Ms. RAJUL IYER

Registered Valuer -IBBI & Chartered Accountant

14th May 2024

The Board of Directors
Parshva Enterprise Limited
HO NO. 219, Vill Brahmangaon,
Tal Wada, District- Palghar,
Wada, Thane
Maharashtra -421303

The Board of Directors
Simandhar Impex Limited
811 A Wing,
Jaswanti Allied Business Centre,
Ramchandra Lane Extn.,
Malad West,
Mumbai – 400064.

Dear Sir(s)/ Madam (s)

Re: Fair share entitlement ratio for the proposed demerger of Jewellery business of Parshva Enterprise Limited into Simandhar Impex Limited.

We refer to our engagement letter dated 14th April 2024 whereby Rajul Iyer, Registered Valuer with IBBI (hereinafter referred to as RI), have been appointed to recommend the fair share entitlement ratio for the proposed demerger of the Jewellery business undertaking of Parshva Enterprise Limited ('PEL' or 'Demerged Company') into Simandahr Impex Limited (SIL – Resulting Company) on going concern basis pursuant to Scheme of Arrangement between PEL, SIL and their respective shareholders and Creditors under Section 230 to 232 and other relevant provisions of the Companies Act , 2013 (the Scheme). PEL and SIL shall hereinafter collectively be referred to as "the Companies"

We are pleased to present herewith our report ("Report") on the same. We have determined the Fair share entitlement ratio for the proposed demerger as on 30th April 2024 ("Valuation date"). A summary of the analysis is presented in the accompanying Report, as well description of the methodology and procedure we used, and the factors we considered in formulating our opinion.

Mrs. Rajul Iyer
Registered Valuer
IBBI Registration no: IBBI/RV/06/2019/10559

Rajul Iyer

For Rajul Iyer & Associates
Chartered Accountants
FRN: 130137W
ICAI UDIN:24102325BKHKVU1671

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1. **Brief Background of Companies:**

1.1. PARSHVA ENTERPRISES LIMITED is a Company incorporated under the Companies Act, 2013 bearing corporate identification number L51909MH2017PLC297910 and having its registered office at HO NO. 219, Vill Brahmangaon, Tal Wada, District- Palghar, Wada, Thane, Maharashtra - 421303 **("PEL or Demerged Company").**

1.2. The Demerged Company is primarily engaged in the Trading of Diamond, Gems, Jewellery, Metal and Real estate business.

1.3. The equity shares of the Demerged Company are listed on BSE Limited ("BSE").

1.4. The authorised, issued, subscribed and paid-up share capital of PEL as on 31st March 2024 was as under:

Particulars	Amount in Rs.
Authorised Share Capital	
1,05,00,000 equity shares of Rs.10 each	10,50,00,000
Total	10,50,00,000
Issued and Subscribed Share Capital	
1,01,89,749 equity shares of Rs.10 each	10,18,97,490
Total	10,18,97,490
Paid Up Share Capital	
1,01,89,749 equity shares of Rs.10 each	10,18,97,490
Total	10,18,97,490
Listed Capital	
1,00,49,749 equity shares of Rs.10 each	10,04,97,490
Total	10,04,97,490

Note: The Company has received shareholders approval by Postal Ballot on 19th March 2024 for issue of equity shares to Non promoters on preferential basis and 90,000 equity shares towards conversion of loan into equity shares to promoter of the Company. The Board had approved allotment of 50,000 equity shares to Non promoters on preferential basis and 90,000 equity shares towards conversion of loan into equity shares to promoters of the company on its meeting held on 22nd March 2024. However listing of these 1,40,000 equity shares is still pending on stock exchange.

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1.5. SIMANDHAR IMPEX LIMITED, is a company incorporated under the Companies Act, 2013 bearing corporate identification number U46498MH2023PLC415552 and having its registered office at 811,A Wing, Jaswanti Allied Business Center Kanchpada, Malad, Mumbai, Malad West, Maharashtra, India, 400064 **("SIL or Resulting Company 2")**.

1.6. SIMANDHAR IMPEX LIMITED is a wholly owned subsidiary of PARSHVA ENTERPRISES LIMITED. The Resulting Company has been incorporated to carry on Jewellery business.

1.7. The authorised, issued, subscribed and paid-up share capital of SIL as on 31st March 2024 was as under:

Particulars	Amount in Rs.
Authorised Share Capital	
35,00,000 equity shares of Rs.10 each	3,50,00,000
Total	3,50,00,000
Issued, Subscribed and Paid- up Share Capital	
10,000 equity shares of Rs.10 each	1,00,000
Total	1,00,000

1.8. The Management have informed us that:

a) There would not be any capital variation in the Transacting Companies till the proposed demerger becomes effective without approval of the shareholders and other relevant authorities;

b) Till the proposed demerger becomes effective, neither of the Transacting Companies would declare any dividend which are materially different from those declared in the past few years.

c) There are no unusual/ abnormal events in the Transacting Companies other than those represented to us by the Management till the report date materially impacting their operating/ financial performance.

d) There would be no significant variation between the draft scheme of arrangement and the final scheme approved and submitted with the relevant authorities.

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2. Scope and Purpose:

2.1. We have been informed by the management of the companies (hereinafter referred to and the Management) that they are considering the proposal of demerger of jewellery business of Parshva Enterprise Limited (PEL) into Simandhar Impex Limited (SIL) respectively pursuant to a scheme of arrangement under sections 230 to 232 and other applicable provisions of the Companies Act , 2013 , including rules and regulations made thereunder.(Proposed Demerger)

2.2. Subject to necessary approvals, the Demerged undertakings of PEL would be demerged from PEL into SIL, with effect from appointed date of 1st April 2024 (Appointed Date).

2.3. Pursuant to the scheme, as a consideration for the proposed demerger, SIL will allot its equity shares of face value of INR 10 each fully paid up to the equity shareholders of PEL.

2.4. In this regard, we have been requested to issue report opining on the fair share entitlement ratio for the Proposed Demerger as recommended by the Management of PEL.

3. Sources of Information:

For the purpose of this exercise, we have relied upon the following sources of information received from the Management and information available in the public domain:

3.1. Draft Scheme of arrangement (as duly certified by the Management) under Section 230 to 232 and other applicable provisions of the Companies Act ,2013 and rules framed thereunder, as may be applicable.

3.2. Memorandum and Article of Association

3.3. Latest Shareholding pattern of all the companies

3.4. Audited Accounts as on 31st March 2024 of PEL.

3.5. Such other information and documents as provided by the Management for the purpose of this engagement.

3.6. Management representation letter dated 1st May 2024.

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4. Rationale for Share Entitlement Ratio:

4.1. As mentioned earlier, as a part of the scheme of arrangement, the Jewellery Business of PEL is proposed to be demerged into its wholly owned subsidiary i.e. SIL.

4.2. PEL has identified all the assets and liabilities of the Jewellery Business which are to be taken over by and transferred to SIL.

4.3. Also, as a part of the Scheme, all the outstanding issued and paid up share capital of SIL ('Pre Demerger Equity Share Capital ') would be cancelled by way of capital reduction.

4.4. We understand that, upon the scheme being effective, all the shareholders of PEL would also become the shareholders of SIL and with the outstanding issued and paid-up share capital of SIL ('Pre-Demerger Equity Share Capital ') getting cancelled by way of a capital reduction which would be part of the same scheme, their shareholding in PEL would mirror their existing shareholding in SIL prior to the demerger.

4.5. The Share Entitlement Ratio has been recommended keeping in mind the future equity servicing capacity and minimum share capital requirement of SIL.

4.6. The effect of demerger is that each shareholder of PEL becomes the owner of shares in Two companies instead of one.

4.7. The scheme does not envisage the dilution of the holding of any one or more shareholders as a result of the operation of the scheme. Post demerger, the percentage holding of a shareholder in PEL and SIL would remain same and not vary.

4.8. Taking into account the above facts and circumstance, any share entitlement ratio can be considered appropriate and fair for the proposed demerger as the proportionate equity shareholding of any shareholder pre-demerger and post-demerger would remain same and not vary and we have therefore not carried out any independent valuation of the Jewellery business of PEL.

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5. Recommendation of Fair Share Entitlement Ratio:

5.1. On the basis of the foregoing, considering the proposed capital structure SIL, as informed to us by the Management and on consideration of all the relevant factors and circumstances as discussed and outlined herein above, a share entitlement ratio in the event of the Proposed Demerger would be as follows:

3 (Three) equity share of Simandhar Impex Limited of face value of INR 10 each fully paid up shall be issued for every 10 (Ten) equity share of INR 10 each fully paid up held in Parshva Enterprise Limited (PEL) as on record date"

5.2. Our report and fair share entitlement ratio is based on the current equity share capital structure of PEL and envisaged equity share capital of SIL. Any variation in the equity share capital structure of PEL and SIL apart from above mentioned may have as impact on the fair share Entitlement ratio.

5.3. As mentioned above, SIL to which the demerged undertaking are proposed to be transferred is a wholly owned subsidiary of PEL. Further on demerger of the demerged undertaking into SIL, there is no change in shareholding/ share capital of SIL and all the shareholders of PEL are and will be the ultimate beneficial owners of SIL in the same ratio (inter se) as they hold shares of SIL through PEL prior to the proposed demerger. Therefore, no relative valuation of demerged undertaking and of SIL is required to be undertaken for the proposed Demerger. Accordingly, valuation approaches as indicated in the format (as shown below) as prescribed by Circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not relevant in the instant case.

Valuation approach	Demerged Undertaking (PEL)		SIL	
	Value Per share	Weight	Value Per share	Weight
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative Value per share	NA		NA	

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6. Caveats, Limitations and Disclaimers:

6.1. Our report id 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.

6.2. This report has been prepared for the Board of Directors of the companies solely for the purpose of opining on the fair share entitlement ratio for the proposed demerger as recommended by the Management of the companies.

6.3. Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us.

6.4. We have been represented by the Management of PEL that PEL / Demerged undertaking have clear and valid title of assets. No investigation on the PEL/ Demerged Undertaking's claim to title of assets has been made for the purposes of this report and their claim to such rights has been assumed to be valid.

6.5. This report, its contents and the results herein are specific and subject to:

- the purpose of valuation agreed as per the terms of this engagement;
- the date of this report;
- equity shareholding pattern of PEL and SIL as at 31st March 2024.
- Proposed capital reduction of all the outstanding issued and paid up share capital of the SIL ('Resulting Company');
- proposed share entitlement ratio recommended by the Management;
- draft scheme of arrangement; and
- data detailed in the section - Sources of Information.

6.6. A value analysis of this nature is based on information made available to us as of the date of this report, events occurring after that 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.

6.7. The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Management till the date of this report and other sources, and the said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

6.8. In the course of our analysis, we were provided with both written and verbal information, by the Management as detailed in the section- Sources of Information.

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6.9. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification of,

- the accuracy of information made available to us by the Management, which formed a substantial basis for this report; and
- the accuracy of information that was publicly available;

6.10. We have not carried out a due diligence or audit or review of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided.

6.11. We are not legal or regulatory advisors with respect to legal and regulatory matters for the proposed demerger.

6.12. Our report is not, nor should it be construed as our opining or certifying the compliance of the Proposed Demerger with the provisions of any law including Companies, Taxation and Capital market related Laws or as regard any legal implications or issues arising in India or abroad from such Proposed Demerger.

6.13. We do not express any form of assurance that the financial information or other information as prepared and provided by the Management is accurate. Also, with respect to explanations and information sought from the Management, we have been given to understand by the Management that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

6.14. Our conclusions are based on these assumptions and information given by/ on behalf of the Management. The Management of the Company has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our recommendation.

6.15. Accordingly, we assume no responsibility for any errors in the information furnished by the Management and their impact on the report. Also, we assume no responsibility for technical information (if any) furnished by the Management. However, nothing has come to our attention to indicate that the information provided was materially misstated/ incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

6.16. The report assumes that the Companies complies fully with relevant laws and regulations applicable in all its areas of operations and that the Company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration on to matters of a legal

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nature, including issues of legal title and compliance with local laws and litigation and other contingent liabilities that are not represented to us by the Management.

6.17. This report does not look into the business/ commercial reasons behind the proposed demerger nor the likely benefits arising out of the same. Similarly, the report does not address the relative merits of the proposed demerger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This report is restricted to recommendation of share entitlement ratio for the proposed demerger only.

6.18. We would like to emphasize that as per the proposed scheme of arrangement, Jewellery business of PEL a('Demerged Company') will be demerged into its wholly owned subsidiary, Simandhar Impex Limited ('Resulting company) and upon cancellation of the entire outstanding issued and paid up share capital as a part of the scheme of Simandhar Impex Limited by way of capital reduction, fresh issue of shares would be made to the existing shareholders of PEL on a proportionate basis such that their existing holding in PEL is replicated in SIL. Accordingly, we believe that any share entitlement ratio can be considered appropriate and fair for the proposed demerger as the inter-se proportionate equity shareholding of any shareholder pre-demerger and post-demerger would remain same and not vary and we have therefore not carried out any independent valuation of Jewellery Business of PEL and SIL.

6.19. Certain terms of the proposed demerger are stated in our report, however the detailed terms of the proposed demerger shall be more fully described and explained in the scheme document to be submitted with relevant authorities in relation to the proposed demerger. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the Scheme document.

6.20. The fee for the Engagement is not contingent upon the results reported.

6.21. We owe responsibility only to the Board of Directors of the Transacting Companies, who have appointed us, and nobody else. We do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion.

6.22. This share entitlement ratio report is subject to the laws of India.

6.23. Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the purpose of recommending the share entitlement ratio for the proposed demerger and relevant filing with regulatory authorities in this regard, without our prior written consent.

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6.24. In addition, this report does not in any manner address the prices at which equity shares of PEL shall trade following announcements of the proposed demerger and we express no opinion or recommendation as to how shareholders of the Transacting Companies should vote at any shareholders' meetings. Our report and the opinion/ valuation analysis contained herein is not to be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities.

6.25. The Companies have been provided with the opportunity to review the draft report as part of our standard practice to make sure that factual inaccuracies /omissions are avoided in our final report.

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