

Date: 19th February 2022

To,
The Board of Directors
JMC Projects (India) Limited
A-104, Shapath 4, Opp. Karnavati Club
S. G. Road, Ahmedabad – 380015

Subject: Fairness Opinion Report on the Share Exchange ratio issued by Drushti Desai (Partner at Bansi S. Mehta & Co), Registered Valuer, for the proposed amalgamation of JMC Projects (India) Limited ("Transferor Company") with Kalpataru Power Transmission Limited ("Transferee Company")

Dear Sir(s)/ Madam(s),

We understand that the Board of Directors (the "Board") of **JMC Projects (India) Limited and its Subsidiaries and Joint Ventures ("JMC" or the Transferor Company)** is considering the amalgamation of **JMC with Kalpataru Power Transmission Limited ("KPTL" or "Transferee Company")** through a scheme of amalgamation under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Amalgamation**"). JMC and KPTL are collectively hereinafter referred as the ("**Merging Entities**").

We further understand that the Board of the Transferor Company have undertaken valuation exercise for the proposed Amalgamation and obtained a valuation report dated 19th February 2022 (the "**Valuation Report**") prepared by **Drushti Desai (Partner at Bansi S. Mehta & Co)** (the "**Valuer**"). The Share Exchange Ratio is based on the Valuation Report prepared by the Valuer, being independent professional Valuer appointed by the Board of the Transferor Company for recommending the Share Exchange Ratio for the amalgamation.

The proposal envisages, inter alia, amalgamation of JMC with KPTL, whereby equity shares of KPTL will be issued to the shareholders of JMC. No equity shares shall be issued by the Transferee Company in respect of the shares held by the Transferee Company in the Transferor Company and all such shares shall stand cancelled.

Accordingly, on the basis of all the relevant factors and circumstances as discussed and outlined in the Valuation Report, it has been recommended by the Valuer that the equity Share Exchange Ratio for the amalgamation of **JMC into KPTL**, under the proposed Scheme shall be as follows:

"1(one) equity shares of face value INR 2 each fully paid up of KPTL for every 4 (Four) equity share of face value of INR 2 each fully paid of JMC for the amalgamation of JMC into KPTL" ("Share Exchange Ratio")

The Board of the Transferor Company has appointed Anand Rathi Advisors Limited ("**ARAL**" or "**we**" or "**us**") pursuant to an Engagement Letter dated 14th January 2022 ("**Engagement Letter**") to Issue a "**Fairness Opinion Report**" to JMC in relation to the Share exchange ratio proposed by it based on the recommendations set out In the Valuation Report.

ARAL has not undertaken the valuation of the Merging Entities. The valuation exercise for the proposed Amalgamation has been done by the Valuer. We have examined the Valuation Report submitted by the Valuer to the Transferor Company. We have not independently checked or verified the assumptions made by the Valuer. We have reviewed the historical financial and business information of the Merging Entities and certain comparable companies and their valuation multiples,



and other relevant information from publicly available sources, and have taken into account such other matters as we deemed necessary including our assessment of general economic, market and monetary conditions.

This opinion is subject to the scope, assumptions, limitations and disclaimers detailed herein

Scope of our review

- 1) Reviewed the Valuation Report and discussed the Valuation Report with the Valuer;
- 2) Reviewed the draft Scheme Document;
- 3) Reviewed certain publicly available business and financial information of the Merging Entities;
- 4) Reviewed the audited annual reports of the Merging Entities and their subsidiaries and Joint Ventures, for the financial year ended March 31, 2021 and Unaudited limited review financial results of the Merging Entities as at and for the nine-month periods ended December 31, 2021;
- 5) Other relevant details regarding the Merging Entities such as their present activities, segments they operate in, future plans, existing shareholding pattern and other relevant information and data, including information in the public domain;
- 6) Review of sponsor undertakings given on behalf of JMC;
- 7) One-on-one discussion with the Valuer and Representatives of JMC, on such matters we believe are necessary or appropriate for the purpose of issuing the Fairness Opinion Report.

Assumptions and limitations

In giving our opinion:

- 1) We have relied on the assessment of the Transferor Company's management on the commercial merits of the amalgamation, including that the amalgamation is in the best Interests of the Merging Entities and its shareholders as a whole;
- 2) We have relied without independent verification, upon the accuracy and completeness of all of the information (including, without limitation, the Valuation Report) that was made available to us or publicly available or was discussed with or reviewed by us (Including the information set out above) and have assumed such accuracy and completeness for the purpose of providing this opinion;
- 3) To the extent that the conclusions are based on projections, ARAL expresses no opinion on the achievability of those forecasts;
- 4) While we have used various assumptions, judgments and estimates in our inquiry, which we consider reasonable and appropriate under the circumstances, no assurances can be given as to the accuracy of any such assumptions, judgments and estimates;
- 5) We have assumed that all governmental, regulatory, shareholder and other consents and approvals necessary for the Merger will be obtained in a timely manner without any adverse effect;



- 6) We have not made any independent evaluation or appraisal of the assets and liabilities of the Merging Entities and we have not been furnished with any such evaluation or appraisal, nor have we evaluated the solvency or fair value of the Merging Entities under any laws relating to the bankruptcy, insolvency or similar matters;
- 7) We have not conducted any independent legal, tax, accounting or other analysis of the Transferor Company or of the Merger and when appropriate we have relied solely upon the judgements of the Transferor Company's legal, tax, accountants and other professional advisers who may have given such advice to the Transferor Company without knowledge or acceptance that it would be relied upon by us for the purpose of this opinion. We have not included the legal and tax effects of any reorganization or transaction costs that may arise as a result of the Merger in our analysis. In addition, we have not performed any independent analysis of the situation of the Individual shareholders of the Transferor Company, including with respect to taxation in relation to the Merger and express no opinion thereon;
- 8) We have not undertaken independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, or other contingent liabilities to which the Merging Entities are or may be a party or is or may be subject, or of any government investigation of any possible unasserted claims or other contingent liabilities to which the Merging Entities are or may be a party or is or may be subject to;
- 9) We have also assumed that there has been no material change in assets and financial condition, results of operations, business or prospects since the date of the most recent financial statements published of the Merging Entities;
- 10) We have not conducted any physical inspection of the properties or facilities of the Merging Entities;
- 11) We have assumed that the Merger will be consummated on the terms set forth in the Scheme Document and that the final version of the Scheme Document will not change in any material respect from the draft version we have reviewed for the purpose of this opinion;
- 12) We have assumed that the Share Exchange Ratio will not be subject to any adjustments and express no opinion regarding any adjustments to the Share Exchange Ratio after the date of this opinion;
- 13) We have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in oral or written form, discussed with or reviewed by or for us, or publicly available. We have been informed that all information relevant for the purpose of issuing the Fairness Opinion Report has been disclosed to us and we are not aware of any material information that has been omitted or that remains undisclosed. This being so, no representation or warranty, express or implied, is or will be made, and no responsibility or liability is or will be accepted by ARAL and its affiliates, its directors, employees, agents or representatives, or in relation to, the accuracy or adequacy of information, contained in the Fairness Opinion Report or any other written or oral information made available to any party or their advisors. We do not accept any liability to any third party in relation to the issuance of this Fairness Opinion Report;
- 14) We have assumed that the Management of the Transferor Company are not aware of any facts or circumstances that would make any information necessary for us to provide this opinion inaccurate or misleading and that the management have not omitted to provide us with any information which may be relevant to the delivery of this opinion;



- 15) Our opinion is not necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect the opinion and that we do not have any obligation to update, revise or reaffirm this opinion;
- 16) We express no view as to, and our Fairness Opinion Report does not address, the underlying business decision of any company to effect the proposed Amalgamation or the merits of the proposed Amalgamation nor does it constitute any kind of recommendation to any shareholder or creditor of the Merging Entities as regards to the proposed Amalgamation or any matter related thereto. In addition, this Fairness Opinion Report does not address the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of the Merging Entities;
- 17) We are expressing no opinion herein as to the price at which any securities of the Merging Entities will trade at any time;
- 18) The ultimate responsibility for the decision to recommend the Merger rests solely with the Board of Directors of the Transferor Company.

Relationship with Anand Rathi Advisors Limited

Anand Rathi Advisors Limited was not requested to, and did not, provide advice concerning the structure, the Share Exchange Ratio or any other aspects of the Merger or to provide services other than the delivery of this Fairness Opinion. ARAL did not participate in negotiations with respect to the terms of the Merger and any related transactions. Consequently, ARAL has assumed that such terms are the most beneficial terms from Transferor Company's perspective that could under the circumstances be negotiated between the merging Entities.

We will receive a fee from the Transferor Company for tendering this opinion. In addition, Transferor Company has agreed to indemnify us for claims arising out of our engagement for providing the opinion.

In the past, ARAL may have provided, and may currently or in the future provide investment banking services to the entities under the scheme and / or its holding or subsidiaries or affiliates and their respective shareholders, for which services ARAL has received or may receive customary fees. In addition, in the ordinary course of their respective business, affiliates of ARAL may actively trade in securities of the entities under the scheme and / or its holding or subsidiaries or affiliates and their respective shareholders for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a position in such securities. ARAL's engagement and the opinion expressed herein are for the benefit of the Board of Directors of the entities under the scheme only to fulfil the requirements under the SEBI Master Circular dated November 23, 2021 and the amendments thereof and for no other purposes.

This Fairness Opinion Report is only a free and fair opinion and does not constitute a commitment by ARAL to underwrite, subscribe for or place any securities or to extend or arrange credit or to provide any other services

Disputes, if any, regarding this Fairness Opinion Report will be governed by and construed in accordance with the laws of India and the Courts in Mumbai, India shall have exclusive jurisdiction in this regard.



This opinion is addressed to and provided solely for the benefit of Board of Directors of JMC exclusively in connection with and for the purposes of its evaluation of the fairness of the Share Exchange Ratio.

Conclusion

In our opinion, in the given circumstances, based on all relevant factors, information and subject to the scope limitations & disclaimers on the date thereof, and to the best of our knowledge and belief, we are of the opinion that the Share Exchange Ratio as recommended by the Valuer, is fair and reasonable.

Thanking you,

Yours faithfully,
For Anand Rathi Advisors Limited



Name: Samir Bahl
Designation: CEO – Investment Banking

Date: 19th February 2022
Place: Mumbai

Disclaimer

This Fairness Opinion Report ("Certificate" or "This certificate" or "this certificate") contains proprietary and confidential information regarding **JMC Projects (India) Limited** and **Kalpataru Power Transmission Limited** are collectively hereinafter referred as the ("**Merging Entities**"). This certificate is issued for the exclusive use and benefit of the Merging Entities as per the Engagement letter dated January 14, 2022. This certificate has been issued by Anand Rathi Advisors Limited ("**ARAL**"), on the basis of the information available in the public domain and sources believed to be reliable and the information provided by the Merging Entities, including the Valuation Report provided by the Valuer and for the sole purpose to facilitate the Merging Entities to comply with sub-para 7(d) and para 2(d) of Part I, A of the SEBI Master Circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 consolidating the SEBI circulars in relation to the Scheme of Arrangement by Listed Entities and amendment via SEBI Circular number SEBI/HO/CFD/DIL2/CIR/P/2022/11 dated February 01, 2022 ("**SEBI Circulars in relation to Scheme of Arrangement by Listed Entities**") and it shall not be valid for any other purpose or as at any other date. This Certificate is issued by ARAL in the capacity of an Independent merchant banker, on the Valuation Report issued by the Valuer.

This certificate is issued by ARAL without regard to specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation, and should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities mentioned therein. Nothing in these materials is intended by ARAL to be construed as legal, accounting, technical or tax advice. Past performance is not a guide for future performance. Forward looking statements are not predictions and may be subject to change without notice. Actual results may differ materially from these forward—looking statements due to various factors. This certificate has not been or may not be approved by any statutory or regulatory authority in India or by any Stock Exchange in India. This certificate may not be all inclusive and may not contain all of the information that the recipient may consider material.

This certificate and information contained herein or any part of it does not constitute or purport to constitute investment advice in publicly accessible media and should not be printed, reproduced, transmitted, sold, distributed or published by the recipient without the prior written approval from ARAL, except to the Board of Directors of the Transferor Company, to the stock exchanges (NSE and BSE) and Securities and Exchange Board of India (SEBI). Further, this Certificate or any content thereof should not be used or reproduced by the Merging Entities or any of its affiliates to any other regulatory or statutory authority or any such similar such agencies without written prior consent of ARAL; however such consent for sharing the report shall not be unnecessarily be withheld by ARAL. The distributing/taking/sending/dispatching/transmitting of this document in certain foreign jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

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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 Clients or Companies, their directors, employees or agents.



ARAL has not carried out any due - diligence independently in verifying the accuracy or veracity of data provided by the Transferor Company and/or Valuer and ARAL assumes no liability for the accuracy, authenticity, completeness or fairness of the data provided by the Transferor Company and/or Valuer. ARAL has also assumed that the business continues normally without any disruptions.

Neither ARAL or any of its associates, nor any of their respective Directors, officers, employees, agents or advisors or affiliate of any such person or such persons make any expressed or implied representation or warranty and no responsibility or liability is accepted by any of them and is expressly disclaimed with respect to the accuracy, completeness, authenticity or reasonableness of the facts, opinions, estimates, forecasts, projections or other information set forth in this certificate, or the underlying assumptions on which they are based and nothing contained herein is or shall be relied upon as a promise or representation regarding the historic or current position or performance of the Merging Entities or any future events or performance of the Merging Entities.

This certificate is divided into sub—sections only for the purpose of reading convenience. Any partial reading of this certificate may lead to inferences, which may be at divergence with the conclusions and opinions based on the entirety of this certificate.

This certificate is furnished on a strictly confidential basis and is for the sole use of the person to whom it is addressed and for the sole purpose to facilitate the Company to comply with sub-para 7(d) and para 2(d) of Part I, A of the SEBI Circulars in relation to Scheme of Arrangement by Listed Entities.

Neither this certificate, nor the information contained herein, may be reproduced or passed to any person or used for any purpose other than stated above, without the prior written approval from ARAL. By accepting a copy of this certificate, the recipient accepts the terms of this Notice, which forms an integral part of this certificate.

Transferor Company agrees and understands that ARAL is not a Registered Valuer pursuant to section 247 of the Companies Act, 2013 and Rules made thereunder. The report issued by ARAL, under this document, cannot be used by the recipient for the purposes that specifically require valuation from a Registered Valuer under the Companies Act, 2013 or any other law that requires valuation from such Registered Valuer.

