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STRICTLY PRIVATE AND CONFIDENTIAL

SHARE EXCHANGE RATIO

FOR

AMALGAMATION OF

MANIPAL HOSPITALS (JAIPUR) PRIVATE LIMITED
("Transferor Company")

with

MANIPAL HOSPITALS (DWARKA) PRIVATE LIMITED
("Transferee Company")

and

their respective Shareholders

Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

PREPARED BY:-

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13 January 2022

To,

The Board of Directors,
Manipal Hospitals (Jaipur) Private Limited
Manipal Hospitals (Dwarka) Private Limited
The Annexe, #98/2 Rustom Bagh,
Off Hal Airport Road
Bangalore - 560017,
Karnataka, India

Re: Determining Share Exchange Ratio for allotment of shares of Manipal Hospitals (Dwarka) Private Limited ("MHDPL" or "Transferee Company") to the shareholders of Manipal Hospitals (Jaipur) Private Limited ("MHJPL" or "Transferor Company") with respect to the amalgamation of MHJPL into MHDPL ("proposed merger") through a Scheme of Amalgamation u/s 230-232 of the Companies Act, 2013 and other applicable provisions of the Act.

Dear Sirs,

MHDPL and MHJPL ("Companies") have requested us to provide a report on Share Exchange Ratio for issuance of shares suggested by the Management of the MHDPL and MHJPL, in relation to the proposed merger.

1. SCOPE AND PURPOSE OF THIS REPORT

I, **Sushma Rajgaria**, a registered valuer under the Companies Act, 2013, refer to our engagement letter dated **16th Dec 2021** wherein Companies have requested us to give a report on Share Exchange Ratio in connection with the proposed merger of MHJPL with MHDPL, under the provisions of Sections 230 to 232 of the Companies Act 2013 (hereinafter referred to as "Act") and other applicable provisions of the Act.

We have been given to understand that subject to necessary approvals, MHJPL would be amalgamating with MHDPL, with effect from **1st April 2021** (hereinafter referred to as the "Appointed Date"), or such other date as may be approved by the Board of Directors of MHJPL and MHDPL or such other time and date as the Tribunal may fix or direct. Under the Scheme, the shareholders of MHJPL will be issued equity shares as consideration by MHDPL for the proposed merger.

It has been proposed by the Management of MHDPL, that upon the amalgamation of MHJPL into MHDPL being effective, MHDPL will issue and allot in the ratio of 1 equity share of Rs.10 each, fully paid up, in MHDPL for every 60 equity shares of face value of Rs.10 each, fully paid up of MHJPL. In this connection, the Management of the Companies has engaged registered valuer to submit a report on the fairness of above issuance of shares for amalgamation of MHJPL into MHDPL.

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Our scope of work includes commenting only on the fairness of the proposed allotment ratio suggested by the Management and not on the fairness or economic rationale of the amalgamation per se. This report has been issued only for the purpose of facilitating the proposed merger and should not be used for any other purpose.

2. SOURCES OF INFORMATION

The sources of information, which have been furnished to us by the Companies, are given below:

a) The draft scheme for the amalgamation of MHJPL with MHDPL
b) The capital structure of MHJPL and MHDPL as at 31st Dec 2021;
c) Audited financial statements of MHJPL and MHDPL as at 31st March 2021;
d) Unaudited financial statements of MHJPL and MHDPL as at 31st Dec 2021.
e) We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the representatives and Management of each of the Companies.

It may be mentioned that the Management of the Companies have been provided an opportunity to review the draft report for the current engagement as part of our standard practice to make sure that factual in accuracies are avoided in our report.

3. BACKGROUND OF THE COMPANIES

a) **Manipal Hospitals (Jaipur) Private Limited (hereinafter referred to as "MHJPL" or "Transferor Company" or "Amalgamating Company")**, was incorporated on the 17th January 2014 as a private company limited by shares under the jurisdiction of the Registrar of Companies, Bangalore vide Corporate Identification Number U85110KA2014PTC073085. The registered office of the Transferor Company is at The Annexe, #98/2 Rustom Bagh, Off Hal Airport Road Bangalore, Karnataka- 560017.

MHJPL is primarily engaged in the business of healthcare services, establishing, promoting, and maintaining hospitals, multi-specialty health hospitals, diagnostic centres, and other modern facilities for treatment, prevention, detection and cure of diseases, ailments of all kinds in India and abroad providing engineering and consultancy services relating to designs of plants in different industries.

The share capital of the Transferor Company as on 31st December 2021 is as under:

Particulars	Amount in Rs
Authorised Share Capital	
100,010,000 Equity Shares of Rs.10/- each	1,00,01,00,000
Issued, Subscribed and Paid-up Share Capital	

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4,85,68,944 Equity Shares of Rs.10/- each	48,56,89,440

Shareholders of the Transferor Company as on 31st December 2021 is as under:-

Sl. No.	Name of Shareholder	No. of shares held	Type of shares	Amount per share
1	Manipal Health Enterprises Private Limited (**"MHEPL"**)	4,85,68,934	Equity	10
2	Mr. Sameer Agarwal (being the registered shareholder whereas beneficial owner is MHEPL)	10	Equity	10

b) **Manipal Hospitals (Dwarka) Private Limited** (hereinafter referred to as "MHDPL" or "Transferee Company" or "Amalgamated Company"), was incorporated originally on the 16th January 2014 as a private company limited by shares.

The Transferee Company is under the jurisdiction of the Registrar of Companies, Bangalore vide Corporate Identification Number U85110KA2014PTC073063. The registered office of the Transferee Company is at The Annexe, #98/2 Rustom Bagh, Off Hal Airport Road Bangalore, Karnataka- 560017.

MHDPL is primarily engaged in the business of healthcare services, establishing, promoting, and maintaining hospitals, multi-specialty health hospitals, diagnostic centers, and other modern facilities for treatment, prevention, detection and cure of diseases, ailments of all kinds in India and abroad providing engineering and consultancy services relating to designs of plants in different industries.

The share capital of the Transferee Company as on 31st December 2021 is as under:

Particulars	**Amount in Rs**
Authorised Share Capital	
30,00,000 Equity Shares of Rs.10/- each	3,00,00,000
Issued, Subscribed and Paid-up Share Capital	
20,10,000 Equity Shares of Rs.10/- each	2,01,00,000

Shareholders of the Transferee Company as on 31st December 2021 is as under:-

S. No.	Name of Shareholder	No. of shares held	Type of shares	Amount per share
1	Manipal Health Enterprises Private Limited (**"MHEPL"**)	20,09,990	Equity	10
2	Mr. Sameer Agarwal (being the registered shareholder whereas beneficial owner is MHEPL)	10	Equity	10

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4. INSPECTION AND / OR INVESTIGATION UNDERTAKEN

Website of ministry of corporate affairs (MCA) was inspected to carry out the inspections of various documents filed by the companies as considered necessary in connection with performance of duties.

5. BASIS FOR AMALGAMATION

The Scheme envisages an amalgamation of MHJPL into and with MHDPL. It has been proposed by the Management of MHJPL and MHDPL that upon amalgamation being effective, MHDPL shall, without any further act or deed and without any further consideration (cash or non-cash), issue and allot in the ratio of 1 equity share of Rs.10 each, fully paid up, in MHDPL, in respect of every 60 equity shares of face value of Rs.10 each, fully paid up in MHJPL (hereinafter referred to as the "New Equity Shares"). The key factor to be considered as regards to the valuation in the present proposed merger is that any proposed share exchange ratio for the amalgamation can be considered as fair and reasonable for the shareholders of the Companies, only if the proposed share exchange ratio to be adopted does not result in any adverse consequence to any of the shareholder of MHJPL.

MHEPL beneficially holds 100% of share capital of MHJPL and MHDPL. Once the Scheme is implemented, the equity shareholder of MHJPL i.e., MHEPL who would continue to hold the equity stake of MHDPL in same proportion as they were holding before amalgamation. Thus, irrespective of the share exchange ratio, MHEPL would continue to have 100% effective ownership interest in the companies. The economic interests in MHJPL would also remain unaffected by the amalgamation regardless of the amount of consideration and number of shares issued. There is no impact on the controlling interests post the proposed merger. In this context, any formal valuation exercise is neither required nor undertaken for the purpose of this amalgamation.

No shareholder is, under the Scheme, required to dispose-off any part of his shareholding either to any other shareholder or in the market or otherwise. The proposed allotment ratio does not envisage the dilution of the effective holding of any shareholders because of the operation of the Scheme.

Thus, any exchange ratio is fair and reasonable from the point of view of ultimate equity shareholder's and other shareholder's economic interest for the proposed merger.

6. CONCLUSION

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On basis of our review of the information/ representations made available to us and after consideration of all the relevant factors and circumstances, mentioned above, Transferee Company shall allot 1 equity share of Rs.10 each, fully paid up of Transferee Company for every 60 equity shares of face value of Rs.10 each, fully paid up, to the shareholders of Transferor Company. The same in our view would be fair and reasonable in the current context.

7. SCOPE LIMITATIONS AND DISCLAIMERS

- While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the MHJPL and MHDPL existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of MHJPL and MHDPL. Our report is subject to the scope and 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.

- MHDPL and MHJPL shall obtain NOC on the Scheme of amalgamation from their shareholders respectively holding one share. If any of the NOC are not received, then our opinion and valuation will get impacted accordingly.

- The report of companies and businesses is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment.

- We owe responsibility to only to the authority/ management of MHJPL and MHDPL that has appointed me/us under the terms of the engagement letters. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions or advice given by any other person. 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 or companies, their directors, employees, or agents.

- In the course of the report, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions and other information given by/on behalf of the Company.

- We are independent of the MHJPL and MHDPL and have no current or expected interest in the Company or its assets. The fee paid for our services in no way influenced the results of our analysis.

- **Disclosure of Valuer Interest / Conflict, if any** – Nil

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- Our report is meant for the purpose of providing report on Share Exchange Ratio and filing the same with regulatory authorities, including NCLT and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

- We are fully aware that based on the opinion expressed in this report, we may be required to give testimony or attend court / judicial proceedings regarding the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my / our tendering evidence before such authority shall be under the applicable laws.

- **Restriction on use of the Report**- This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Management of MHJPL and MHDPL is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the MHJPL and MHDPL from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. I/we do not take any responsibility for the unauthorized use of this report.

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Securities or Financial Assets
Registration No. : IBBI/RV/04/2020/13156
Place: Bangalore

Date: 13 January 2022