



Chartered Capital And Investment Ltd.

418-C, "215 ATRIUM", Andheri Kurla Road, Andheri (East), Mumbai-400 093.

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Date: January 29, 2019

To,
The Board of Directors
Indiabulls Integrated Services Limited
(CIN No: L51101HR2007PLC077999)
Plot No. 448-451, Udyog Vihar, Phase-V,
Gurugram-122016

To,
The Board of Directors
Albasta Wholesale Services Limited
(CIN No: U51101HR2008PLC077305)
Plot No. 448-451, Udyog Vihar, Phase-V,
Gurugram-122016

To,
The Board of Directors
Lucina Infrastructure Limited
(CIN No: U70109HR2006PLC077548)
Plot No. 448-451, Udyog Vihar, Phase-V,
Gurugram-122016

To,
The Board of Directors
Mahabala Infracon Private Limited
(CIN No: U70102HR2014PTC077948)
Plot No. 448-451, Udyog Vihar, Phase-V,
Gurugram-122016

To,
The Board of Directors
Indiabulls Enterprises Limited
(CIN No: U71290HR2019PLC077579)
Plot No. 448-451, Udyog Vihar, Phase-V,
Gurugram-122016

To,
The Board of Directors
Indiabulls Pharmacare Limited
(CIN No: U24290HR2019PLC077935)
Plot No. 448-451, Udyog Vihar, Phase-V,
Gurugram-122016

Dear Sir(s),

Subject: Fairness Opinion on Valuation Report for the purpose of proposed scheme of arrangement(s) among SORIL Infra Resources Limited, Albasta Wholesale Services Limited, Sentia Properties Limited, Lucina Infrastructure Limited, Ashva Stud and Agricultural Farms Limited, Mahabala Infracon Private Limited, Store One Infra Resources Limited, Indiabulls Integrated Services Limited, Indiabulls Enterprises Limited, Indiabulls Pharmaceuticals Limited and Indiabulls Pharmacare Limited and their respective shareholders and creditors.

To,
The Board of Directors
SORIL Infra Resources Limited
(CIN No: L52190HR2005PLC077960)
Plot No. 448-451, Udyog Vihar, Phase-V,
Gurugram-122016

To,
The Board of Directors
Sentia Properties Limited
(CIN No: U45400HR2007PLC077310)
Plot No. 448-451, Udyog Vihar, Phase-V,
Gurugram-122016

To,
The Board of Directors
Ashva Stud and Agricultural Farms Limited
(CIN No: U74999HR2015PLC077307)
Plot No. 448-451, Udyog Vihar, Phase-V,
Gurugram-122016

To,
The Board of Directors
Store One Infra Resources Limited
(CIN No: U33100HR2015PLC078058)
Plot No. 448-451, Udyog Vihar, Phase-V,
Gurugram-122016

To,
The Board of Directors
Indiabulls Pharmaceuticals Limited
(CIN No: U33119HR2016PLC078088)
Plot No. 448-451, Udyog Vihar, Phase-V,
Gurugram-122016





I. BACKGROUND

We M/s. Chartered Capital and Investment Limited ('**Chartered Capital**' or '**CCIL**'), SEBI registered Merchant Banker, having SEBI Permanent Registration No. INM000004018 have been appointed by the Indiabulls Integrated Services Limited and SORIL Infra Resources Limited to provide a fairness opinion on the valuation done jointly by M/s N S Kumar & Co., Chartered Accountants having its office at N5, 1003, Hills and Dales Society, Undri, Pune - 411060, Maharashtra and M/s Doogar & Associates, Chartered Accountant, having its office at 13, Community Centre, East of Kailash, New Delhi-110065 (**Hereinafter collectively referred to as "Valuer"**), who were the appointed valuer for the captioned proposed scheme of arrangement(s) under which proposed amalgamation of SORIL Infra Resources Limited ('SORIL'), Albasta Wholesale Services Limited ('AWSL'), Sentia Properties Limited ('SPL'), Lucina Infrastructure Limited ('LIL'), Ashva Stud and Agricultural Farms Limited ('ASAFL'), Mahabala Infracon Private Limited ('MIPL') and Store One Infra Resources Limited ('Store One') (**Hereinafter collectively referred to as 'Transferor Companies'**) with Indiabulls Integrated Services Limited ('IISL'/Transferee Company") and proposed demerger of 'Infrastructure Solutions Business undertaking' of IISL (Post Merger of Infrastructure Solutions Business Undertaking with IISL) into Indiabulls Enterprises Limited (**hereinafter referred to as 'IEL'/Resulting Company 1**) and proposed demerger of Pharma Business of Indiabulls Pharmaceuticals Limited ('IPL') into Indiabulls Pharmacare Limited (**IPCL'/Resulting Company 2**).

Since the Scheme of Arrangement(s) under which proposed amalgamation of SORIL Infra Resources Limited ('SORIL'), Albasta Wholesale Services Limited ('AWSL'), Sentia Properties Limited ('SPL'), Lucina Infrastructure Limited ('LIL'), Ashva Stud and Agricultural Farms Limited ('ASAFL'), Mahabala Infracon Private Limited ('MIPL') and Store One Infra Resources Limited ('Store One') (**Hereinafter collectively referred to as 'Transferor Companies'**) with Indiabulls Integrated Services Limited ('IISL'/Transferee Company") and proposed demerger of 'Infrastructure Solutions Business undertaking' of IISL (Post Merger of Infrastructure Solutions Business Undertaking with IISL) into Indiabulls Enterprises Limited (**hereinafter referred to as 'IEL'/Resulting Company 1**) and proposed demerger of Pharma Business of Indiabulls Pharmaceuticals Limited ('IPL') into Indiabulls Pharma Care Limited (**IPCL'/Resulting Company 2**) (**Hereinafter referred as the "Scheme"**) is common for all the Companies, we deem it imperative to issue a consolidated fairness opinion on the valuation report in relation to all the Companies concerned.

II. SCOPE AND PURPOSE OF THE OPINION

Pursuant to the requirements of SEBI circular no. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 and subsequent amendments thereto, a fairness opinion has to be obtained from an independent merchant banker on the valuation done by the valuer for the listed as well as unlisted companies. The purpose of the opinion is to safeguard the interest of the shareholders and that of the companies involved in the proposed Scheme and this opinion shall be made available to the shareholders of the relevant Companies at the time of their meeting to pass the necessary resolution for the proposed scheme and to any other relevant authority.





III. INFORMATION RECEIVED AND RELIED UPON BY US FOR THE FAIRNESS OPINION

- 3.1 We, CCIL, have prepared the **Fairness Opinion** on the basis of the following information received from the management of the Companies:
- Proposed draft Scheme of Amalgamation and Arrangement;
 - Valuation Report jointly given by M/s N S Kumar & Co., Chartered Accountants and M/s Doogar & Associates, Chartered Accountants, dated 29th January, 2019.
- 3.2 This Report is issued on the understanding that Companies has drawn our attention to all the relevant matters, of which they were aware of, concerning the respective company's financial position and businesses, which may have an impact on this Report.
- 3.3 Our work does not constitute an audit or certification of the historical financial statements of the Companies, including their working results referred to in this Report. Accordingly, we are unable to and do not express any opinion on the accuracy of any financial information referred to in this Report. We assume no responsibility for any errors in the information submitted by the Managements and their impact on the present exercise. This Fairness Opinion has been furnished on the methodologies and resultant share valuation used by the Valuer.

IV. OVERVIEW AND RATIONALE OF THIS SCHEME

4.1 Overview

4.1.1 This Scheme seeks to restructure the businesses of two listed companies, viz., Indiabulls Integrated Services Limited and Soril Infra Resources Limited. Indiabulls Integrated Services Limited is the holding company of SORIL Infra Resources Limited which results in an inability of shareholders of Indiabulls Integrated Services Limited to directly participate in the operations of SORIL Infra Resources Limited. This Scheme seeks to restructure the aforementioned companies and their subsidiaries such that the shareholders of both the listed companies have direct ownership and participation in the businesses of these companies, thereby unlocking shareholders' value. This Scheme proposes to have a listed entity focused on Insurance Business (as defined below) which would be in compliance with the provision of Insurance Act, 1938 and another listed company focusing on Infrastructure Solutions Business (as defined below). The restructuring would result in increased operational efficiencies and result in synergistic integration of businesses presently being carried on by both the listed companies and their subsidiaries.

4.1.2 This Scheme is between Albasta Wholesale Services Limited ("Transferor Company 1"), Sentia Properties Limited ("Transferor Company 2"), Lucina Infrastructure Limited ("Transferor Company 3"), Ashva Stud and Agricultural Farms Limited ("Transferor Company 4"), Mahabala Infracon Private Limited ("Transferor Company 5"), Soril Infra Resources Limited ("Transferor Company 6"), Store One Infra Resources Limited ("Transferor Company 7"), (Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4, Transferor Company 5, Transferor Company 6 and Transferor Company 7 (together referred to as the "Transferring Companies")), Indiabulls Integrated Services Limited ("Transferee Company/Demerging Company 1"), Indiabulls Enterprises Limited ("Resulting Company 1"), Indiabulls Pharmaceuticals Limited ("Demerging Company 2") and Indiabulls Pharmacare Limited ("Resulting Company 2").

4.2 Rationale of the Scheme

4.2.1 This Scheme involves companies forming part of the same group and dictates their arrangements *inter se*, i.e., (a) the merger of the Transferring Companies with the Transferee Company, (b) the demerger of the Infrastructure Solutions Business of the Demerging Company 1 into the Resulting Company 1, and (c) the demerger of the Pharma Business of the Demerging Company 2 into the Resulting Company 2. The Transferring Companies, the Transferee Company / Demerging Company 1, the Resulting Company 1, the Demerging Company 2 and the Resulting Company 2 are proposing this composite scheme of amalgamation and arrangement under Chapter XV of the Companies Act, 2013.





- 4.2.2 Presently, the Transferee Company is awaiting receipt of necessary licenses to allow it to carry on the Insurance Business through two of its wholly owned subsidiaries: (a) Indiabulls Life Insurance Company Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at M-62 & 63, First Floor, Connaught Place, New Delhi 110001, India; and (b) Indiabulls General Insurance Limited, a public limited company incorporated under the Companies Act, 2013, having its registered office at M-62 & 63, First Floor, Connaught Place, New Delhi 110001, India.
- 4.2.3 Upon amalgamation of Transferring Companies into Transferee Company, the Transferee Company's business shall be divided into two verticals: the Insurance Business and the Infrastructure Solutions Business. As per applicable laws, an insurance company is not allowed to undertake any business other than insurance business. Under section 3(4) of the Insurance Act, 1938 ("Insurance Act"), the Insurance Regulatory and Development Authority of India ("Authority") may suspend or cancel the registration of an insurer either wholly or in so far as it relates to a particular class of insurance business, as the case may be, *inter alia*, "*if the insurer carries on any business other than insurance business or any prescribed business*". Further, under section 3(1) of the Insurance Act, "*No person shall...begin to carry on any class of insurance business in India and no insurer carrying on any class of insurance business in India shall...continue to carry on any such business, unless he has obtained from the Authority a certificate of registration for the particular class of insurance business*". As such, pursuant to the amalgamation of the Transferring Companies into and with the Transferee Company, it is proposed that the Infrastructure Solutions Business of the combined entity, i.e., the Demerging Company 1, is demerged into a separate company, i.e., the Resulting Company 1.
- 4.2.4 Further, in order to consolidate all businesses except insurance into one vertical, it is proposed that the Pharma Business (which is currently housed in the Demerging Company 2) will be demerged from the Demerging Company 2 into the Resulting Company 2, which is a subsidiary of the Resulting Company 1.
- 4.2.5 As such, the objects of the Scheme are as under:
- (i) creation of separate listed verticals housing identified business segments viz, Insurance Business (comprising of life insurance, general insurance and / or other related businesses) and non-insurance business (comprising of Infrastructure Solutions Business and Pharma Business).
 - (ii) greater focus on business operations of life insurance, general insurance and to comply with Authority's guidelines.
 - (iii) Transferee Company being a listed entity is a holding company of another listed entity, i.e., Transferor Company 6, which results in the inability of Transferee Company's shareholders to directly participate in Transferor Company 6's operation. This Scheme would provide greater participation to the shareholders of both listed companies, by providing them with direct participation in all the businesses of the group, thereby unlocking shareholders value.
 - (iv) the Scheme also envisages acquisition of on-going Pharma Business undertaking of Demerging Company 2, which shall assist in capitalizing the opportunities and growth of the Pharma Business by use of its expertise, sales and marketing team pan India.
 - (v) Insurance Business is very distinct from Infrastructure Solutions Business and Pharma Business in terms of different risk / rewards, distinct gestation period, distinct technical, funding and regulatory requirements and hence, segregation will enable adoption of focused approach that will lead to maximization of value creation.
 - (vi) the identified business segments would have its own management teams and Board of Directors, who can chart out their own independent strategies to maximize value creation for their respective stakeholders.





V. VALUATION APPROACHES

The share exchange ratio calculated in the valuation report has been arrived at by the adoption of several commonly used and accepted methods for determining the fair value of the equity shares of a company, to the extent relevant and applicable, including:

1. Asset Approach - Net Asset Value Method
2. Market Approach:
 - a. Market Price Method
 - b. Comparable Companies/ Transactions Multiples Method
3. Income Approach - Discounted Cash Flow Method

VI. DISCLAIMER

- 6.1 We have not considered any finding made by other external agencies in carrying out this work.
- 6.2 This report is intended solely for the limited purpose mentioned earlier and should not be regarded as a recommendation to the investors to invest in the Companies or deal in any form in the securities of the Companies and should also not be considered as a final equity value of the Companies.
- 6.3 Our report does not, in any way, guarantee that the equity shares of Companies will continue to remain at the price on which the valuation of the shares takes place.
- 6.4 Our report is for the benefit of and confidential use by the Companies. This report is not meant for save and except as specified above, under any Indian or foreign law, statute, act guideline or similar instruction. The Management or related parties of Companies are prohibited from using this report other than for its sole limited purpose and not to make a copy of this report available to any party other than those required by statute for carrying out the limited purpose of this report.
- 6.5 We have not made an appraisal or independent valuation of any of the assets or liabilities of any of the Companies and have not conducted an audit or due diligence or reviewed/ validated the financial data except what is provided for in the Valuation Report.
- 6.6 This Certificate may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same.
- 6.7 During the course of our work, we have relied upon assumptions made by management of the companies. These assumptions require the exercise of judgement and are subject to uncertainties.
- 6.8 In no circumstances whatsoever, will Chartered Capital and Investment Limited, its Directors and employees, accept any responsibility of liability towards any third party for consequences arising out of the use of this report.

VII. OPINION ON VALUATION REPORT

We in the capacity of SEBI registered Merchant Banker do hereby certify that the valuation done by the valuer for determining the share exchange ratio and share entitlement ratio as follows:

a. Fair Share Exchange ratio for the equity shareholders of SORIL on amalgamation with IISL

1 (One) equity shares of Indiabulls Integrated Services Limited (IISL) of INR 2 each fully paid up shall be issued for every **1 (One)** equity shares of SORIL of INR 10 each fully paid.





b. Fair share entitlement ratio for the equity and preference shareholders of IISL on demerger of Infrastructure Solutions Business to IEL

1 (One) equity share of IEL of INR 2 each fully paid up for, not in exchange of, every **1 (One)** equity share of IISL (post the proposed amalgamation) of INR 2 each fully paid up.

1 (One) preference share of IEL of INR 10/- each fully paid up against **all** the outstanding preference share of IISL of INR 10 each fully paid.

c. Fair share entitlement ratio for the equity shareholders of IPL on Demerger of Pharma Business to IPCL

156 (One hundred and fifty six) equity shares of IEL of INR 2 each fully paid up shall be issued for every **100 (One hundred)** equity shares of IPL of INR 1 each fully paid up.

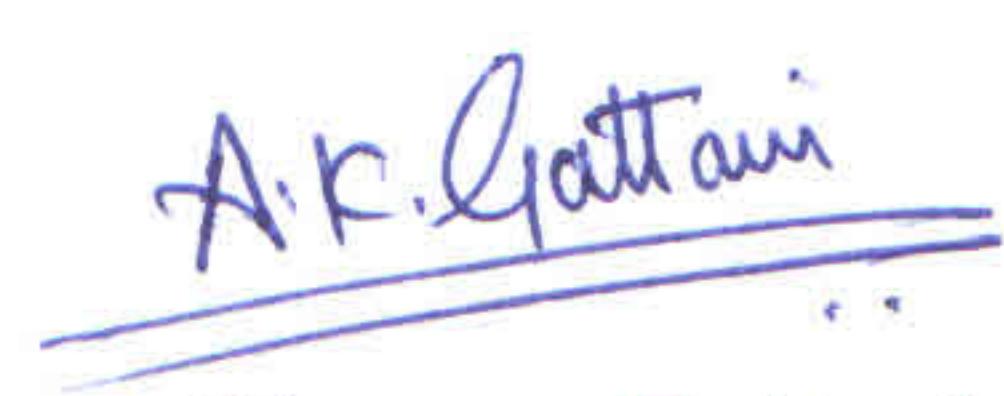
in respect of proposed scheme of arrangement(s) as a consideration for the proposed amalgamation and demerger on the basis of the aforesaid methodologies is fair.

Thanking you,

Yours faithfully,

For and on behalf of,

For Chartered Capital and Investment Limited


Amitkumar Gattani

Assistant Vice President



Date: January 29, 2019

Place: Mumbai