

FAIRNESS OPINION REPORT
IN THE MATTER OF
THE SCHEME OF ARRANGEMENT
BETWEEN
VOLTAMP TRANSFORMERS LIMITED
AND
KUNJAL INVESTMENTS PRIVATE LIMITED

Prepared By:

VIVRO

Vivro Financial Services Private Limited

Ahmedabad | Mumbai | Vadodara | Chennai | Cochin

Vivro House,

11, Shashi Colony,

Opp. Suvidha Shopping Center, Paldi,

Ahmedabad-380007



TABLE OF CONTENTS

Contents

1. SCOPE AND PURPOSE OF THIS REPORT	5
2. SOURCES OF INFORMATION.....	6
3. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS	7
4. BACKGROUND OF THE COMPANIES.....	9
5. VALUER'S RECOMMENDATION	10
6. CONCLUSION.....	111



Date: May 11, 2020

To,
The Board of Directors
Voltamp Transformers Limited,
Makarpura,
Vadodara,
Gujarat – 390014,
India.

To,
The Board of Directors,
Kunjal Investments Private Limited,
Nirmaya, Bhaili Raipura Road,
Bhaili, Vadodara
Gujarat - 391410,
India.

Subject: Fairness Opinion on the recommendation of Share Exchange Ratio issued by Mr. Hitendra Ranka, Registered Valuer, for the Merger of Kunjal Investments Private Limited into Voltamp Transformers Limited in terms of SEBI Circular CFD/DIL3/CIR/2017/21 under regulations 11, 37 and 94 of the extant SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Voltamp Transformers Limited (hereinafter referred to as 'the Transferee Company', 'VTL', 'the Company'), having CIN L31100GJ1967PLC001437 was incorporated in March 2, 1967 at Vadodara. The Company is engaged in the manufacturing of electrical transformers. The Company's products include Oil Filled Transformers, Cast Resin Transformers, Unitised Sub-Station, Induction Furnace Transformers as well as Lighting Transformers. The Company has an installed capacity to manufacture Oil Filled Power & Distribution Transformers up to 160 mega volt ampere (MVA) with 220 kilovolt (KV) class. Its Unitised Sub-Station can be installed in buildings, housing colonies, shopping malls, construction sites, mobile substations, wind energy, utilities and gas stations.

Kunjal Investments Private Limited (hereinafter referred to as 'the Transferor Company', 'KIPL'), having CIN U65100GJ1973PTC002415 was incorporated in October 23, 1973. KIPL is registered as NBFC Company with Reserve Bank of India. KIPL currently holds 42.94 % of the equity shares of VTL.

VTL and KIPL shall jointly be referred to as 'the Companies'.

The Board of Directors of each of the Companies is considering a Composite Scheme of Arrangement (hereinafter referred to as 'the Scheme') by way of Merging KIPL in VTL. The rationale of the scheme is that it will lead to simplification of the shareholding structure and reduction of shareholding tiers of VTL. All terms not defined here are defined as per the Scheme.

The Valuation for the Share Exchange Ratio for the Scheme has been carried out by Mr. Hitendra Ranka, Registered Valuer, registered with Insolvency and Bankruptcy Board of India (IBBI



Registration: IBBI/RV/06/2019/11695) holding a valid Certificate of Practice issued by ICAI RVO ("Valuer"), vide Valuation Report dated May 10, 2020.

VTL has appointed Vivro Financial Services Private Limited, Category I Merchant Banker registered with SEBI having its Registration No. INM000010122 (hereinafter referred to as 'Vivro', 'we', 'us', 'our'), vide an Engagement Letter dated October 24, 2019 ('hereinafter referred to as 'Engagement Letter') to issue a Fairness Opinion Report on the Share Exchange Ratio recommended by Mr. Hitendra Ranka, Registered Valuer, registered with Insolvency and Bankruptcy Board of India (IBBI Registration: IBBI/RV/06/2019/11695) holding a valid Certificate of Practice issued by ICAI RVO ("Valuer"), vide Valuation Report dated May 10, 2020.

This Fairness Opinion Report is issued in terms of CFD/DIL3/CIR/2017/21 under regulations 11, 37 and 94 of the extant SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For, Vivro Financial Services Private Limited


Jayesh Vithlani

Sr. Vice President



Date: May 11, 2020

Place: Ahmedabad

1. SCOPE AND PURPOSE OF THIS REPORT

- 1.1 The Board of Directors of KIPL and VTL are considering a Composite Scheme of Arrangement (hereinafter referred to as 'the Scheme') by way of Merging KIPL in VTL. The rationale of the Scheme is that it will lead to simplification of the shareholding structure and reduction of shareholding tiers of VTL.
- 1.2 The Merger is on a going concern basis pursuant to a Composite Scheme of Arrangement under sections 230 to 232 of the Companies Act, 2013 ('the Scheme').
- 1.3 Pursuant to the Scheme, upon Merger of KIPL into VTL, the shareholders of KIPL shall receive equity shares of VTL as consideration.
- 1.4 We understand that the appointed date of the Scheme is June 1, 2020.
- 1.5 For the aforesaid purpose, the Companies have appointed Mr. Hitendra Ranka, Registered Valuer, to submit a Report recommending the Share Exchange Ratio for the proposed Scheme, to be placed before the Board of Directors of the Companies.
- 1.6 The scope of our services is to issue a Fairness Opinion on the report issued by the Valuer recommending a Share Exchange Ratio for the proposed scheme and does not involve evaluating or opining on the fairness or economic rationale of the proposed Scheme per se.
- 1.7 This report is our deliverable on this engagement. This report may be used for the purpose of complying with the requirements of the regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and SEBI Circular CFD/DIL3/CIR/2017/21 and for submission to such other regulatory and statutory authorities in connection with the proposed Scheme.
- 1.8 Our report is prepared solely for the purpose outlined hereinabove. The distribution of this report shall hence be restricted to the Companies, Shareholders, SEBI, Stock Exchange and such other regulatory bodies required to give effect to the Scheme, including but not limited to Registrar of Companies and National Company Law Tribunal. This report shall not be relied upon by any other person for any other purpose whatsoever and the Companies agree to this fact.
- 1.9 This report is subject to the scope, assumptions, exclusions, limitations and disclaimers 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.



2. SOURCES OF INFORMATION

We have relied on the following information made available to us by the management of the Companies for the purpose of this report:

- 2.1 Valuation Report of Mr. Hitendra Ranka, Registered Valuer, dated May 10, 2020;
- 2.2 Brief History, Present Activities, Business Profile, Shareholding Pattern of VTL and KIPL;
- 2.3 Audited financial statements of KIPL for the year ended March 31, 2019 and March 31, 2018;
- 2.4 Management Certified provisional financial statements of KIPL for the year ended on March 31, 2020;
- 2.5 Management Certified provisional financial statements of KIPL for the period ended on May 8, 2020;
- 2.6 Proposed Draft Scheme of Arrangement between VTL and KIPL, as certified by the management of the Companies, under Sections 230 to 232 and other applicable provisions of the Companies Act 2013 as may be submitted to the Stock Exchange;
- 2.7 Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for the purpose of Fairness Opinion.

The Companies have been provided with the opportunity to review the draft fairness opinion report (excluding our opinion on the Share Exchange Ratio) as part of our standard practice to make sure that factual inaccuracy/ omissions are avoided.



3. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

- 3.1 This Fairness Opinion Report ('Report') is prepared by Vivro Financial Services Private Limited on the basis of information, documents, papers and explanations given by the Management, officers and staff of the Companies.
- 3.2 In preparing the Report, Vivro has relied upon and assumed without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by the Companies. Vivro has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information.
- 3.3 Our work does not constitute an audit or certification or due diligence of the past financials of the Companies and we have relied upon the information provided to us by the Companies as regards such working results.
- 3.4 As informed by the management of the Companies, there are no contingent liabilities other than those disclosed in the audited financial statements for the year ended March 31, 2019, which are expected to devolve or contingent assets with the Companies and there are no surplus/non-operating assets in the Companies as of the date of this Report beyond those captured in this Report.
- 3.5 We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies. As implied by the financial statements, the Company is assumed to have those legal rights to the assets and be subject to those claims represented by the liabilities presented in its financial statements. No investigation was undertaken to confirm these legal rights or claims.
- 3.6 Publicly available information deemed relevant for the purpose of the analysis contained in this Report has also been used. Accordingly, this report is based on our interpretation of the information provided by the Companies as well as its representatives and advisors, to date.
- 3.7 Vivro shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out herein in this report.
- 3.8 This report should not be construed as any accounting, tax or legal advice to the Companies or any of its affiliates by Vivro.



- 3.9 Vivro does not hold any specific interest in the Companies, nor does Vivro have any conflict of interest with the Companies.
- 3.10 This Report does not constitute solvency opinion or an investment recommendation and should not be construed as such either for making or divesting investment.
- 3.11 This Report is furnished strictly on confidential basis. Neither this Report nor the information contained herein may be reproduced or passed to any person or used for any purpose other than stated above.
- 3.12 The fee for this engagement is not contingent upon the results reported and fairness opinion provided by Vivro.
- 3.13 This Report, its contents and the results herein (i) are specific to the purpose of report agreed as per the terms of our engagement; (ii) are specific to the date of this report and (iii) are the prevailing financial, economic and other conditions in general and industry trends in particular as in effect on, and the written and oral information made available to us till the date of this report. Events occurring after this date may affect this report and we do not assume any obligation to update, revise or reaffirm this report.



4. BACKGROUND OF THE COMPANIES

4.1 VOLTAMP TRANSFORMERS LIMITED

VTL is a public limited company incorporated under the provisions of the Companies Act, 1956 having CIN U31100GJ1967PLC001437 was incorporated in March 2, 1967 at Vadodara. The Company is engaged in the manufacturing of electrical transformers. The Company's products include Oil Filled Transformers, Cast Resin Transformers, Unitised Sub-Station, Induction Furnace Transformers as well as Lighting Transformers. The Company has an installed capacity to manufacture Oil Filled Power & Distribution Transformers up to 160 mega volt ampere (MVA) with 220 kilovolt (KV) class. Its Unitised Sub-Station can be installed in buildings, housing colonies, shopping malls, construction sites, mobile substations, wind energy, utilities and gas stations. The equity shares of VTL are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The shareholding pattern of VTL as on March 31, 2020 is as follows:

Particulars	Equity Shares	Shareholding (%)
Kunjai Investments Private Limited	43,44,474	42.94 %
Kunjai Lalitkumar Patel	7,14,087	7.06 %
Public (Institutions)	37,84,664	37.41 %
Public (Non-Institutions)	12,73,895	12.59 %
Total	1,01,17,120	100.00%

4.2 KUNJAI INVESTMENTS PRIVATE LIMITED

KIPL is a private limited company incorporated under the provisions of the Companies Act, 1956 on October 23, 1973 bearing Corporate Identification Number U65100GJ1973PTC002415 was incorporated in October 23, 1973. KIPL is registered as NBFC Company with Reserve Bank of India. KIPL currently holds 42.94% of the equity shares of VTL. The shareholding pattern of KIPL as on March 31, 2020 is as follows:

Particulars	Equity Shares	Shareholding (%)
Kunjai Lalitkumar Patel	1,257	99.52%
Tarai Kunjai Patel	6	0.48%
Total	1,263	100.00%



5. VALUER'S RECOMMENDATION

- 5.1 The fair share exchange ratio for the proposed Scheme of Arrangement has been determined by the Valuer after taking into consideration all the factors and methodologies as mentioned in its valuation report, dated May 10, 2020.
- 5.2 The Share Exchange Ratio has been arrived at on the basis of relative valuation of the equity shares of the Companies based on methodology as explained in the valuation report of Mr. Hitendra Ranka, Registered Valuer, dated May 10, 2020, having regard to the information, management representations, key underlying assumptions, limitations and other factors as specifically mentioned in the Share Exchange Ratio Report of the Registered Valuer.
- 5.3 In the light of the above and upon consideration of all the relevant factors and circumstances as discussed and outlined in the valuation report, dated May 10, 2020 issued by Mr. Hitendra Ranka, Registered Valuer it has been recommended by the Valuer that the Share Exchange Ratio for the Scheme of Arrangement shall be as follows:

On the basis of the foregoing, an aggregate of 4,344,474/- equity shares held by KIPL in the equity share capital of VTL shall be issued and allotted as fully paid up to the equity shareholders of KIPL in the proportion of their holding, which represents their beneficial interest, through KIPL, in VTL.



6. CONCLUSION

Pursuant to and subject to the foregoing, we believe that the recommendation, as is mentioned above, by the Valuer Mr. Hitendra Ranka, Registered Valuer, for the proposed Scheme of Arrangement between KIPL and VTL is fair.

For, Vivro Financial Services Private Limited


Jayesh Vithlani
Sr. Vice President



Date: May 11, 2020
Place: Ahmedabad