

FAIRNESS OPINION REPORT
ON
VALUATION FOR THE PROPOSED SCHEME OF ARRANGEMENT
BETWEEN

AUTHUM INVESTMENT & INFRASTRUCTURE LIMITED

and

RELIANCE COMMERCIAL FINANCE LIMITED

By



Navigant

Navigant Corporate Advisors Limited
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July 14, 2023

SEBI Registered Category I Merchant Banker

SEBI Registration No. INM000012243



Notice to Reader

Navigant Corporate Advisors Limited (“Navigant” / “NCAL” or “Authors of the Report”) is a SEBI registered ‘Category I’ Merchant banker in India and was engaged by Board of Directors of Authum Investment & Infrastructure Limited (“AIIIL” or “Resulting Company”) to prepare an Independent Fairness Opinion Report (“Report”) with respect to providing an independent opinion and assessment as to fairness of Valuation Report and Swap ratio determined by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2019/10708 (referred to as ‘Valuer’) an Independent Valuer for the purpose of intended proposed demerger of “Lending Business” / “Demerged Undertaking” of Reliance Commercial Finance Limited (“RCFL” or “Demerged Company”) into AIIIL pursuant to a Scheme of Arrangement under section 230 to 232 and other applicable other applicable provisions of the companies Act, 2013, including rules and regulations made thereunder (hereinafter referred to as “Scheme”). AIIIL and RCFL are collectively referred as “Companies”.

The Fairness Opinion Report (“Report”) has been prepared on the basis of the review of information provided to Navigant and specifically the Report on Swap ratio (hereinafter referred as Valuation Report) prepared by Valuer as an independent valuer. The report does not give any valuation or suggest any swap ratio; however, this report is limited to provide its fairness opinion on the Valuation Report.

The information contained in this Report is selective and is subject to updations, expansions, revisions and amendment. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent.

This Report is based on data and explanations provided by the management and certain other data culled out from various websites believed to be reliable. Navigant has not independently verified any of the information contained herein. Neither the Company nor Navigant, nor affiliated bodies corporate, nor the directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information contained in the Report. All such parties and entities expressly disclaim any and all liability for or based on or relating to any such information contained in, or errors in or omissions from, this Report or based on or relating to the Recipients’ use of this Report.



Date: July 14, 2023

To,
The Board of Directors,
Authum Investment & Infrastructure Limited (“AII”)
707, Raheja Centre, Free Press Journal Marg,
Nariman Point NA Mumbai City MH 400021 IN

To,
The Board of Directors,
Reliance Commercial Finance Limited (“RCFL”),
The Ruby, 11th Floor, North-West Wing,
Plot No. 29, Senapati Bapat Marg, Dadar (West),
Mumba Shivaji Park (Mumbai) MH 400028 IN

Dear Members of the board,

Engagement Background

We Understand that the Board of Directors of Reliance Commercial Finance Limited (“RCFL” or the “Demerged Company”) and Authum Investment & Infrastructure Limited (“AII” or the “Resulting Company”) are considering a Scheme of Arrangement between RCFL and AII and their respective Shareholders and creditors (“the Scheme”) for demerger under the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, and also read with Section 2(19AA) and other relevant provisions of the Income-tax Act, 1961, as may be applicable, for Demerger of the Lending Business of RCFL and vesting of the same in AII on a going concern basis.

We understand that the Valuation as well as the swap ratio thereof is based on the Valuation Certificate dated July 14, 2023 issued by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2019/10708 (referred to as ‘Valuer’).

We, Navigant Corporate Advisors Limited, a SEBI registered Category-I Merchant Banker, have been engaged by AII and RCFL to give a fairness opinion (“Opinion”) on Valuation Certificate dated July 14, 2023 issued by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2019/10708 (referred to as ‘Valuer’).



Background of the Companies

Reliance Commercial Finance Limited (“RCFL” or the “the Demerged Company”):

- RCFL (CIN: U66010MH2000PLC128301) is a public limited company incorporated on 17th August, 2000 and having its registered office at The Ruby, 11th Floor, North-West Wing, Plot No. 29, Senapati Bapat Marg, Dadar (west) Mumbai 400028 Maharashtra
- RCFL is a wholly owned subsidiary of AIL. RCFL is registered as a Non- Deposit taking Non - Banking Financial Company, as defined under Section 45-IA of the Reserve Bank of India Act, 1934.
- RCFL is principally engaged in lending activities and provides loans to small and medium enterprises for working capital and growth, loans to commercial vehicles and two wheelers, loans against property, personal loans and financing of various micro enterprises, housing finance business, rental business. Debt securities (NCDs) of RCFL are listed on BSE Limited.
- The authorized, issued, subscribed and paid-up share capital of RCFL as on 14th July, 2023 is as under:

Share Capital	Amount (In Rs.)
<u>Authorized Share Capital</u>	
60,00,00,000 Equity Shares of Rs. 10/- each	6,00,00,00,000
40,00,00,000 Preference Shares of Rs. 10/- each	4,00,00,00,000
20,00,000 Preference Shares of Rs. 1/- each	20,00,000
TOTAL	10,00,20,00,000
<u>Issued Share Capital</u>	
13,53,25,700 Equity Shares of Rs. 10/- each	1,35,32,57,000
40,00,00,000 Preference Shares of Rs. 10/- each	4,00,00,00,000
TOTAL	5,35,32,57,000
<u>Subscribed and Paid-up Share Capital</u>	
13,53,25,700 Equity Shares of Rs. 10/- each	1,35,32,57,000
40,00,00,000 Preference Shares of Rs. 10/- each	4,00,00,00,000
TOTAL	5,35,32,57,000



Authum Investment & Infrastructure Limited ("AIIIL" or "the Resultant Company"):

- AIIIL is incorporated in India under the Companies Act, 1956 on 17th July, 1982 with CIN L51109MH1982PLC319008. The registered office of the Company is located at 707, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai - 400021, Maharashtra.
- AIIIL is listed on BSE Limited & The Calcutta Stock Exchange Limited (CSE).
- AIIIL is a non-deposit taking Systemically Important Non-Banking Financial Company registered with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in the business of providing loans and making investments in shares and securities.
- The authorized, issued, subscribed and paid-up share capital of AIIIL as on 31st March, 2023 is as under:

Share Capital	Amount (In Rs.)
<u>Authorized Share Capital</u>	
58,00,00,000 Equity Shares of Rs. 1/- each	58,00,00,000
4,20,00,000 Preference Shares of Rs. 10/- each	42,00,00,000
TOTAL	1,00,00,00,000
<u>Issued Share Capital:</u>	
16,98,45,100 Equity Shares of Rs. 1/- each	16,98,45,100
4,04,00,000 Preference Shares of Rs. 10/- each	40,40,00,000
TOTAL	57,38,45,100
<u>Subscribed and Paid-up Share Capital</u>	
16,98,45,100 Equity Shares of Rs. 1/- each	16,98,45,100
4,04,00,000 Preference Shares of Rs. 10/- each	40,40,00,000
TOTAL	57,38,45,100

Transaction Overview and Rational

The Scheme envisages demerger of RCFL's Lending Business to AIIIL. The Management of the Companies believe that proposed demerger would result in the following benefits:

- Entire NBFC business activities (existing AIIIL business & RCFL business) to be consolidated into single entity.
- Lending Business of RCFL shall be consolidated with AIIIL for efficient business management which will lead to business synergies to grow business of AIIIL.
- The proposed demerger will facilitate pursuit of scale, operational synergies, administrative synergies.



Information relied upon:

We have prepared the fairness opinion report on the basis of the information provided to us and inter alia the following:

- Share Exchange ratio valuation report dated July 14, 2023 issued by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2019/10708 (referred to as 'Valuer');
- Other information and explanations as provided by the management.

Further, we had discussions on such matters which we believe are necessary or appropriate for the purpose of issuing the valuation report.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed to be good and marketable and we would urge the company to carry out the independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment.

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.

Valuation Summary:

As informed to us, RCFL is Wholly Owned Subsidiary of AIL and are part of same group and upon the proposed restructuring none of the stake holders would be adversely affected. Accordingly, the Board of Directors of RCFL and AIL have proposed share entitlement for the Scheme having regard to the following factors:

In the instant case, the Demerged undertaking of wholly owned Subsidiary Company, RCFL (Demerged company) is getting transferred to its Parent Company, AIL (Resulting company). Upon Demerger, the Resulting Company has to issue shares to shareholders of Demerged Company. In the current case, since entire shares of Demerged Company is held by Resulting Company, no consideration shall be issued by Resulting Company.

Hence valuation of equity and preference shares of RCFL and AIL for the determination of share entitlement would not have any economic impact on the ultimate value of the shareholders of RCFL/ AIL and the proposed demerger will be neutral for the shareholders.

Conclusion ratio:-

“Resulting Company holds entire share capital of Demerged Company and pursuant to Demerger, No new shares shall be issued, or payment made in cash or kind whatsoever by the Resulting company as consideration for Demerger”.



Exclusions and Limitations

Our opinion and analysis is limited to the extent of review of the valuation report by the valuer and the Draft scheme document. In connection with the opinion, we have

- A) Reviewed the Draft Scheme Document and the valuation report by the valuer dated July 14, 2023.
- B) Reviewed audited financials for AILL and RCFL for the year ended March 31, 2023.
- C) Held discussions with the valuer, in relation to the approach taken to valuation and the details of various methodologies utilized by them in preparing the valuation report and recommendations
- D) Sought various clarifications with the respective senior management teams of RCFL and AILL
- E) Reviewed historical stock prices and trading volumes of AILL
- F) Reviewed such other information and explanations as we have required and which have been provided by the management of RCFL and AILL.

This opinion is intended only for the sole use and information of AILL and RCFL in connection with the Scheme, including for the purpose of obtaining judicial and regulatory approvals for the Scheme or the purpose of complying with the SEBI regulations and requirement of stock exchanges on which the company is listed, and for no other purpose. We are not responsible in any way to any person/party/statutory authority for any decision of such person or party or authority based on this opinion. Any person/party intending to provide finance or invest in the shares/business of either RCFL and/or AILL or their subsidiaries /joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

For the purpose of this assignment, Navigant has relied on the Valuation Certificate for the proposed “Scheme of Arrangement” of RCFL and AILL and their respective shareholders and information and explanation provided to it, the accuracy whereof has not been evaluated by Navigant. Navigant’s work does not constitute certification or due diligence of any past working results and Navigant has relied upon the information provided to it as set out in working results of the aforesaid reports.

Navigant has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of RCFL and AILL and to the Stock Exchanges and to the Registrar of Companies. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.



The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on Valuation Certificate issued for the proposed Scheme of Arrangement between RCFL and AILL and their respective shareholders, and may not be applicable or referred to or quoted in any other context.

Our opinion is dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to this date.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Moreover in this case where the shares of the company are being issued as consideration to the shareholders of RCFL, it is not the absolute valuation that is important for framing an opinion but the relative valuation of the company vis-a-vis shares of RCFL.

We have assumed that the Final Scheme will not differ in any material respect from the Draft Scheme Document shared with us.

We do not express any opinion as to any tax or other consequences that might arise from the Scheme on RCFL, AILL and their respective shareholders, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, government investigation or other contingent liabilities to which RCFL, AILL and/or their associates/ subsidiaries, are or may be party.

The company has been provided with an opportunity to review the Draft Opinion as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Final Opinion.

Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter thereto.



Our Fairness Opinion:

Based upon valuation work carried out by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2019/10708 (referred to as 'Valuer') we are of the opinion that the purpose of the proposed Demerger of Lending Business of RCFL to AIL is fair, from a financial point of view.

The fairness of the Proposed Demerger is tested by:

- (1) Considering whether the Valuation methods adopted by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2019/10708 (referred to as 'Valuer') depict a correct picture on the value of shares of all companies;
- (2) Considering qualitative factors such as economies of scale of operations, synergy benefits that may result from the proposed Demerger of RCFL with AIL and demerger of Lending Business of RCFL into AIL.

Resulting Company holds entire share capital of Demerged Company and pursuant to Demerger, no new shares shall be issued, or payment made in cash or kind whatsoever by the Resulting company as consideration for Demerger

The rationale as explained above, as assumed by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2019/10708 (referred to as 'Valuer') is justified.

We are in opinion that, Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2019/10708 (referred to as 'Valuer') is justified by taking the Fair Value of Companies, and covers each aspect of valuation.

This being of our best of professional understanding, we hereby sign the Fairness Opinion report on valuation.

For Navigant Corporate Advisors Limited



Sarthak Vijlani
Managing Director

Date: July 14, 2023
Place: Mumbai

FAIRNESS OPINION REPORT
ON
REPORT OF NON- CONVERTIBLE DEBENTURE (NCDs) ENTITLEMENT
FOR THE
PROPOSED SCHEME OF ARRANGEMENT
BETWEEN

AUTHUM INVESTMENT & INFRASTRUCTURE LIMITED

and

RELIANCE COMMERCIAL FINANCE LIMITED

By



Navigant

Navigant Corporate Advisors Limited
423, A Wing, Bonanza, Sahar Plaza Complex,
J.B. Nagar, Andheri Kurla Road,
Andheri East, Mumbai-400 059
Email Id- navigant@navigantcorp.com
Web: www.navigantcorp.com

July 14, 2023

SEBI Registered Category I Merchant Banker

SEBI Registration No. INM000012243



Notice to Reader

Navigant Corporate Advisors Limited (“Navigant” / “NCAL” or “Authors of the Report”) is a SEBI registered ‘Category I’ Merchant banker in India and was engaged by Board of Directors of Authum Investment & Infrastructure Limited (“AIIIL” or “Resulting Company”) to prepare an Independent Fairness Opinion Report (“Report”) with respect to providing an independent opinion and assessment as to fairness of NCDs entitlement Report issued by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2019/10708 (referred to as ‘Valuer’) an Independent Valuer for the purpose of intended proposed demerger of “Lending Business” / “Demerged Undertaking” of Reliance Commercial Finance Limited (“RCFL” or “Demerged Company”) into AIIIL pursuant to a Scheme of Arrangement under section 230 to 232 and other applicable other applicable provisions of the companies Act, 2013, including rules and regulations made thereunder (hereinafter referred to as “Scheme”). AIIIL and RCFL are collectively referred as “Companies”.

The Fairness Opinion Report (“Report”) has been prepared on the basis of the review of information provided to Navigant and specifically the Report on Fair NCDs entitlement Report (hereinafter referred as NCD Report) prepared by Valuer as an independent valuer. The report does not give any valuation or suggest any NCDs entitlement; however, this report is limited to provide its fairness opinion on the NCD Report.

The information contained in this Report is selective and is subject to updations, expansions, revisions and amendment. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent.

This Report is based on data and explanations provided by the management and certain other data culled out from various websites believed to be reliable. Navigant has not independently verified any of the information contained herein. Neither the Company nor Navigant, nor affiliated bodies corporate, nor the directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information contained in the Report. All such parties and entities expressly disclaim any and all liability for or based on or relating to any such information contained in, or errors in or omissions from, this Report or based on or relating to the Recipients’ use of this Report.



Date: July 14, 2023

To,
The Board of Directors,
Authum Investment & Infrastructure Limited (“AII”)
707, Raheja Centre, Free Press Journal Marg,
Nariman Point NA Mumbai City MH 400021 IN

To,
The Board of Directors,
Reliance Commercial Finance Limited (“RCFL”),
The Ruby, 11th Floor, North-West Wing,
Plot No. 29, Senapati Bapat Marg, Dadar (West),
Mumba Shivaji Park (Mumbai) MH 400028 IN

Dear Members of the board,

Engagement Background

We Understand that the Board of Directors of Reliance Commercial Finance Limited (“RCFL” or the “Demerged Company”) and Authum Investment & Infrastructure Limited (“AII” or the “Resulting Company”) are considering a Scheme of Arrangement between RCFL and AII and their respective Shareholders and creditors (“the Scheme”) for demerger under the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, and also read with Section 2(19AA) and other relevant provisions of the Income-tax Act, 1961, as may be applicable, for Demerger of the Lending Business of RCFL and vesting of the same in AII on a going concern basis.

We understand that the NCDs entitlement is based on the NCD Report dated July 14, 2023 issued by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2019/10708 (referred to as ‘Valuer’).

We, Navigant Corporate Advisors Limited, a SEBI registered Category-I Merchant Banker, have been engaged by AII and RCFL to give a fairness opinion (“Opinion”) on NCD Report dated July 14, 2023 issued by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2019/10708 (referred to as ‘Valuer’).



Background of the Companies

Reliance Commercial Finance Limited (“RCFL” or the “the Demerged Company”):

- RCFL (CIN: U66010MH2000PLC128301) is a public limited company incorporated on 17th August, 2000 and having its registered office at The Ruby, 11th Floor, North-West Wing, Plot No. 29, Senapati Bapat Marg, Dadar (west) Mumbai 400028 Maharashtra
- RCFL is a wholly owned subsidiary of AIL. RCFL is registered as a Non- Deposit taking Non - Banking Financial Company, as defined under Section 45-IA of the Reserve Bank of India Act, 1934.
- RCFL is principally engaged in lending activities and provides loans to small and medium enterprises for working capital and growth, loans to commercial vehicles and two wheelers, loans against property, personal loans and financing of various micro enterprises, housing finance business, rental business. Debt securities (NCDs) of RCFL are listed on BSE Ltd.
- The authorized, issued, subscribed and paid-up share capital of RCFL as on 14th July, 2023 is as under:

Share Capital	Amount (In Rs.)
<u>Authorized Share Capital</u>	
60,00,00,000 Equity Shares of Rs. 10/- each	6,00,00,00,000
40,00,00,000 Preference Shares of Rs. 10/- each	4,00,00,00,000
20,00,000 Preference Shares of Rs. 1/- each	20,00,000
TOTAL	10,00,20,00,000
<u>Issued Share Capital</u>	
13,53,25,700 Equity Shares of Rs. 10/- each	1,35,32,57,000
40,00,00,000 Preference Shares of Rs. 10/- each	4,00,00,00,000
TOTAL	5,35,32,57,000
<u>Subscribed and Paid-up Share Capital</u>	
13,53,25,700 Equity Shares of Rs. 10/- each	1,35,32,57,000
40,00,00,000 Preference Shares of Rs. 10/- each	4,00,00,00,000
TOTAL	5,35,32,57,000



Authum Investment & Infrastructure Limited ("AIIIL" or "the Resultant Company"):

- AIIIL is incorporated in India under the Companies Act, 1956 on 17th July, 1982 with CIN L51109MH1982PLC319008. The registered office of the Company is located at 707, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai - 400021, Maharashtra.
- AIIIL is listed on BSE Limited & The Calcutta Stock Exchange Limited (CSE).
- AIIIL is a non-deposit taking Systemically Important Non-Banking Financial Company registered with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in the business of providing loans and making investments in shares and securities.
- The authorized, issued, subscribed and paid-up share capital of AIIIL as on 31st March, 2023 is as under:

Share Capital	Amount (In Rs.)
<u>Authorized Share Capital</u>	
58,00,00,000 Equity Shares of Rs. 1/- each	58,00,00,000
4,20,00,000 Preference Shares of Rs. 10/- each	42,00,00,000
TOTAL	1,00,00,00,000
<u>Issued Share Capital:</u>	
16,98,45,100 Equity Shares of Rs. 1/- each	16,98,45,100
4,04,00,000 Preference Shares of Rs. 10/- each	40,40,00,000
TOTAL	57,38,45,100
<u>Subscribed and Paid-up Share Capital</u>	
16,98,45,100 Equity Shares of Rs. 1/- each	16,98,45,100
4,04,00,000 Preference Shares of Rs. 10/- each	40,40,00,000
TOTAL	57,38,45,100

Transaction Overview and Rational

The Scheme envisages demerger of RCFL's Lending Business to AIIIL. The Management of the Companies believe that proposed demerger would result in the following benefits:

- Entire NBFC business activities (existing AIIIL business & RCFL business) to be consolidated into single entity.
- Lending Business of RCFL shall be consolidated with AIIIL for efficient business management which will lead to business synergies to grow business of AIIIL.
- The proposed demerger will facilitate pursuit of scale, operational synergies, administrative synergies.



Information relied upon:

We have prepared the fairness opinion report on the basis of the information provided to us and inter alia the following:

- Non-Convertible Debenture Entitlement report dated July 14, 2023 issued by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2019/10708 (referred to as 'Valuer');
- Other information and explanations as provided by the management.

Further, we had discussions on such matters which we believe are necessary or appropriate for the purpose of issuing the NCD Report.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed to be good and marketable and we would urge the company to carry out the independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment.

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.

Valuation Summary:

As informed to us, RCFL is Wholly Owned Subsidiary of AIL and are part of same group and upon the proposed restructuring none of the stake holders would be adversely affected. Accordingly, the Board of Directors of RCFL and AIL have proposed Non-Convertible Debenture entitlement for the Scheme having regard to the following factors:

AIL holds Non-Convertible Debentures of RCFL, upon scheme becoming effective, NCDs held by AIL, shall be transferred as part of Demerged Undertaking and shall stand cancelled and extinguished as an integral part of the Scheme without any further application, act or deed. No new NCD shall be issued, or no payment shall be made in cash or in kind whatsoever by the Resulting company. While the residual NCD holder will remain with the Demerged Company, and the Resulting Company shall have no right, claim or obligation in relation to the Remaining Business Undertaking of the Demerged Company and nothing in this Scheme shall operate to transfer any of the Remaining Business Undertaking to the Resulting Company or to make the Resulting Company liable for any of the Demerged Company's Liabilities.



Conclusion ratio:-

“NCD held by AILL, shall stand cancelled and extinguished as on integral part of the Scheme without any further application, act or deed. No new NCD shall be issued, or no payment shall be made in cash or in kind whatsoever by the Resulting Company. While the residual NCD holder will remain with the Demerged Company which shall have adequate cash and assets to repay interest / principal”.

Exclusions and Limitations

Our opinion and analysis is limited to the extent of review of the NCD Report by the valuer and the Draft scheme document. In connection with the opinion, we have

- A) Reviewed the Draft Scheme Document and the NCD Report by the valuer dated July 14, 2023.
- B) Reviewed audited financials for AILL and RCFL for the year ended March 31, 2023.
- C) Held discussions with the valuer, in relation to the approach taken to valuation and the details of various methodologies utilized by them in preparing the NCD Report and recommendations
- D) Sought various clarifications with the respective senior management teams of RCFL and AILL
- E) Reviewed historical stock prices and trading volumes of AILL
- F) Reviewed such other information and explanations as we have required and which have been provided by the management of RCFL and AILL.

This opinion is intended only for the sole use and information of AILL and RCFL in connection with the Scheme, including for the purpose of obtaining judicial and regulatory approvals for the Scheme or the purpose of complying with the SEBI regulations and requirement of stock exchanges on which the company is listed, and for no other purpose. We are not responsible in any way to any person/party/statutory authority for any decision of such person or party or authority based on this opinion. Any person/party intending to provide finance or invest in the business of either RCFL and/or AILL or their subsidiaries /joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

For the purpose of this assignment, Navigant has relied on the NCD Report for the proposed “Scheme of Arrangement” of RCFL and AILL and their respective shareholders and creditors and information and explanation provided to it, the accuracy whereof has not been evaluated by Navigant. Navigant’s work does not constitute certification or due diligence of any past working results and Navigant has relied upon the information provided to it as set out in working results of the aforesaid reports.

Navigant has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.



We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of RCFL and AILL and to the Stock Exchanges and to the Registrar of Companies. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on NCD Report issued for the proposed Scheme of Arrangement between RCFL and AILL and their respective shareholders and creditors, and may not be applicable or referred to or quoted in any other context.

Our opinion is dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to this date.

We have assumed that the Final Scheme will not differ in any material respect from the Draft Scheme Document shared with us.

We do not express any opinion as to any tax or other consequences that might arise from the Scheme on RCFL, AILL and their respective shareholders and creditors, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, government investigation or other contingent liabilities to which RCFL, AILL and/or their associates/ subsidiaries, are or may be party.

The company has been provided with an opportunity to review the Draft Opinion as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Final Opinion.



Our Fairness Opinion:

Based upon valuation carried out by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2019/10708 (referred to as 'Valuer') we are of the opinion that the purpose of the proposed Demerger of Lending Business of RCFL to AIL is fair from a financial point of view.

The fairness of the Proposed Demerger is tested by:

- (1) Considering whether the Valuation methods adopted by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2019/10708 (referred to as 'Valuer') depict a correct picture;
- (2) Considering qualitative factors such as economies of scale of operations, synergy benefits that may result from the proposed Demerger of RCFL with AIL and demerger of Lending Business of RCFL into AIL.

Resulting Company holds entire debentures of Demerged Company and pursuant to Demerger, no new NCD shall be issued, or no payment shall be made in cash or in kind whatsoever by the Resulting Company as consideration for Demerger.

The rationale as explained above, as assumed by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2019/10708 (referred to as 'Valuer') is justified.

We are in opinion that, Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2019/10708 (referred to as 'Valuer') is justified by taking the Fair Value of Companies, and covers each aspect of valuation.

This being of our best of professional understanding, we hereby sign the Fairness Opinion report on NCD Entitlement Report.

For Navigant Corporate Advisors Limited



Sarthak Vijlani
Managing Director

Date: July 14, 2023
Place: Mumbai