- b) did not constitute an audit in accordance with Indian GAAP/ International Financial Reporting Standards and all other applicable accounting practices and procedures and examination/review of internal controls or other attestation or review services. Accordingly, we do not express an opinion on the information presented.
- c) is based on the present financial condition and significant future business plans of the Client and its assets as of the valuation date;
- d) assumes that as of the valuation date the Client and its assets will continue to operate as configured as a going concern;
- e) has taken effect of the scheme of arrangement filed with Hon'ble National Company Law Tribunal Delhi Bench, wherein BHPL shall demerged its real estates business undertaking to a Resulting Company. Therefore, in the current valuation analysis, while evaluating the book value of net assets of the undertaking, the investment in the equity shares of Primus Real Estates Private Limited (being part of real estate undertaking) has not been considered. It is pertinent to note that on any changes in the above said arrangement our valuation analysis may also get changed.
- f) assumes that the current level of management expertise and effectiveness would continue to be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed; and
- g) assumes that the Company had no undisclosed real or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business, nor had any litigation pending or threatened that would have a material effect on our analysis other than those considered for valuation calculation.
- h) is based on the provisional figures provided by the management of the Company.
- i) is based on various representations given by the management in relation to the fair value of certain assets & liabilities.

5.5 Lack of Verification of Information Provided

With the exception of any audited financial statements provided to Registered Valuer, Registered Valuer has relied on information supplied by the Client without audit or verification. Registered Valuer has assumed that all information furnished is complete, accurate and reflects Client's management's good faith efforts to describe the status and prospects of the Client at the valuation date from an operating and a financial point of view. As part of this engagement, Registered Valuer has relied upon publicly available data from recognized sources of financial, industry, or statistical information, which have not been verified.

5.6 Subsequent Events

The terms of Registered Valuer' engagement is such that Registered Valuer has no obligation to update this report or to revise the valuation because of events and

transactions occurring subsequent to the date of the valuation unless Registered Valuer is engaged to provide valuations in the future.

5.7 Legal Matters

Registered Valuer assumes no responsibility for legal matters including interpretations of either the law or contracts. Registered Valuer has made no investigation of legal title and has assumed that all owners' claims to property are valid. Registered Valuer has given no consideration to liens or encumbrances except as specifically stated in financial statements provided to Registered Valuer. Registered Valuer has assumed that all required licenses, permits, etc. are in full force and effect. Registered Valuer assumes that all applicable federal, state, local zoning, environmental and similar laws and regulations have and continue to be complied with by Client. Registered Valuer assumes no responsibility for the acceptability of the valuation approaches used in our report as legal evidence in any particular court or jurisdiction. The suitability of Registered Valuer's report and opinion for any legal forum is a matter for Client and Client's legal advisor to determine.

5.8 Testimony

Registered Valuer and its employees, consultants and agents shall not provide any testimony or appear in any legal proceeding unless Registered Valuer coordinates such testimony.

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Exhibit A

COMPUTATION OF BOOK VALUE OF FOOD BUSINESS UNDERTAKING OF BOUTONNIERE HOSPITALITY PRIVATE LIMITED AS ON DECEMBER 31, 2021

Amount in INR in Lakhs

	March 31, 2022
Property, Plant and Equipment	429.84
Goodwill	1,954.22
Other intangible assets	3,771.21
Investments	1,063.09
Other financial assets	273.74
Other non-current assets	346.07
Inventories	492.94
Trade receivables	208.95
Cash and cash equivalents	376.63
Other current financial assets	362.15
Current Tax Assets (Net)	51.27
Other current assets	282.49
Total of Assets	9,612.60
Less: Liabilities	
Borrowings	-150.00
Provisions	-160.45
Other Financial Liabilities	-2,864.39
Borrowings	-627.33
Trade payables	-1,373.86
Other financial liabilities	-1,786.86
Other current liabilities	-609.79
Provisions	-205.78
Total of Liabilities	-7,778.45
Less: Non- Controlling Interest	-757.02
Book Value of Net Assets	1,077.12

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Exhibit B

**CALCULATION OF FAIR EQUITY VALUE OF FOOD BUSINESS
UNDERTAKING OF BHPL USING EV/ EBITDA MULTIPLE**

Figures in INR in Lakh

Particulars	March 31, 2022
PBT	-635.27
Add: Finance costs	243.93
Add: Depreciation and Amortization	685.09
EBITDA	293.75
Industry EV/ EBITDA x	36.66
Enterprise Value	10,767.39
Debt & Debt Equivalent	-5,002.20
Cash & Cash Equivalent	377.27
Equity Value	6,142.47

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