

Registered Office  
A-102, Sea Lord CHS, Above Axis Bank  
Ram Nagar, Borivali (W),  
Mumbai - 400092

**SHRENI**  
SHARES PVT. LTD.

May 15, 2021

To  
**The Board of Directors**  
Dugar Housing Developments Limited  
Dugar Towers 123  
Marshalls Road  
Egmore Chennai-08  
TN 600008 IN

**Subject: Merchant Banker's Fairness Opinion on the proposed Scheme of Arrangement between Dugar Housing Developments Limited and its Shareholders.**

We refer to our discussions wherein the management of Dugar Housing Developments Limited ("the Company") requested Shreni Shares Private Limited ("We", "Our" or "Us") in our capacity as a Merchant Banker to give a fairness opinion on the reduction of share capital of the company under the proposed scheme of Arrangement ("the scheme") between the Company and its Shareholders.

Trust the above meets your requirements.

Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully,

**For Shreni Shares Private Limited**



Shreni Shares Pvt.Ltd. (SEBI Registered Category - I Merchant Banker)  
Registered Office : A- 102,Sea Lord CHS,Above Axis Bank,Ram Nagar,Borivali (W) Mumbai - 400092  
CIN : U67190MH2009PTC195845 | Tel : +91 22 28088456  
Email : shrenishares@gmail.com | website : www.shreni.in

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## 1. COMPANY PROFILE

1.1. Dugar Housing Developments Limited (hereinafter referred as "DHDL" or "the Company") registered under the Companies Act, (CIN: L65922TN1992PLC023689) having its registered office at Dugar Towers 123 Marshalls Road Egmore Chennai-08 TN 600008 IN. Dugar Housing Development Limited is a real estate development company.

1.2. The scheme provides for reduction of the share capital of the Company.

1.3. The fairness opinion requested from us is to be provided in our capacity as Category I Merchant Banker (Registration No: INM000012759) and is required to be submitted to BSE Limited to facilitate the Company's compliance with regulation 11, regulation 37 & regulation 94 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. CFD/DIL3/CIR/2017/21 dated 10th March 2017.

## 2. SOURCE OF INFORMATION

2.1. For the said examination and for arriving at the Fairness Opinion set forth below, we have considered the following documents (duly certified by the management of the Company) representations and explanations provided to us by the management of the Company.

- a. Audited financial statement of Dugar Housing Developments Limited for the year ended 31st March 2021.
- b. Draft copy of the Scheme of Reduction of Capital.
- c. Such other information and explanations as we have required and which have been provided by the Management.

## 3. KEY FEATURES OF THE SCHEME



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- 3.1. As on March 31, 2021, the Company has accumulated losses (debit balance of profit & loss account) of the Rs. 3,47,94,761/- (Rupees Three Crores Forty-Seven Lakhs Ninety-Four Thousand Seven Hundred Sixty-One Only) as per the audited financial statements ascertained and adopted by the Board of Directors of the Company.
- 3.2. The accumulated losses as at March 31, 2021, as stated hereinabove, have been ascertained after the audited financial statements are approved by the Board of Directors. The said accumulated losses have wiped off the value represented by the share capital. Thus, the financial statements of the Company are not reflective of the true financial position of the Company.
- 3.3. In order to accurately and fairly reflect the liabilities & assets of the Company in its books of accounts; and for better presentation of the financial position of the Company, the Board of Directors has decided to write off the accumulated losses against reduction in the paid up share capital of the Company in accordance with section 66 of the Companies Act, 2013 read with National Company Law Tribunal (Procedure for Reduction of Share Capital of the Company) Rule, 2016, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other Applicable provisions.
- 3.4. The DHDL is now proposing to undertake a financial restructuring exercise whereby it is proposed to cancel 27,00,000 equity shares of Rs. 10/- each equivalent to Equity Share Capital of Rs. 2,70,00,000/- (Rupees Two Crore Seventy Lakhs Only). As a result of this capital restructuring, equity shares capital of the Company will stand reduced to 3,00,000 equity shares of Rs. 10/- equivalent to an equity share capital of Rs. 30,00,000/- (Rupees Thirty Lakhs Only)
- 3.5. Thus, shareholders of the Company holding 100 equity shares of Rs. 10/- each as on the record date, will receive 10 equity shares of Rs. 10/- each post the capital reduction

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#### 4. FAIRNESS OPINION

On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the Scheme is fair and reasonable.

#### 5. LIMITATIONS

5.1. Our fairness opinion is based on the information furnished to us being complete and accurate in all material aspects. We have relied upon the information, explanation and representations provided to us by the management of the company without carrying out any audit or other tests to verify their accuracy with limited independent appraisal.

5.2. The procedures performed were limited in nature and as such this report may not necessarily disclose all significant matters or reveal errors or irregularities, if any in the underlying information. Furthermore such procedures do not constitute an audit, examination or review in accordance with generally accepted auditing standards and therefore we do not express an opinion or any other form of assurance on the information presented in our report. We also do not make any representation regarding the sufficiency of procedures performed/

5.3. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the company and our work does not constitute any verification of any financial information of the company. Accordingly, we do not express any opinion on the fairness or accuracy of any financial information referred to in this opinion.

5.4. Our fairness opinion is not intended to and does not constitute any recommendation to any shareholder of the company as to how such shareholder should vote or act in connection with the scheme or any matter related therein.

5.5. Our fairness opinion is not, nor should it be construed as our opinion on/ or certification of compliance of the scheme with the provisions of any law including

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companies, taxation and capital market related laws or as regards any legal implications or losses arising therein.

5.6. We do not assume any responsibility for updating or revising our fairness opinion based on circumstances or events occurring after the date thereof.

5.7. We do not express any opinion on the fair value of the equity shares of the company, and/ or the price at which the equity shares of the company may trade at any time, including subsequent to the date of this fairness opinion.

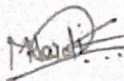
5.8. This fairness opinion has been issued for the sole purpose to facilitate the company's compliance with regulation 11 regulation 37 & regulation 94 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements: "SEBI") Regulations, 2015 read with SEBI Circular no. CFD/DIL3/CIR/2017/21 dated 10th March 2017.

5.9. The Conclusions reached by us are dependent upon the above Information being complete and accurate in all material respect. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us.

5.10. We assume no responsibility for the legal description or matters including legal or title considerations. Title to the subject assets, properties, or business interests is assumed to be good and marketable unless otherwise stated.

5.11. This opinion has been issued for use by the company only and does not owe any responsibility to any third party.

**For Shreni Shares Private Limited**



**(Authorised Signatory)**



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