

STRICTLY PRIVATE AND CONFIDENTIAL

Kind Attn:

The Board of Directors

Trust Capital Services (India) Private Limited

109/110, Balarama, 1st Floor, Village Parigkhari,
Bandra Kurla Complex, Bandra (East) Mumbai - 400051

The Board of Directors

Trust Capital & Stock Brokers Private Limited

109 & 110, Balarama, Bandra Kurla Complex, Mumbai - 400051

The Board of Directors

Trust Investment Advisors Private Limited

109& 110, First Floor, Balarama Premises CO-OP SOC,
Village Parigkhari, Bandra Kurla Complex, Bandra (E), Mumbai - 400051

Sub: Recommendation of fair share entitlement ratio for the proposed demerger of the demerged undertaking of Trust Capital Services (India) Private Limited into Trust Capital & Stock Brokers Private Limited and amalgamation of the remaining business of Trust Capital Services (India) Private Limited with Trust Investment Advisors Private Limited

Dear Sir(s) / Madam(s),

I refer to our discussions, whereby I have been requested by the management of Trust Capital Services (India) Private Limited, Trust Capital & Stock Brokers Private Limited and Trust Investment Advisors Private Limited (hereinafter collectively referred to as the 'Management') to issue a report containing recommendation of fair share entitlement ratio for the proposed demerger of the demerged undertaking of Trust Capital Services (India) Private Limited (hereinafter referred to as 'TCSPL' or the 'Demerged Company') into Trust Capital & Stock Brokers Private Limited (hereinafter referred to as 'TCSBPL' or the 'Resulting Company') and amalgamation of the remaining business of Trust Capital Services (India) Private Limited ('TCSPL' or the 'Transferor Company') with Trust Investment Advisors Private Limited (hereinafter referred to as 'TIAPL' or the 'Transferee Company') (hereinafter referred to as the 'Scheme').

TCSPL, TIAPL and TCSBPL are hereinafter collectively referred to as the 'Companies'.



SCOPE AND PURPOSE OF THIS REPORT

I have been given to understand that it is proposed to demerge the Demerged Undertaking (*as defined in the Scheme*) of TCSPL into TCSBPL followed by amalgamation of the residual TCSPL with TIAPL in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Scheme'). Subject to necessary approvals, the Demerged Undertaking of TCSPL would be demerged into TCSBPL with effect from the appointed date of 01st April 2023 and thereafter, the residual TCSPL would be merged with TIAPL with effect from the same appointed date of 1st April 2023 (hereinafter referred to as the 'Proposed Transaction'). As a consideration for the Proposed Transaction, shareholders of TCSPL would be issued Redeemable Preference Shares of TCSBPL for the demerger and shareholders of TCSPL would be issued Equity Shares of TIAPL for the amalgamation.

In this regard, I have been requested to issue a report containing recommendation of fair share entitlement ratio and share exchange ratio for the Proposed Transaction as on the Appointed Date ('Valuation Date').



BACKGROUND

Trust Capital Services (India) Private Limited (“TCSPL” or “the Demerged Company” for purpose of demerger or “the Transferor Company” for purpose of amalgamation), is engaged in the business of providing intermediation services to banks, institutions, mutual funds, co-operative banks, provident funds and charitable trust.

TCSPL was incorporated on 20th June, 1994 under the provisions of the Companies Act, 1956. TCSPL is having its registered office at 109/110, Balarama, 1st Floor, Village Parikhari, Bandra Kurla Complex, Bandra (East) Mumbai - 400051

The shareholding pattern of the Company is as follows:

Name of Shareholder	No. of shares held	% Shareholding
Nipa Sheth	9,90,000	99.00%
Nisha Mehta	10,000	1.00%
Total number of shares	10,00,000	100.00%



Trust Capital & Stock Brokers Private Limited (“TCSBPL” or “the Resulting Company”), an Indian Company, was incorporated on 28th March, 2023 under the provisions of the Companies Act, 2013. TCSBPL is having its registered office at 109 & 110, Balarama, Bandra Kurla Complex, Mumbai - 400051, Maharashtra, India. TCSBPL is engaged in the business of providing stock broking services.

The shareholding pattern of the Company is as follows:

Name of Shareholder	No. of shares held	% Shareholding
Trust Investment Advisors Private Limited	9,990	99.9%
Nipa Sheth	10	0.1%
Total number of shares	10,000	100.00%



Trust Investment Advisors Private Limited (“TIAPL” or “the Transferee Company”), was incorporated on 30th May, 2006 under the provisions of the Companies Act, 1956. TIAPL is having its registered office at 109 & 110, First Floor, Balarama Premises CO-OP SOC, Village, Parikhari, Bandra Kurla Complex, Bandra (E), Mumbai – 400051, Maharashtra, India. TIAPL offers portfolio management, merchant banking and advisory services in both debt and equity segment.

The shareholding pattern of the Company is as follows:

Name of Shareholder	No. of shares held	% Shareholding
Nipa Sheth	9,000	0.14%
Nisha Mehta	1,000	0.01%
Trust Capital Services (India) Private Limited	64,90,000	99.85%
Total number of shares	65,00,000	100.00%



REGISTERED VALUER MS. RASHMI SHAH

I am a fellow member of The Institute of Chartered Accountants of India ('ICAI') practicing as a partner with R.V. Shah & Associates, Chartered Accountants. I am also registered with the Insolvency and Bankruptcy Board of India ('IBBI') as a Registered Valuer with Registration No. IBBI/RV/06/2018/10240.

SOURCES OF INFORMATION

For the purposes of this exercise, I have relied upon the following sources of information as provided by the Management:

- (i) Unaudited financial statements of TCSPL as on 31st March, 2023;
- (ii) Unaudited financial statements of TCSBPL as on 18th April, 2023;
- (iii) Audited financial statements of TIAPL for the year ended as on 31st March, 2023;
- (iv) Draft Scheme;
- (v) Such other information and explanations as required, and which have been provided by the Management including Management Representations.



SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

- This report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- This report has been prepared for the Board of Directors of TCSPL, TCSBPL and TIAPL solely for the purpose of recommending a fair share exchange ratio for the proposed demerger of the Demerged Undertaking of TCSPL into TCSBPL and amalgamation of residual TCSPL with TIAPL.
- The Management has represented that the Companies have clear and valid title of assets. No investigation on TCSBPL's, TCSPL's and TIAPL's claim to title of assets has been made for the purpose of this report and their claim to such rights has been assumed to be valid.
- For the purpose of this exercise, I was provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to me by the Companies / auditors is that of the respective Companies. Also, with respect to explanations and information sought from the Companies, I have been given to understand by the Management that they have not omitted any relevant and material facts about the respective Companies. The Management has indicated to me that they have understood that any omissions, inaccuracies or misstatements may materially affect my valuation analysis / conclusions. My work does not constitute an audit, due diligence or certification of the information referred to in this report including information sourced from public domain. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any information referred to in this report and consequential impact on the present exercise. However, nothing has come to my attention to indicate that the information provided / obtained was materially misstated / incorrect or would not afford reasonable grounds upon which to base the report.
- The fee for the engagement and this report is not contingent upon the results reported.
- This report is prepared only in connection with the Proposed Transaction exclusively for use by the Companies and for submission to any regulatory / statutory authority as may be required under any law.
- My report is not, nor should it be construed as me opining or certifying the compliance of the Proposed Transaction with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such Proposed Transaction.
- Any person / party intending to provide finance / divest / invest in the shares / convertible instruments / business of the Companies 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.



- The decision to carry out the Proposed Transaction (including consideration thereof) lies entirely with the Management / the Companies and my work and my finding shall not constitute a recommendation as to whether or not the Management / the Companies should carry out the transaction.
- This Report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall I assume any responsibility to any third party to whom the report is disclosed or otherwise made available.
- I do not make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. I expressly disclaim any and all liability for/or based on or relating to any such information contained in the valuation.
- The Transferor Company, the Resulting Company and the Transferee Company (hereinafter referred to as “Companies”) form part of the Trust Group. The Transferor Company holds 99.85% stake in the Transferee Company while the Resulting Company is the wholly-owned subsidiary of the Transferee Company. Further, 100% stake in the Transferor Company is held by the individual promoters who are part of same family. Accordingly, the entire economic interest of the Companies is effectively owned and controlled within the same family and hence, the method adopted for determining swap ratio is not relevant.



CONCLUSION - RECOMMENDATION OF FAIR SHARE EXCHANGE RATIO

Based on the above, in the event of demerger of the Demerged Undertaking of TCSPL into TCSBPL, we recommend a fair share entitlement ratio as follows:

Particulars	Value per equity share of TCSPL (Rs.)	Weight (%)	Value per RPS of TCSBPL (Rs.)	Weight (%)
Method				
Income Approach - DCF method	NA	0%	NA	0%
Asset Approach - NAV method	826.4	100%	10.0	100%
Market Approach	NA	0%	NA	0%
Weighted value per share (Rs)	826.4		10.0	
Share Swap ratio				82.64

83 (Eighty-Three) fully paid up Redeemable Preference Shares of INR 10/- each of the Resulting Company credited as fully paid up to the shareholders of the Demerged Company, for every 1 (One) fully paid up equity share of INR 10/- each of the Demerged Company

Based on the above, in the event of amalgamation of residual TCSPL with TIAPL, we recommend a fair share exchange ratio as follows:

Particulars	Value per equity share of TCSPL (Rs.)	Weight (%)	Value per equity share of TIAPL (Rs.)	Weight (%)
Method				
Income Approach - DCF method	NA	0%	NA	0%
Asset Approach - NAV method	7,906.2	100%	1,179.9	100%
Market Approach	NA	0%	NA	0%
Weighted value per share (Rs)	7,906.2		1,179.9	
Share Swap ratio				67.01

67 (Sixty-Seven) fully paid up Equity Shares of INR 10/- each of the Transferee Company credited as fully paid up to the shareholders of the Transferor Company, for every 10 (Ten) fully paid up equity share of INR 10/- each of the Transferor Company

Thanking you,

Respectfully submitted,

Rashmi Shah FCA
 Registered Valuer No.: IBBI/RV/06/2018/10240
 ICAI Membership Number: 123478
 Date: 24th August 2023
 Place: Mumbai
 ICAI UDIN: 23123478BGTUQF9233

