

Valuation Report

December 2020

**Fair Share Entitlement & Share Swap Ratio Report,
in relation to the 'Proposed Scheme of
Arrangement'**



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Ref. No.: SD/Dec41/2020

December 04, 2020

To

**The Board of Directors
Genus Prime Infra Limited**
Near Moradabad Dharam Kanta
Kanth Road, Harthala Kanth
Moradabad-244001, Uttar Pradesh, India

**The Board of Directors
Yajur Commodites Limited**
G-123, Sector-63, Gautam Buddha Nagar
Noida-201307, Uttar Pradesh, India

**The Board of Directors
Genus Power Infrastructures Limited**
G-123, Sector-63, Gautam Buddha Nagar
Noida-201307, Uttar Pradesh, India

**The Board of Directors
Sansar Infrastructure Private Limited**
Village Aghwanpur Kanth Road,
Moradabad-244001, Uttar Pradesh, India

**The Board of Directors
Star Vanijya Private Limited**
Moradabad Dharam Kanta
Kanth Road Harthala
Moradabad-244001,
Uttar Pradesh, India

**The Board of Directors
Sunima Trading Private Limited**
Moradabad Dharam Kanta,
Kanth Road Harthala Moradabad-244001,
Uttar Pradesh, India

Dear Sir(s)/Madam(s),

Sub: Recommendation of Fair Share Entitlement and Share Swap Ratio for the Proposed Scheme of Arrangement.

We, BDO Valuation Advisory LLP ("**BDO Advisory**" or "**We**" or "**Us**"), have been appointed vide letter dated August 27, 2020 and addendum engagement letter dated November 18, 2020 bearing its reference number SD/Nov181/2020 to recommend the Fair Share Entitlement and Share Swap Ratio for the following scheme which is in pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and applicable provisions of Securities and Exchange Board of India, and collectively referred to as "Proposed Scheme of Arrangement":

- **Scheme 1:** Amalgamation of Sansar Infrastructure Private Limited ("**Sansar**" or "**Amalgamating Company 1**"), Star Vanijya Private Limited ("**Star**" or "**Amalgamating Company 2**") & Sunima Trading Private Limited ("**Sunima**" or "**Amalgamating Company 3**") with Genus Prime Infra Limited ("**Genus Prime**" or "**Amalgamated Company**" or "**Resulting Company**");
- **Scheme 2:** Demerger of Demerged Undertaking of Genus Power Infrastructures Limited ("**GPIL**" or "**Demerged Company**") and transfer to Genus Prime on a going concern basis ("**Proposed Demerger**"); and
- **Scheme 3:** Amalgamation of Yajur Commodities Limited ("**Yajur**" or "**Amalgamating Company 4**") with Genus Prime.



Genus Prime, Yajur and GPIL are collectively referred to as (“the Client”).

We are pleased to present herewith our report on the same.

The cut-off date for the present valuation exercise has been considered as at September 30, 2020 (“Valuation Date”) and the market factors have been considered till December 04, 2020. The attached report details the valuation methodologies, calculations and conclusions with respect to this valuation.

We believe that our analysis must be considered as a whole. Selected portions of our analysis or the factors we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

This letter should be read in conjunction with the attached report.

Thanking you,

For BDO Valuation Advisory LLP

IBBI Reg. No.: IBBI/RV-E/02/2019/103



Swanand Kishor Deshpande

IBBI Reg. No.: IBBI/RV/05/2019/11148

Securities and Financial Assets

Partner

For BDO Valuation Advisory LLP

IBBI Reg. No.: IBBI/RV-E/02/2019/103



Akriti Bhatia

IBBI Reg. No.: IBBI/RV/07/2019/11019

Land and Building

Partner

For BDO Valuation Advisory LLP

IBBI Reg. No.: IBBI/RV-E/02/2019/103



Shashank Namdeo Patil

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Plant and Machinery

Partner



Table of Contents

1. Brief Background of the Companies.....	5
2. Purpose of Valuation	9
3. Caveats, Exclusions and Limitations	10
4. Sources of Information	15
5. Procedures Adopted	17
6. Major factors that were considered during the valuation	17
7. Valuation Approaches	18
8. Conclusion on Valuation Approaches	21
9. Basis of Fair Share Entitlement and Share Swap Ratio	23
10. Conclusion	24



1. Brief Background of the Companies

Genus Prime Infra Limited (“Genus Prime” or “Amalgamated Company” or “Resulting Company”)

- 1.1. Genus Prime Infra Limited (Erstwhile known as Gulshan Chemfill Limited), is a company domiciled in India, having its registered office at Near Moradabad Dharam Kanta, Kanth Road, Harthale Kanth, Moradabad-244001, Uttar Pradesh, India. It was incorporated with the objective to undertake infrastructure activity and purchase, sell, exchange and transfer of securities shares, debentures & all other forms of investment and to carry on all kinds of investments business. Equity shares of Genus Prime is listed on the BSE Limited (“BSE”). The Corporate Identification Number (“CIN”) of the Genus Prime as per Ministry of Corporate Affairs (“MCA”) is L24117UP2000PLC032010.
- 1.2. The issued, subscribed and paid-up equity share capital of Genus Prime as on September 30, 2020 is INR 2.99 Cr, comprising of 14,926,440 equity shares of face value INR 2.00 each, and the summarized shareholding pattern as on September 30, 2020 is as follows:

Particulars	No. of Equity Shares	Holding (%)
I. Promoter		
Individuals/Hindu undivided Family	11,189,523	75.0%
Total Promoter Group	11,189,523	75.0%
II. Public		
Institutions	200	0.0%
Non-Institutions	3,736,717	25.0%
Total Public Group	3,736,917	25.0%
Total	14,926,440	100.0%

- 1.3. The issued, subscribed and paid-up 0% Redeemable Preference Share capital of Genus Prime as on the September 30, 2020 is INR 1.00 Cr, comprising of 100,000 preference shares of face value INR 100.00 each, and the summarized shareholding pattern as on September 30, 2020 is as follows:

Particulars	Units	Amount (INR Cr)
Namo Resorts Private Limited	10,000	0.10
Webnet Systems India Private Limited	10,000	0.10
Rahul Finlease Private Limited	10,000	0.10
Polo Leasing & Finance Private Limited	10,000	0.10
Rajkar Electronics & Electricals Private Limited	10,000	0.10
Sears Exim Private Limited	10,000	0.10
Panchvatti International Private Limited	10,000	0.10
Sharda India Private Limited	10,000	0.10
Upper India Sugar Mills Private Limited	10,000	0.10
Ria Marketing Services Private Limited	5,000	0.05
Nepostal India Private Limited	5,000	0.05
Total	100,000	1.00



[Sansar Infrastructure Private Limited \("Sansar" or "Amalgamating Company 1"\)](#)

- 1.4. Sansar Infrastructure Private Limited, is a company domiciled in India, having its registered office at Village Aghwanpur Kanth Road, Moradabad-244001, Uttar Pradesh, India. The CIN of Sansar as per MCA records is U70109UP2008PTC093173. It was incorporated with the objective to undertake trading activities.
- 1.5. The issued, subscribed and paid-up equity share capital of Sansar as on September 30, 2020 is INR 0.33 Cr, comprising of 330,600 equity shares of face value INR 10.00 each. It is a wholly owned subsidiary of Genus Prime.

[Star Vanijya Private Limited \("Star" or "Amalgamating Company 2"\)](#)

- 1.6. Star Vanijya Private Limited is a company domiciled in India, having its registered office at Moradabad Dharam Kanta Kanth Road, Harthala Moradabad-244001, Uttar Pradesh, India. The CIN of Star as per MCA records is U51109UP2008PTC093817. It was incorporated with the objective to undertake trading activities.
- 1.7. The issued, subscribed and paid-up equity share capital of Star as on September 30, 2020 is INR 0.38 Cr, comprising of 376,800 equity shares of face value INR 10.00 each. It is a wholly owned subsidiary of Genus Prime.

[Sunima Trading Private Limited \("Sunima" or "Amalgamating Company 3"\)](#)

- 1.8. Sunima Trading Private Limited, is a company domiciled in India, having its registered office at Moradabad Dharam Kanta Kanth Road, Harthala Moradabad-244001, Uttar Pradesh, India. The CIN of Sunima as per MCA records is U51909UP2008PTC093671. It was incorporated with the objective to undertake trading activities.
- 1.9. The issued, subscribed and paid-up equity share capital of Sunima as on September 30, 2020 is INR 0.34 Cr, comprising of 340,000 equity shares of face value INR 10.00 each. It is a wholly owned subsidiary of Genus Prime.

[Yajur Commodities Limited \("Yajur" or "Amalgamating Company 4"\)](#)

- 1.10. Yajur Commodities Limited (formerly known as Virtuous Urja Limited), is engaged in the business of processing and trading of Coke and Coal. Its products include thermal coal which include Australian origin, Indonesian origin, and South African origin, Unites States origin and lame coke. The CIN and registered office address of Yajur as per MCA records are G-123, Sector-63, Noida-201307, Gautam Budh Nagar, Uttar Pradesh, India and U51395UP2007PLC110438 respectively.



1.11. The issued, subscribed and paid-up equity share capital of Yajur as on March 31, 2020 is INR 31.29 Cr, comprising of 31,293,104 equity shares of face value INR 10.00 each and the summarized shareholding pattern as on March 31, 2020 is as follows:

Particulars	Number of Share	% Holding
Hi-Print Electromack Private Limited (“Hi-Print”)	11,471,897	36.7%
Genus Paper & Boards Limited (“Genus Paper”)	6,080,000	19.4%
GPIL	6,177,586	19.7%
Sansar	2,796,552	8.9%
Sunima	1,862,069	6.0%
Kailash Coal and Coke Limited (“KCCL”)	40,000	0.1%
Others	2,865,000	9.2%
Total	31,293,104	100.0%

1.12. The issued, subscribed and paid-up preference share capital of Yajur as on March 31, 2020 is INR 95.18 Cr, comprising of 9,518,000 preference shares of face value INR 100.00 each and the summarized shareholding pattern as on March 31, 2020 is as follows:

Particulars	Nature of Instrument	Units	Amount (INR Cr)
Genus Paper	9% Redeemable Cumulative Non-Convertible Preference Shares of INR 100.00 each	2,800,000	28.00
GPIL	9% Redeemable Cumulative Non-Convertible Preference Shares INR 100.00 each	3,100,000	31.00
GPIL	6% Redeemable Cumulative Non-Convertible Preference shares INR 100.00 each	2,200,000	22.00
GPIL	10% Redeemable Cumulative Non-Convertible Preference Shares INR 100.00 each	500,000	5.00
Hi Print	0% Redeemable Preference Shares of INR 100.00 each	338,000	3.38
Neotex Vinimay Private Limited		50,000	0.50
Paramjyoti Traders Private Limited		50,000	0.50
Tejaswani Commercial Private Limited		50,000	0.50
Sansar		297,500	2.97
Sunima		132,500	1.33
Total		9,518,000	95.18



Genus Power Infrastructures Limited (“GPIL” or “Demerged Company”)

- 1.13. Genus Power Infrastructures Limited (formerly known as Genus Overseas Electronics Limited), is a company domiciled in India having its registered office at G-123, Sector-63, Gautam Buddha Nagar, Noida-201307, Uttar Pradesh, India. It is engaged in the following businesses:
- manufacturing and providing metering and metering solutions and undertaking engineering, construction and contracts on turnkey basis including manufacturing facilities or shares in the companies engaged in similar business activity (“**Core Business Division**”); and
 - holding, monitoring, sale and purchase of strategic investments, comprising of investment in shares, debentures, bonds other unlisted securities, other specific assets and liabilities etc. (“**Demerged Undertaking**”).
- 1.14. The equity shares of GPIL are listed on National Stock Exchange of India Limited (“NSE”) and BSE. The CIN of GPIL as per MCA Records is L51909UP1992PLC051997.
- 1.15. The issued, subscribed and paid-up equity share capital of GPIL as on November 28, 2020 is INR 25.74 Cr, comprising of 257,358,965 equity shares of face value INR 1.00 each, and the summarized shareholding pattern as on November 28, 2020 is as follows:

Particulars	No. of Equity Shares	Holding (%)
I. Promoter		
Individuals/Hindu undivided Family	6,97,86,084	27.1%
Corporates	6,01,11,227	23.4%
Total Promoter Group	12,98,97,311	50.5%
II. Public		
Institutions	1,85,56,588	7.2%
Non-Institutions	10,89,05,066	42.3%
Total Public Group	12,74,61,654	49.5%
Total	25,73,58,965	100.0%

- 1.16. Genus Prime, Sansar, Star, Sunima, Yajur and GPIL are collectively referred to as “**the Companies**”.
- 1.17. M.K.J. Manufacturing Private Limited (“**MKJ**”), Greentech Mega Food Park Limited (“**GMFPL**”), Genus Innovation Limited (“**GIL**”), Yajur Commodities Limited (“**Yajur**”), Kailash Industries Limited (“**KIL**”), Kailash Vidyut & Ispat Limited (“**KVIL**”), Hi-Print Electromack Private Limited (“**Hi-Print**”), Orchid Infrastructure Developers Private Limited (“**OIDPL**”) and Genus Consortium are collectively referred to as “**Other Genus Group Companies**”.



2. Purpose of Valuation

2.1. As mentioned earlier, following is the Proposed Scheme of Arrangement:

Scheme 1:

- Proposed Amalgamation of Sansar, Star and Sunima with Genus Prime.

Scheme 2:

- Demerger of Demerged Undertaking of GPIL and transfer to Genus Prime on a going concern basis;
- The Demerged Undertaking: holding, monitoring, sale and purchase of strategic investments, comprising of investment in shares, debentures, bonds other unlisted securities, other specific assets and liabilities etc.;
- Under the Proposed Scheme of Arrangement, the shareholders of the Demerged Company will be issued equity shares of Genus Prime.

Scheme 3:

- Proposed Amalgamation of Yajur with Genus Prime;
- Under the Proposed Scheme of Arrangement, Genus Prime will issue its equity shares and preference shares to the respective equity and preference shareholders (other than the cancelled equity and preference shares pursuant to Proposed Scheme of Arrangement) of Yajur.

The Companies under the Proposed Scheme and their respective shareholders will comply with the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, along with the applicable provisions of Securities and Exchange Board of India (“SEBI”).

2.2. In this regard, we have been appointed by the Client to recommend Fair Share Entitlement Ratio for Scheme 2 and Fair Share Swap Ratio for Scheme 3 under the Proposed Scheme of Arrangement (“Purpose”).

2.3. This valuation report has been prepared for compliance under the applicable provisions of the Companies Act, 2013 and SEBI.

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3. Caveats, Exclusions and Limitations

- 3.1. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 3.2. We are provided with information as mentioned in Section 4 of this report and time to make our opinion for this valuation exercise. However, our opinion may change if any material information is not disclosed / is hidden from us during our valuation exercise.
- 3.3. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by us during the course of our work. Accordingly, we express no audit opinion or any other form assurance on this information on behalf of the Companies/ Other Genus Group Companies. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence or legal title search of the assets or liabilities of the Companies/ Other Genus Group Companies or any of its subsidiaries (if any) or associated companies (if any) and have considered them at the value as disclosed by the Companies/ Other Genus Group Companies in their regulatory filings or in submissions, oral or written, made to us. Nothing has come to our knowledge to indicate that the material provided to us was misstated or incorrect or would not afford reasonable grounds upon which to base our Report.
- 3.4. Further, this valuation report is based on the extant regulatory environment and the financial, economic, monetary and business/market conditions, and the information made available to us or used by us up to, the date hereof, which are dynamic in nature and may change in future, thereby impacting the valuation of the Companies/ Other Genus Group Companies. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this report and we shall not be obliged to update, review or reaffirm this report if the information provided to us changes. The information presented in this Valuation Report does not reflect the outcome of any due diligence procedures, which may change the information contained herein and, therefore, the valuation report materially. Further events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.
- 3.5. The report assumes that the Companies/ Other Genus Group Companies as well as the Client and their asset comply fully with relevant laws and regulations applicable in their area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner. Further, 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 litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us.

- 3.6. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us, we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical appraisal of any of the assets, operations or liabilities of the Companies/ Other Genus Group Companies. Nothing has come to our knowledge to indicate that the material provided to us was mis-stated or incorrect or would not afford reasonable grounds upon which to base our report.
- 3.7. Valuation is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value. While we have provided an assessment of the value based on an analysis of information available to us and within the scope of our engagement, others may place a different value on this business.
- 3.8. The realization of projections of the Companies for which forecast have been provided, is dependent on the continuing validity of the assumptions on which they are based. Since the projections relate to the future, actual results are likely to be different from the projected results in case of events and circumstances not occurring as projected and the differences may be material. Our work did not constitute a validation of the all the assumptions under consideration and accordingly, we do not express any opinion on the same. The robustness of the valuation and its analysis is dependent on the reasonableness, commercial viability and achievability of the assumptions underlying the forecasts. Whilst we have reviewed the financial projections provided by management and representatives of the Client, conducted a high level analysis of these financial projections for arithmetic and logical consistency. We take no responsibility for the achievement of the predicted results.
- 3.9. For the present valuation analysis exercise, we have also relied upon information available in the public domain; however, the accuracy and timeliness of the same has not been independently verified.
- 3.10. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the companies, their directors, employee or agents. In the particular circumstances of this case, our liability, if any (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, howsoever the loss or damage caused, shall be limited to the amount of fees actually received by us from the Client, as laid out in the engagement letter including addendum, for such valuation work.



- 3.11. We owe responsibility only to the Boards of Directors of Client, Sansar, Star & Sunima with reference to terms of engagement letter and nobody else. We shall not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Client.
- 3.12. Whilst all reasonable care has been taken to ensure that the factual statements in the report are accurate, neither us, nor any of our partners, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report.
- 3.13. We have no present or planned future interest in Companies / Client or any of its group companies and the fee for this report is not contingent upon outcome of the transaction. This Report does not look into the business / commercial reasons behind the Proposed Scheme nor the likely benefits arising out of the same. The assessment of commercial and investment merits of the Companies/ Other Genus Group Companies are sole responsibility of the investors of the Client and we don't express opinion on the suitability or otherwise of entering into any financial or other transactions with the Companies/Client.
- 3.14. In rendering this report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.
- 3.15. This report and the information contained herein are absolutely confidential and are intended for providing select information and only in connection to comply the formalities with the purpose mentioned above or for sharing with shareholders, Board of Directors, creditors, Regional Directors, Registrar of Companies, National Company Law Tribunal and office of other regulatory or statutory authorities. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued without our written consent. In the event, the Client or their management or their representatives intend to extend the use of this report beyond the purpose mentioned earlier in the report, with or without our consent, we will not accept any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report. We don't take any responsibility for the unauthorized use of this report.
- 3.16. Any matters related to legal title and ownership are outside the purview and scope of this valuation exercise. Further, no legal advice regarding the title and ownership of the subject property has been obtained while conducting this valuation exercise. Valuation may be significantly influenced by adverse legal, title or ownership, encumbrance issues.



- 3.17. Any environmental due diligence or study is outside the scope of this engagement; therefore, no such due diligence or study has been carried out by us. We have assumed that the subject asset complies with all environmental laws and regulations.
- 3.18. During the course of our work, we have relied upon the certain opinion documents made available by the management and representatives of the Client on behalf of the Companies/ Other Genus Group Companies. Though we have reviewed it, we have not independently verified the same. As these opinions/assumptions require the exercise of judgment and are subject to uncertainties, there can be no assurance that these assumptions are accurate.
- 3.19. In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out here in which may occur subsequent to the date of our report or by virtue of fact that the details provided to us are incorrect or inaccurate.
- 3.20. Further, this report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to us or used by us up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this report and the assumptions made in preparing this report and we shall not be obliged to update, revise or reaffirm this report if the information provided to us changes.
- 3.21. We have arrived at a relative value based on our analysis. The actual market price achieved may be higher or lower than our estimate of value of the Companies/ Other Genus Group Companies depending upon the circumstances of the transaction, the nature of the business. The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which any agreement proceeds. The final transaction price is something on which the parties themselves have to agree. We also emphasize that our recommendation is not the only factor that should be considered by the parties in agreeing the transaction price.
- 3.22. The recommendation(s) rendered in this Report only represent our recommendation(s) based upon information furnished by the Client (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this Report.
- 3.23. The Valuation exercise of the Companies/ Other Genus Group Companies/ Client has been performed on the latest audited/ limited reviewed/ provisional unaudited, standalone/ consolidated balance sheet, as available and provided by Client's management.



- 3.24. Further, after declaration of Coronavirus Disease (“COVID-19”) as a pandemic by World Health Organization and consequent imposition of lockdown in India has caused a widespread disruption in businesses as well as on financial markets in India and globally alike. Our assumptions for the valuation is surrounded by these unprecedented uncertainty across all the industries and sectors including the time period over which these circumstances could prevail. The valuation assumptions, the underlying projections and the outcome of the valuation analysis could materially change as a result of the continued or increased uncertainty around the prevalence of COVID-19 circumstances and hence a reliance on our valuation must be placed considering these unprecedented circumstances.
- 3.25. A draft of this report was shared with the Companies, prior to finalization of report, (excluding the recommended Fair Share Entitlement and Share Swap Ratio) as part of our standard practice to make sure that factual inaccuracy/omission are avoided in the report.

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4. Sources of Information

4.1. For the purpose of this valuation exercise, we have relied on the following sources of information provided by the management representatives of the Client on behalf of the Companies/Other Genus Group Companies:

- Limited Reviewed Financial Statements and Audited Financial Statements of the following companies:

Particular	Financials
Genus Prime	
GPIL	- Limited Review (" LR ") Financial Statements for Period Ended September 30, 2020
Star	
Sunima	- Audited Financial Statements for Financial Year (" FY ") 20 and FY19
Sansar	
MKJ	
GMFPL	- LR Financial Statements for Period Ended September 30, 2020 - Audited Financial Statements for FY20
Genus Innovation Limited	
Yajur	- Audited Financial Statements for FY20 and FY19
Hi Print	
Genus International Commodities Limited (" GICL ")	
Maple Natural Resources Pte. Limited	
Greenwings Innovation Finance Private Limited	- Audited Financial Statements for FY20
Virtuous Mining Limited	
Ganpati Global Private Limited	
KCCL	
Genus Apparels Limited (" GAL ")	
KIL	
KVIL	
OIDPL	
Virtuous Infra Limited (" VIL ")	
RK Commodities Services Private Limited	- Audited Financial Statements for FY19
Genus Electrotech Limited	
Sheetal Impex Private Limited	
JC Textiles Limited (" JCTL ")	
General Mobility Solutions Limited	
Genus Consortium	

- Financial projections of Genus Innovation, Yajur and KCCL.
- Income Tax Return of Yajur, GIL and KCCL for FY19;



- Terms of Preference Shares issued by Genus Prime, Yajur, Hi Print, GICL, GAL, KIL and KVIL;
- Land Ownership Documents & its Area Details, flats/commercial documents & their details and other details of Yajur, MKJ, GMFPL, GICL, KCCL, GAL, VIL and JCTL;
- Information related to shareholding pattern of Genus Prime, GPIL, Star, Sunima, Sansar, Yajur and Other Genus Group Companies;
- Draft Copy of Proposed Scheme of Arrangement;
- Management Representation Letter;
- Relevant data and information provided to us by the representatives of Client on behalf of the Companies/ Other Genus Group Companies either in written or oral form or in form of soft copy; and
- Information provided by leading database sources (proprietary databases subscribed by us or our network firm), market research reports and other published data (including NSE and BSE).

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5. Procedures Adopted

5.1. We have adopted the following procedures to carry out the valuation exercise:

- Requested and received financial statements as well as qualitative information including principal documents, if any, of the Companies/ Other Genus Group Companies;
- Reviewed historical financials of the Companies/ Other Genus Group Companies with regard to their financial positions as well as performance;
- Reviewed financial projections provided to us for Companies/ Other Genus Group Companies mentioned in Section 4 of this report;
- Discussed with the Client's management to understand the business and fundamental factors of the Companies/ Other Genus Group Companies;
- Obtained data available in public domain;
- Undertook analysis of the publicly available market data including economic factors, COVID-19, that may impact the valuation.
- Selection of valuation methodologies as per internationally accepted valuation methodologies for valuing the Companies/ Other Genus Group Companies;
- With regard to valuation of Land & Building, considering the current COVID-19 pandemic, we could not conduct the site visit and carried out valuation exercise on desktop basis considering the underlying documents such as land area details, ownership documents and other details;
- Further for Plant & Machinery, we have taken book value as the fair value;
- For the purpose of arriving at the value for this valuation exercise, we have considered the valuation base as 'Fair Value'. Our valuation and this report is based on the premise of going concern value. Any change in the valuation base or the premise could have significant impact on our valuation exercise, and therefore, this Report;
- Valuation exercise is carried out by applying internationally accepted valuation methodologies with due cognizance of business and fundamental factors of the Companies/ Other Genus Group Companies; and
- Recommended Fair Share Entitlement and Share Swap Ratio and Issued final report.

6. Major factors that were considered during the valuation

- Risk associated with the businesses;
- Growth in Revenue, EBITDA Margins during the projected period and the risk of achieving the same;
- Underlying assets of the Companies/ Other Genus Group Companies; and
- Representation by the Client on current status of operation of the Companies/ Other Genus Group Companies;
- Economic and other market factors.



7. Valuation Approaches

- 7.1. Arriving at the Fair Share Entitlement and Share Swap Ratio for the Proposed Scheme of Arrangement would require determining the relative values. These values are to be determined independently but on a relative basis, and without considering the effect of the Proposed Scheme of Arrangement.
- 7.2. It is pertinent to note that the valuation of any company or its undertaking or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.
- 7.3. The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.
- 7.4. It may be noted that BDO Valuation Advisory LLP is enrolled with IOV Registered Valuers Foundation, which has recommended to follow Valuation Standards issued by International Valuation Standards Council ("**IVS**"). We have given due cognizance to the same in carrying out the valuation exercise.
- 7.5. The cut-off date for the current valuation exercise has been considered as September 30, 2020 and market factors have been considered till December 04, 2020.
- 7.6. There are three internationally accepted valuation approaches to valuation:
 - (a) "Market" Approach;
 - (b) "Income" Approach; and
 - (c) "Cost" Approach.

Market Approach

Under the Market Approach, the valuation is based on the market value of the company in case of listed companies and comparable companies trading or transaction multiples for unlisted companies. The Market Approach generally reflects the investors' perception about the true worth of the company.



Market Price ("MP") Method

Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

Comparable Companies Multiples ("CCM") Method

Under the Comparable Companies Multiple ("CCM") method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

To the value of the business so arrived, adjustments need to be made for the value of contingent assets/liabilities, surplus asset and dues payable to preference shareholders, if any, in order to arrive at the value for equity shareholder.

Comparable Transactions Multiples ("CTM") Method

Under the Comparable Transactions Multiple ("CTM") method, the value of a company can be estimated by analyzing the prices paid by purchasers of similar companies under similar circumstances. This is a valuation method where one will be comparing recent market transactions in order to gauge current valuation of target company. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. This valuation approach is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

Income Approach

The Income Approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow ("DCF") Method under the Income Approach seeks to arrive at a valuation based on the strength of future cash flows.

DCF Method

Under the DCF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The Free Cash Flows to Firm ("FCFF") represent the cash available for distribution to the owners as well as lenders of the business and the Free Cash Flows to Equity ("FCFE") represent the cash available for distribution to the owners of the business. FCFF are discounted by the Weighted Average Cost of Capital ("WACC") and FCFE



are discounted by the Cost of Equity ("**Ke**"). The WACC or Ke , based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of the future cash flows as it considers risk of the firm.

The perpetuity (terminal) value is calculated based on the business's potential for further growth beyond the explicit forecast period. The "Constant Growth Model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business's future operations. The Business/Enterprise Value (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further reduced by the value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of the business.

Cost Approach

The Cost Approach, also known as the Asset-based Approach, involves methods of determining a company's value by analyzing the market value of a company's assets.

Summation Method

The Summation Method, also referred to as the underlying asset method, is typically used for investment companies or other types of assets or entities for which value is primarily a factor of the values of their holdings. This valuation approach is mainly used in case where the assets base dominates earnings capability.

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8. Conclusion on Valuation Approaches

8.1. In order to consider reasonable methods for the valuation exercise, we have referred to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018 as amended from time to time (“**ICDR Regulations**”) and Valuation Standards issued by International Valuation Standards Council (“**IVS**”).

8.2. We have considered the following respective methods for the valuation:

[Genus Prime](#)

Genus Prime is a listed company, and its equity shares are listed on BSE. The summary of valuation approach and conclusion is given in below points:

- **Market Approach**

Market Price Method: We have not applied Market Price Method for valuation of Genus Prime as its equity shares are infrequently traded on the stock exchange.

CCM Method: In the current case, there are no directly listed comparable companies in India which are engaged in the business similar to that of Genus Prime. Hence, we have not considered the CCM method.

CTM Method: In absence of comparable transactions of comparable companies which are engaged in similar business of Genus Prime, we have not considered CTM Method under Market Approach.

- **Income Approach**

Genus Prime does not have major business operations. Hence, Discounted Cash Flow Method under Income Approach has not been considered for valuation of Genus Prime since its value lies in its asset base rather than in its future potential of earnings.

- **Cost Approach**

We have considered Summation Method under Cost Approach for valuation of Genus Prime as its value lies in its assets base.

[Demerged Undertaking of GPIL](#)

Demerged Undertaking of GPIL comprises investment in equity shares and preference shares of unlisted companies, loans & advances to other companies and liabilities etc. We have considered the internationally accepted valuation approaches for arriving at the fair value of Demerged Undertaking.

- **Market Approach**

Market Price Method: In the present case, since the Demerged Undertaking is a segment and not a company whose shares are separately listed on a stock exchange, the Market Price Method has not been adopted.

CCM Method: We have not applied CCM Method under Market Approach for valuation of Demerged Undertaking as there are no listed comparable companies in India.

CTM Method: In absence of comparable transactions of comparable companies which are engaged in similar business of Demerged Undertaking, we have not considered CTM Method under Market Approach.

- **Income Approach**

Demerged Undertaking comprises various assets and liabilities, including investment in financial instruments. Since its value lies in its asset base, we have not applied Income Approach.

- **Cost Approach**

We have considered Summation Method under Cost Approach for valuation of the Demerged Undertaking as its value lies in its assets base.

Yajur

The summary of valuation approach and conclusion is given in below points:

- **Market Approach**

Market Price Method: Since the equity shares of Yajur are not listed on any recognized stock exchange, we have not considered Market Price Method.

CCM Method: In the current case, there are no directly listed comparable companies in India which are engaged in the business similar to that of Yajur. Hence, we have not considered the CCM method.

CTM Method: In absence of comparable transactions of comparable companies which are engaged in similar business of Yajur, we have not considered CTM Method under Market Approach.

- **Income Approach**

Discount Cash Flow Method under Income Approach has been considered for valuation of Yajur.

- **Cost Approach**

We have considered Summation Method under Cost Approach for valuation of Yajur.



9. Basis of Fair Share Entitlement and Share Swap Ratio

- 9.1. The basis of the fair share entitlement and share swap ratio for the Proposed Scheme would have to be determined after taking into consideration all the factors and methods mentioned hereinabove and to arrive at a final value for the shares of each company. It is, however, important to note that in doing so, we are not attempting to arrive at the absolute values, but at their relative values to facilitate the determination of the Fair Share Entitlement and Share Swap Ratio.
- 9.2. The Fair Share Entitlement and Share Swap Ratio has been arrived at on the basis of a relative valuation based on the various approaches/methods explained herein earlier and various qualitative factors relevant to each company / undertaking and the business dynamics and growth potentials of the businesses, having regard to information base, key underlying assumptions and limitations. For this purpose, we have assigned appropriate weights to the values arrived at under each approach/method.
- 9.3. We have independently applied methods discussed above, as considered appropriate, and arrived at their assessment for the Fair Share Entitlement and Share Swap Ratio. To arrive at the consensus on the Fair Share Entitlement Ratio for the Proposed Scheme, rounding off have been done in the values.
- 9.4. Attention may also be drawn to Regulation 158 of ICDR Regulations which specifies that issue of equity shares to shareholders of an unlisted entity pursuant to a National Company Law Tribunal approved scheme shall conform with the pricing provisions of preferential issue specified under Regulation 164 of the said regulations. Further it may be noted that Regulation 164 specifies the minimum price for issue of shares on a preferential basis. As per ICDR regulations, where the equity shares of an issuer are not frequently traded, then fair equity value per share is determined by taking into account the valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of shares of such companies. Genus Prime is not frequently traded on stock exchange and valuation is undertaken considering Summation Method under the Cost Approach.

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10. Conclusion

10.1. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon in *Gold Coast Selection Trust Ltd. vs. Humphrey* reported in 30 TC 209 (House of Lords) and quoted with approval by the Honorable Supreme Court of India in the case reported in 176 ITR 417 as under:

"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible."

10.2. In the light of the above, and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion the Fair Share Entitlement and Share Swap Ratio for the Proposed Scheme of Arrangement would be as follows (recommendation):

- Scheme 1: In case of proposed amalgamation of Sansar, Star and Sunima with Genus Prime, Genus Prime is not required to issue any shares since the entire issued, subscribed and paid up capital of Sansar, Star and Sunima is held by Genus Prime. Therefore, no fair share swap ratio is recommended for Scheme 1 of the Proposed Scheme of Arrangement.

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- Scheme 2: In our opinion the fair share entitlement ratio for the proposed demerger of Demerged Undertaking of GPIL and transfer to Genus Prime is as under:

Valuation Approach	Valuation Method	Genus Prime		Proposed Transfer of Demerged Undertaking of GPIL	
		Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Market Approach	MP Method	NA	NA	NA	NA
Market Approach	CCM Method	NA	NA	NA	NA
Market Approach	CTM Method	NA	NA	NA	NA
Income Approach	DCF Method	NA	NA	NA	NA
Cost Approach	Summation Method	28.70	100%	4.80	100%
Relative Value Per Share		28.70	100%	4.80	100%
Share Entitlement Ratio (Rounded Off)		1		6	

Recommendation: 1 (One) Equity share of face value INR 2.00 (Two) each of the Resulting Company as fully paid up for every 6 (Six) Equity shares of face value INR 1.00 (One) each of the Demerged Company to the equity shareholders of the Demerged Company holding equity shares in the Demerged Company.

Notes:

1. NA means Not Adopted / Not Applicable.
2. Genus Prime
 - The equity shares of Genus Prime are listed on BSE. We have not applied MP Method for Genus Prime since its equity shares are infrequently traded in the market.
 - CCM and CTM Methods are also not applied under Market Approach as there are no comparable companies or transactions, similar to Genus Prime.
 - Further the company does not have significant business operations, hence we have not applied DCF Method under the Income Approach.
3. Demerged Undertaking of GPIL
 - In the present case, since the Demerged Undertaking is a segment and not a company whose shares are separately listed on a stock exchange, the Market Price Method has not been adopted.
 - There are no comparable companies or transactions, similar to the Demerged Undertaking. Hence, we have not applied CCM and CTM Method.



- Demerged Undertaking comprises various assets and liabilities, including investment in financial instruments. Its value lies in its asset base. Hence, we have not applied DCF Method under Income Approach for Demerged Undertaking.

• Scheme 3: In our opinion the fair share swap ratio for the proposed amalgamation of Yajur into Genus Prime would be as follows:

a) For Equity Shareholders:

Valuation Approach	Valuation Method	Genus Prime		Yajur	
		Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Market Approach	MP Method	NA	NA	NA	NA
Market Approach	CCM Method	NA	NA	NA	NA
Market Approach	CTM Method	NA	NA	NA	NA
Income Approach	DCF Method	NA	NA	17.68	50%
Cost Approach	Summation Method	28.70	100%	17.09	50%
Relative Value Per Share		28.70	100%	17.39	100%
Share Swap Ratio (Rounded Off)		3		5	

Recommendation: 3 (Three) Equity shares of face value INR 2.00 (Two) each of the Amalgamated Company as fully paid up for every 5 (Five) Equity shares of face value INR 10.00 (Ten) each of the Amalgamating Company 4 to the equity shareholders of the Amalgamating Company 4 holding equity shares in the Amalgamating Company 4.

Notes:

1. NA means Not Adopted / Not Applicable.

2. Genus Prime

- The equity shares of Genus Prime are listed on BSE. We have not applied MP Method for Genus Prime since its equity shares are infrequently traded in the market.
- CCM and CTM Methods are also not applied under Market Approach as there are no comparable companies or transaction, similar to Genus Prime.
- Further the company does not have significant business operations, hence we have not applied DCF Method under Income Approach.



3. Yajur

- *The equity shares of Yajur are not listed on any recognized stock exchange; hence Market Price Under Market Approach is not applied.*
- *CCM and CTM Methods are also not applied under Market Approach as there are no comparable companies or transactions, similar to Yajur.*

b) For Preference Shareholders (other than Genus Prime as the holding of Genus Prime will get cancelled pursuant to the Proposed Scheme of Arrangement):

- 1 (One) Zero Coupon Redeemable Preference share of face value INR 100.00 (Hundred) each of the Amalgamated Company as fully paid up for every 1 (One) Zero Coupon Redeemable Preference share of face value INR 100.00 (Hundred) each of the Amalgamating Company 4 to such redeemable preference shareholders of the Amalgamating Company 4 holding Zero Coupon Redeemable Preference Shares in the Amalgamating Company 4.
- 1 (One) 9% Cumulative Non-Convertible Redeemable Preference share of face value INR 100.00 (Hundred) each of the Amalgamated Company as fully paid up for every 1 (One) 9% Cumulative Non-Convertible Redeemable Preference share of face value INR 100.00 (Hundred) each of the Amalgamating Company 4 to such redeemable preference shareholders of the Amalgamating Company 4 holding 9% Cumulative Non-Convertible Redeemable Preference Shares in the Amalgamating Company 4.

c) Further there would not be any discharge of consideration for the following preference shareholders and these will be get cancelled pursuant to the Proposed Scheme of Arrangement:

- 6% Redeemable Cumulative Non-Convertible Preference Shares of face value INR 100.00 each fully paid up of Yajur.
- 10% Redeemable Cumulative Non-Convertible Preference Shares of face value INR 100.00 each fully paid up of Yajur.

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