

August 25, 2015

Board of Directors
Parmeka Pvt Ltd
702, Marathon Max,
Mulund West
Mumbai 400080

Re: Valuation of the fair market value of the Equity Share of the company.

We have been mandated to ascertain the fair market value of the equity shares of Parmeka Pvt Ltd (the company) and our valuation is based based on the audited Balance Sheet of the company as at 31/03/2015 and we are informed that there has been on further activity in the company.

The company owns a land at Parel East jointly with MRPL. MRPL started developing the property under the name of Marathon Futurex and in lieu of the company assigning land to build the project, the company is entitled to 56.5% of the total developed area of 388,500 sqft. This works out to 219,500 sqft.

To part fund this investment in land, the company had issued 92612 preference shares for a total consideration of Rs 125.03 crores to Marathon Nextgen Realty Ltd, on following terms:

- 15.5% cumulative internal rate of return, or
- 12% internal rate of return plus 30% of Net Profit;
- Whichever is higher with maximum of 100% of Net Profit

Based on the above facts, the fair market value of the Equity share of the company is worked out as follows:

- Entitlements: Saleable area of Marathon Futurex : 219,500 sqft
- Estimated Market value of Marathon Futurex per sqft: 17,500

- Thus fair market value of the saleable area for Parmeka : Rs 384.13 crores
- Less: Cost of Land : Rs 247.70 crores
- Gross value : Rs 136.43 crores
- Less: Compensation payable to preference shareholders
- 12% IRR + 30% Net Surplus Rs 108.39 crores
- 15.5% Compounded IRR Rs 133.62 crores
- Whichever is higher Rs 133.62 crores
- Rs 2.81 crores

- Less: Deduction for taxes etc Rs 0.81 crores
- Networth of the company Rs 2.00 crores

Fair Market Value per Equity Share for 10000 shares is Rs 2,000 per share which would result in an enterprise value of Rs. 20000000/- (Rupees Two Crores Only)

The above valuation is carried out by us relying on the explanation and information given to us by the management of the company and on the basis of our verification of the books of accounts and records made available to us.

For Thacker Butala Desai
Chartered Accountants



Kunjan Gandhi, Partner
M.No.39195

