Private and Confidential

Valuation of equity shares of Joyous Housing Limited

October 2022

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PNB Housing Finance Limited,
9th Floor, Antriksh Bhawan,
22 Kasturba Gandhi Marg,
Connaught Place, New Delhi-110001

Kind Attention: Mr. Shakti Vats

Subject: Valuation of Joyous Housing Limited

Dear Sir,

We refer to our engagement letter dated July 29, 2022 wherein PNB Housing Finance Limited ("PNBHFL"/ the "Client") appointed RBSA Capital Advisors LLP ("RBSA" / the "Valuer") to carry out the equity valuation of Joyous Housing Limited ("JHL" / the "Company") as at March 31, 2022 ("Valuation date"), for internal management considerations.

1. Preamble

1.1. PNB Housing Finance Limited, incorporated in November 1988, is a deposit taking Housing Finance Company registered with National Housing Bank ("NHB") under Section 29A of the National Housing Bank Act, 1987. PNBHFL is primarily engaged in the business of providing loans to individuals and corporate bodies for purchase, construction, repair, and up-gradation of houses/ flats/ commercial properties. Equity shares of PNBHFL are listed on the BSE Limited and the National Stock Exchange of India Limited.

1.2. Joyous Housing Limited, a joint venture between Shapoorji Pallonji Group, DLF Group and Hubtown Group, is primarily engaged in the development of Tulsiwadi Urban Redevelopment Project located in South Mumbai (the "JHL Project").

1.3. JHL had availed of borrowings from PNBHFL for the development of the JHL Project. Equity shares of JHL were offered as a security for the borrowing availed by JHL. Equity shares of JHL are not listed on any stock exchange.

1.4. We understand from the management of PNBHFL (the "Management") that:

- JHL has defaulted in the servicing of the loan provided by PNBHFL;
- Current Status of the JHL Project is as follows:
    - Rehabilitation of slum dwellers is partially completed; however, the JHL Project is currently on hold due to funding constraints.
    - JHL Project has a valid Letter of Intent ("LoI") and JHL does not have material ongoing litigations in respect of the JHL Project.

1.5. PNBHFL is inter-alia evaluating an option to invoke the pledge of equity shares of JHL which were offered as a security for the loan and wishes to understand the valuation of JHL as at the Valuation Date, for internal management considerations. In this regard, PNBHFL has appointed RBSA Capital Advisors LLP for carrying out the equity valuation of JHL as at the Valuation Date, for internal management considerations.

1.6. We have carried out the equity valuation of JHL as at the Valuation Date, after considering the fair value of the JHL Project, and our approach, along with the valuation conclusions, is detailed in this Report.

2. Background

2.1. JHL (earlier known as Mangal Shrusti Gruh Nirman Private Limited) is a limited liability company incorporated on September 19, 1995, under the Companies Act, 1956. JHL is a special purpose vehicle set up by the DLF group, Shapoorji Palonji Group and Hubtown to develop the JHL Project.

2.2. The summary of the historical audited financial statements of JHL is as under:

2.3.1 Extracts of the Income Statement

(INR Mn)

Particulars for the year ended	March 31, 2019 *Audited*	March 31, 2020 *Audited*	March 31, 2021 *Audited*	March 31, 2022 *Refer Note below*
Income				
Revenue From Operations	-	-	-	-
Other Income	30.5	24.4	36.9	12.2
Total Income	**30.5**	**24.4**	**36.9**	**12.2**
Expenses				
Cost of Construction/ Development	307.2	184.5	93.6	NA
(Increase)/ Decrease in inventories @	(1,343.9)	(1,397.8)	(1,649.7)	NA
Employee benefits expense	20.3	15.3	14.2	5.7
Other Expenses	2.5	1.7	1.1	85.4
Depreciation	0.3	0.2	0.2	0.1
Finance Cost @	1,049.5	1,215.4	1,586.2	# 911.5
Profit/ (Loss) Before Tax	**(5.3)**	**5.2**	**(8.7)**	**(89.4)**
Tax Expense	-17.6	-8.3	39.6	*
Profit/ (Loss) After Tax	**12.3**	**13.5**	**(48.3)**	**(89.4)**

NA: Not available
@ Includes Finance costs capitalised
 # Finance costs capitalized for FY22: INR 901.0 million
** Less than INR 0.05 million*
Note: The Management represented that the audited/ provisional financials of JHL (along-with Auditors' report, Schedules, and Notes to accounts) for FY22 are not readily available in the public domain. Considering the aforementioned, the amounts for FY22 are based on the summary disclosures relating to JHL available in the audited financial statements of DLF Limited for FY22

Source: Audited financial statement of JHL for FY19, FY20 and FY21 and audited financial statements of DLF for FY22

2.3.2 Extracts of the Balance sheet

INR Mn

Particulars as at	March 31, 2019 *Audited*	March 31, 2020 *Audited*	March 31, 2021 *Audited*	March 31, 2022 *Refer Note below*
ASSETS				
Non-Current Assets				
Net Fixed Assets	1.1	0.9	0.8	NA
Financial Assets				
-- Investments	400.0	-	-	NA
-- Loans	40.0	40.0	40.0	NA
-- Other financial assets	184.7	197.7	261.1	NA
Other non-current assets	0.3	0.1	0.6	NA
Total Non-Current Assets	**626.1**	**238.7**	**302.4**	**48.9**
Current Assets				
Inventories	8228.8	9,626.6	11,276.3	NA
Financial Assets				
- Investments	-	400.0	400.0	NA
- Cash and cash equivalents	131.6	4.5	92.0	4.2
Other current assets	128.9	146.8	175.4	NA
Current Tax assets (Net)	17.2	4.7	6.3	NA
Total Current Assets	**8,506.5**	**10,182.6**	**11,949.9**	**12,889.4**
TOTAL ASSETS	**9,132.6**	**10,421.3**	**12,252.3**	**12,938.3**
EQUITY & LIABILITIES				
EQUITY				
Equity Share Capital	10.0	10.0	10.0	10.0
Other Equity	**361.3**	374.5	326.6	NA
Total Equity	**371.3**	**384.5**	**336.6**	**247.0**
Non-Current Liabilities				
PNBHFL loan	**7424.8**	8,126.2	9,766.6	NA
Other financial Liabilities	**320.3**	293.5	386.2	NA
Provisions	0.3	0.3	0.2	NA
Deferred Tax Liability (net)	168.3	132.0	198.6	NA
Total Non-Current Liabilities	7913.6	**8,552.0**	**10,351.6**	**10,757.0**
Current Liabilities				
Financial Liabilities				
- Borrowings	545.8	1,045.2	1,168.5	NA
- Trade Payables	53.4	125.6	42.7	NA
- Other Financial Liabilities	150.9	222.0	290.7	NA
Other Current Liabilities and provisions	63.5	61.5	58.9	NA
Current Tax Liabilities (Net)	34.2	30.5	3.5	NA
Total Current Liabilities	**847.7**	**1,484.8**	**1,564.2**	**1,934.2**
TOTAL EQUITY & LIABILITIES	**9132.6**	**10,421.3**	**12,252.4**	**12,938.3**

NA: Not Available

Note: The Management represented that the audited/ provisional financials of JHL (along-with Auditors' report, Schedules and Notes to accounts) for FY22 are not readily available in the public domain. Considering the aforementioned, the amounts for FY22 are based on the summary disclosures relating to JHL available in the audited financial statements of DLF Limited for FY22

Source: Audited financial statement of JHL for FY19, FY20 and FY21 and audited financial statements of DLF for FY22

2.3. Borrowings and interest dues

To fund the JHL Project, JHL has availed of loans from PNBHFL, the Company's shareholders and other related parties. Details of the borrowings as on March 31, 2021 are as follows:

INR mn

Lender	Annual Interest rate	Security	Principal outstanding as at FY21
PNBHFL	12.08% floating	Mortgage of development rights and saleable FSI of the Project, hypothecation of receivables of phase 1 of the Project, pledge of 100% shares of JHL, comfort letter from shareholders	6,657.6
Related Parties	SBI PLR+2% / Interest Free	Not available	3,378.6
Companies	SBI PLR+2%	Not available	898.9
Total			**10,935.1**

Source: Information provided by the Management and FY21 annual report

The interest due on the borrowings as at 31 March 2021 is INR 614.50 mn.

2.4. Interest free loan and deemed equity

DLF group has granted interest free loan aggregating INR 1,000 million to JHL. In 2015, on adoption of IND AS, this loan was discounted to the present value ("PV"), and the difference of INR 757.6 Mn between the carrying value and the PV of the loan was credited to 'Other Equity' as deemed equity. The PV of the interest free loan has been recognized as the borrowings and the unwinding of borrowing costs is being recognized as interest cost.

2.5. Investments

JHL has invested INR 400 Mn in unsecured non-convertible debentures ("CIGPL NCDs") of Citygold India Private Limited. CIGPL NCDs carry 1% interest rate and are to be redeemed three years from the date of allotment (2018). The investment in CIGPL NCDs was made out of the interest free loan availed from DHL. Interest outstanding towards these NCDs as at March 31, 2021 aggregates to ~INR 11 Mn.

JHL has also extended a loan of INR 40 Mn to Radiant Tradevest Private Limited as an advance for business purpose. The interest rate on the loan is 12% p.a. and the interest outstanding as at March 31, 2022 amounts to ~INR 44.9 Mn.

2.6. Equity holding structure of JHL as per the FY21 financial statement is as under:

Particulars	Equity Share Capital (in INR)	% of the Paid-up Capital
DLF Limited	37,50,000	37.5%
Chinsha Property Private Limited	37,50,000	37.5%
Hubtown Limited with nominee shareholders	25,00,000	25.0%
Total	**1,00,00,000**	

Source: FY21 annual report of JHL

3. Sources of Information

The principal sources of information considered for carrying out the Valuation included:

- Audited financial statements of JHL for FY19, FY20 and FY21;
- Audited financial statements of DLF Limited for FY22 (for summary disclosure relating to JHL);
- Discussions with the Management to inter-alia understand historical operations of the business, current status of the JHL Project, etc.;
- Discussions and correspondence with the Management;
- Information regarding the Company in the public domain;

4. Procedures

The procedures used in our valuation included such substantive steps as we considered necessary under the circumstances, including, the following:

- Considered audited financial statements of JHL for FY19, FY20 and FY21;
- Considered the audited financial statements of DLF for FY22 (for summary disclosure relating to JHL);
- Collection of data pertinent to the valuation exercise including data provided by the Client, industry data and relevant economic and market information;
- Analysis of the technical data and the support information received from the Company /PNBHFL
- Estimating the sale price of the Project based on the market analysis;
- Such other analyses, reviews, and inquiries, as we considered necessary.

5. Valuation Approach and Methodology

5.1. The valuation of JHL has been carried out in accordance with the ICAI Valuation Standards, 2018 ("ICAI VS") issued by the Institute of Chartered Accountants of India.

5.2. Basis of valuation means the indication of the type of value being used in an engagement. The basis of value considered for this valuation is fair value. Fair Value has been defined by ICAI VS as under:

"Fair value is 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".

5.3. The premise of value refers to the conditions and circumstances of how an asset is deployed.

The operations of JHL are currently on hold due to funding constraints. The Company's net worth has been eroded on account of the accumulated losses. However, as per the FY21 audited financial statements, the management of JHL believes that this erosion is temporary in nature as the Company has made strategic investments in certain assets/ projects and the proceeds from these investments are expected to result in the turnaround of the Company. Accordingly, the financial statements for FY21 were prepared on a going concern basis.

The Management of PNBHFL has represented that there is no change in the going concern status of JHL as at the Valuation Date. Accordingly, we have carried out the Valuation of JHL on a 'going concern value' premise, as at the Valuation Date.

5.4. The equity shares of JHL are not listed on any stock exchange. Commonly accepted methods for determining the value of the equity shares of a company, include:

- Income approach – Discounted Cash Flow method
- Market approach
- Asset approach – Net Asset Value method

5.5. There are several commonly used and accepted methods, within the market approach, income approach and asset approach, for determining the fair value of equity shares, which can be considered in the present case, to the extent relevant and applicable, and subject to the availability of detailed information, to arrive at the fair value of equity share.

5.6. Income Approach – Discounted Cash Flow ("DCF")

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalized) amount.

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. The terminal value represents the total value of the available cash flow for all periods subsequent to the horizon period. The terminal value of the business at the end of the horizon period is estimated, discounted to its present value equivalent and added to the present value of the available cash flow to estimate the value of the business.

Such DCF analysis involves determining the following:

- Estimating future free cash flows: Free cash flows are the cash flows expected to be generated by the company/ asset that are available to the providers of the company's capital – both debt and equity.
- Appropriate discount rate to be applied to cash flows i.e. the cost of capital: This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

5.7. Market Approach

Market approach is a valuation approach 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.

5.7.1 Market Price Method:

Under this method, the value of shares of a company is determined by taking the average of the market capitalization of the equity shares of such companies as quoted on a recognized stock exchange over reasonable periods of time where such quotations are arising from the shares being regularly and freely traded in an active market, subject to the element of speculative support that may be inbuilt in the market price.

5.7.2 Comparable Companies Multiple (CCM) Method:

Under this method, the value of the shares / business of a company is estimated by applying the derived market multiple based on market quotations of comparable public / listed companies, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company / business (based on past and / or projected working results) after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. These valuations are based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

5.7.3 Comparable Transaction Multiple (CTM) Method

Under Comparable Transaction Method, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

5.8. Asset Approach

The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. A net asset methodology is most applicable for businesses where the value lies primarily in its underlying assets.

5.9. Valuation Approach/ methodology adopted for valuation of JHL

JHL is a special purpose entity set up for the development of the JHL Project. JHL owns the development rights and has a valid LoI for the JHL Project which is located at a prime location. JHL has defaulted in the repayment of dues to the lenders and the construction for the JHL Project is currently on hold due to funding constraints.

The Management represented that the audited/ provisional financials of JHL for FY22 (including the auditors' report, schedules and notes to accounts) are not readily available in the public domain. We note that the audited financial statements of DLF for FY22 provide certain summary disclosures relating to the financial statements of JHL for FY22. Considering the aforementioned, for the purposes of valuation of JHL as at March 31, 2022, we have relied on the FY21 audited financial statements of JFL and made appropriate adjustment for the losses incurred by JHL during FY22 and finance cost capitalized by JHL during FY22, based on summary disclosures in the audited financial statements of DLF for FY22. Our valuation of JHL is based on the above premise.

JHL Project is the key value driver of JHL. Accordingly, the valuation of JHL as at March 31, 2022 is carried out adopting the Adjusted Net Asset Approach, considering fair value of the JHL Project, carrying value of assets and liabilities as at March 31, 2021 (except inventory and deferred tax liabilities), estimated adjustments for the losses incurred and finance cost capitalized during FY22 (based on summary disclosures available in the audited financial statements of DLF for FY22), contingent liabilities and other adjustments, as appropriate.

After considering the aforementioned, the adjusted net asset value of JHL is negative. Being a limited liability company, the equity value of JHL as at March 31, 2022 is restricted to NIL.

6. Key Valuation Considerations

6.1. Business

Joyous Housing Limited, a joint venture between Shapoorji Pallonji Group, DLF Group and Hubtown Group, is a special purpose vehicle for the development of Tulsiwadi Urban Redevelopment Project located in South Mumbai (the "JHL Project"). Equity shares of JHL are not listed on any stock exchange. JHL has incurred operating losses and shareholders have provided funding in the form of debt and equity to support its business operations.

6.2. JHL Project

Land: JHL Project is spread over a land parcel admeasuring ~74,537 square meters. The land belongs to the Municipal Corporation of Greater Mumbai ("MCGM") and is given to JHL on a long-term lease for a nominal amount. Major portion of the subject plot comprised of slums consisting of ~2,496 huts and ~724 tenements of conservancy staff quarters of MCGM.

Development Rights: The development rights of the Project were acquired by JHL through a development agreement with Tulsiwadi Navnirman (SRA) Co-operative Housing Society Limited under the Slum Rehabilitation Act ("SRA").

Redevelopment: The JHL Project envisages development of residential buildings including 2 buildings for sale, 4 buildings for slum rehabilitation and 7 buildings for MCGM quarters.

Current Status: 3 buildings for the slum rehabilitation and 4 buildings for the MCGM staff quarters have been completed. Rehabilitation of the slum dwellers is partially completed. The approvals for the other buildings are pending and the JHL Project is yet to be registered in RERA. The Project is currently on hold due to funding constraints. The Company has also defaulted on its dues to PNBHFL.

6.3. Financial Statements of JHL for FY22

The Management represented that:

- the audited/ provisional financials of JHL for FY22 (including the auditors' report, schedules and notes to accounts) are not readily available in the public domain.
- the business operations of JHL are carried out in the ordinary course between March 31, 2021 and March 31, 2022.

We note that the audited financial statements of DLF for FY22 provide certain summary disclosures relating to the financial statements of JHL for FY22. Considering the aforementioned, for the purposes of valuation of JHL as at March 31, 2022, we have made appropriate adjustment for the losses incurred by JHL during FY22 and finance cost capitalized by JHL during FY22, based on summary disclosures in the audited financial statements of DLF for FY22. Our valuation of JHL is based on the above premise.

6.4. Inventories

Inventories primarily comprise of the cost incurred for JHL Project, including, site development, FSI, construction materials and services, interest during construction, other expenses etc.

For the equity valuation of JHL, the fair value of the inventories/ JHL Project as at the Valuation Date is estimated at ~INR 10,432.3 mn by our fixed asset valuation team (For details, refer Annexure 2).

6.5. Deferred Tax Liability

JHL has recognized a deferred tax liability ("DTL") of INR 198. 6 mn as at March 31, 2021, which primarily relates to the accounting adjustment under Ind AS (including present value of the interest-free loan received by JHL from DLF group companies). Considering *inter-alia* the nature of underlying adjustment, accumulated losses, etc, no material cash outflow is expected to arise in this respect in the near to medium term.

6.6. Contingent Liabilities

The Company has contingent liabilities amounting to INR 45 mn, relating to civil construction works mainly on account of rate escalation in rehabilitation buildings. For the valuation of JHL, as represented by the Management, the probability of materialization of the contingent liabilities has been considered at 50%.

6.7. Action under the SARFAESI Act

JHL had defaulted in repayment of dues to PNBHFL and the constructive possession of the JHL Project was taken over on 29 March 2022. Subsequently, in July 2022 and August 2022, PNBHFL had issued notices for e-auctions of the JHL Project, pursuant to the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act"). The reserve price of these auctions were INR 11,516.2 Mn and INR 10,361.9 Mn, respectively. We understand from the Management that no bids were received from the potential acquirers for the above auctions.

It may be noted that the marketability of an under-development project being auctioned under the SARFAESI Act may get affected due to possible issues involved in the transfer of the existing project approvals and LoI to the acquirer, relatively stringent timelines for the discharge of payment consideration under the SARFAESI Act, etc.

6.8. The operations of JHL are currently on hold due to funding constraints. The Company's net worth has been eroded on account of the accumulated losses. However, as per the FY21 audited financial statements, the management of JHL believes that this erosion is temporary in nature as the Company has made strategic investments in certain assets/ projects and the proceeds from these investments are expected to result in the turnaround of the Company. Accordingly, the financial statements for FY21 were prepared on a going concern basis.

The Management of PNBHFL has represented that there is no change in the going concern status of JHL as at the Valuation Date. Accordingly, we have carried out the Valuation of JHL on a 'going concern value' premise, as at the Valuation Date.

6.9. Valuation Approach and methodology

JHL is a special purpose entity incorporated for the development of the JHL Project. JHL owns the development rights and has a valid LoI for the JHL Project. JHL Project is situated at a prime location in Mumbai and is a key value driver for JHL. However, the construction of the JHL Project is currently on hold due to funding constraints.

Accordingly, the valuation of JHL as at March 31, 2022 is carried out adopting the Adjusted Net Asset Approach, considering fair value of the JHL Project, carrying value of assets and liabilities (except inventory and deferred tax liabilities) as at March 31, 2022, estimated adjustments for the losses incurred and finance cost capitalized during FY22 (based on summary disclosures available in the audited financial statements of DLF for FY22), contingent liabilities and other adjustments, as appropriate. After considering the aforementioned adjustments, the adjusted net asset value of JHL is negative. Being a limited liability company, the equity value of JHL as at March 31, 2022 is restricted to NIL.

7. Scope and Limitations

7.1. RBSA has been appointed by PNBHL for carrying out the valuation of JHL as at the Valuation Date, for internal management considerations.

7.2. The basis of value applied in this engagement is fair value. Fair value, as per ICAI VS is defined 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.

7.3. Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. In the ultimate analysis, our valuation will have to be tempered by the exercise of judicious discretion and judgment taking into accounts all the relevant factors. There is, therefore, no indisputable single value. While we normally express our assessment as falling within a likely range, as per requirement of this Engagement, we are providing a single value. While we have provided our opinion on valuation based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion. The final responsibility for determination of the terms of the proposed transaction shall be with the Board of Directors of the Client who shall take into account other factors such as their own assessment of the proposed transaction and input of other advisors, if any.

7.4. Our valuation is based on the market, financial and other information provided by the Management and other information that was publicly available or sourced from subscribed databases, which has been relied upon by us. In accordance with the terms of our engagement, we have carried out relevant analyses and evaluations through discussions, calculations and such other means, as appropriate. In accordance with the terms of our engagement letter and in accordance with the customary approach adopted in valuation exercises, our valuation does not constitute as an audit or review in accordance with the auditing standards applicable in India, accounting / financial / commercial / legal / tax / environmental due diligence or forensic / investigation services and does not include verification or validation work. The Management had indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ conclusion. Accordingly, we assume no responsibility for any errors in the information provided by the Management and their impact on the Report.

7.5. The value achieved, in case of a transaction, may be different than our Valuation depending upon the circumstances and timing of the transaction, if any. The knowledge, negotiability and motivations of the buyers and sellers will also affect actual price achieved. Accordingly, our Valuation will not necessarily be the price at which any agreement proceeds.

7.6. The Real Estate market in India lacks transparency; the market is largely fragmented with limited availability of authentic, credible and reliable data with respect to market transactions. The actual transaction value may be significantly different from the value that is documented in official transactions. We believe that the market survey amongst actual sellers, brokers, developers, and other market participants would give a fair representation of market trends. Our valuation is, therefore, based on our verbal market survey of the real estate market in the subject area.

7.7. Valuation report may contain and/ or are based on estimates of future financial performance or opinions that represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as our predictions or as our assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted. Because events and circumstances frequently do not occur as expected, there will usually be differences between predicted and actual results, and those differences may be material. We take no responsibility for the achievement of the predicted results.

7.8. Our report can be used by the Client only for the purpose, as indicated in this report, for which we have been appointed. The results of our valuation and our report cannot be used or relied upon by the Client for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person / party for any decision of such person / party based on this report. Any person / party intending to provide finance / invest / divest in the shares / business of the Company / their holding companies /other group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person / party (other than the Client) chooses to place reliance upon any matters included in the report, they shall do so at their own risk and without recourse to RBSA. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this report or any part thereof, except for the purpose as set out earlier in this report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so.

7.9. Our valuation analysis and results are specific to the date of this Report. A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. This Report is issued on the understanding that the Management have drawn our attention to all the matters, which they are aware of concerning the financial position of the Company and any other matter, which may have an impact on our opinion on the valuation analysis for the proposed transaction as on the Valuation Date. Valuation is based on business, economic, market and other conditions as they existed as of the Valuation Date. Subsequent events or circumstances that could affect the conclusions set forth in our valuation include, without limitation, adverse changes in industry performance or market conditions and changes to the business, financial condition, and results of operations of the Company. RBSA is under no obligation to update, revise or reaffirm the valuation.

7.10. The Report assumes that the Company complies/ complied fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated and will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited balance sheet of the Company. Our conclusion of value assumes that the assets and liabilities of the Company reflected in its latest balance sheet remain intact as of the Report date. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts.

7.11. Our Report is not, nor should it be construed as our recommendation on the proposed transaction or anything consequential thereto / resulting therefrom. This Report does not address the relative merits of the proposed transaction as compared with any other alternatives or whether or not such alternatives could be achieved or are available. Any decision by the Client / their shareholders / creditors regarding whether or not to proceed with the proposed transaction shall rest solely with them. This Report does not in any manner address, opine on or recommend the prices at which the securities of the Company could or should transact at following the announcement / consummation of the proposed transaction. Our Report and the opinion/ valuation analysis contained herein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities or as providing management services or carrying out management functions. It is understood that this analysis does not represent a fairness opinion.

7.12. RBSA owes responsibility only to the Board of Directors of the Client that appointed us under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other third party to the Client. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Client, their directors, employees or agents. In no circumstances shall the liability of RBSA, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report will exceed the amount paid to RBSA in respect of the fees charged by it for these services.

7.13. We have also relied on the data from external sources to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and/ or reproduced in its proper form and context.

7.14. For the purpose of this engagement and report, we have made no investigation of, and assume no responsibility for the title to assets or liabilities against the Company. Our conclusion of value assumes that the title to the assets and liabilities of the Company reflected in the financial statements as on March 31, 2021 is intact as at the date of this report.

7.15. This Report is subject to the scope, assumption, limitations and disclaimers detailed herein. As such the report is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. The report has been issued only for the purpose stated herein.

7.16. The numbers in tables may not add up to decimal, due to rounding off.

7.17. The Client has been provided with the opportunity to review the draft report for this engagement to make sure the factual inaccuracies / omissions are avoided in the final report. We reserve the right to alter our conclusions should any information that we are not aware of at the time of preparing this Report comes to light that has a material impact on the conclusions herein.

8. Deliverables

8.1. This Report (including, for the avoidance of doubt) the information contained in it, is confidential and intended only for the sole use and information of the Client in connection with the proposed transaction and should not be relied upon for any other purpose or by any other person. Our report is issued on the express understanding that it shall not be copied, disclosed, or circulated or referred to in correspondence or discussion with any third party or used for any other purpose without RBSA's prior written consent or as permitted in our engagement letter. It is clarified that reference to this Report in any document and / or filing or possession of this report by any party, shall not be deemed to be an acceptance by RBSA of any responsibility or liability to any person / party other than the Client. RBSA accepts no duty, obligation, liability, or responsibility to any party, other than the Client with respect to the services and/ or this report.

8.2. In no event shall we be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or willful default on the part of the Company, its directors, shareholders, employees or agents. In no circumstances shall the liability of RBSA, its partners, directors or employees, relating to services provided in connection with the engagement set out in this letter (or variation or addition thereto) exceed the amount paid to us in respect of the fees charged for those services.

9. Conclusion

Based on the above considerations, analysis of the industry and analysis of the data/ information provided by the Management, in our opinion, the fair value of equity share of JHL having face value of INR 100 per share is INR Nil as at March 31, 2022.

We thank you for the cooperation extended to us during the course of this engagement.

For RBSA Capital Advisors LLP
SEBI Registered Category I Merchant Banker
Registration Code: INM000011724

Ravishu Vinod Shah
Partner

Sandesh Trivedi
Authorized Signatory

Annexure 1: Valuation Summary: Asset Approach

INR mn

Particulars		Carrying value as per audited accounts of JHL for FY21	FV adjustment	Fair value
Inventory		11,276	-844	# 10,432
Cash		92	-	92
DSRA Cash		255	-	255
Loan to Radiant (including interest)		85	-	85
NCD - Citygold (including interest)		411	-	411
Others		132	-	132
Sub-total	**(a)**	**12,252**	**-844**	**11,408**
Less:				
Retention money and other current liabilities		168	-	168
Deferred tax liability		199	-199	-
Sub-total	**(b)**	**366**	**-199**	**168**
Amount available to debt and equity holders	**(c = a – b)**	**11,886**	**-645**	**11,241**
Less:				
Secured Borrowings		-6,658		-6,658
Unsecured borrowings		-4,278		-4,278
Interest accrued		-614		-614
Contingent liabilities		0	-23	-23
Sub-total	**(d)**	**-11,550**	**-23**	**-11,573**
Amount available to equity holders (Based on balance sheet of March 21)	**(e = c – d)**	**337**	**-668**	**-331**
Add/ (less): Adjustment for FY22 ##				
Less: Losses for FY22				-89
Less: Interest capitalised for FY22				-901
Sub-total	f			**-990**
Amount available to equity holders – Mar 22	(g = e – f)			**-1,332**

 # Refer Annexure 2: JHL Project
Based on summary disclosure relating to JHL available in the audited financial statements of DLF Limited for FY22

After considering the adjustments as aforementioned, the adjusted net asset value of JHL is negative. Being a limited liability company, the equity value of JHL as at March 31, 2022 is restricted to NIL.

Annexure 2: JHL Project

Attached Separately