

May 05, 2021

**The Board of Directors**  
**Maithan Alloys Limited**  
4th Floor, 9 A J C Bose  
Kolkata - 700 017  
West Bengal, India

**The Board of Directors**  
**Ma Kalyaneshwari Holdings Private Limited**  
4th Floor, 9 A J C Bose  
Kolkata - 700 017  
West Bengal, India

**Sub.: Fairness opinion towards the proposed Composite Scheme of Arrangement between Ma Kalyaneshwari Holdings Private Limited, Anjaney Land Assets Private Limited and Maithan Alloys Limited**

Dear Sir / Madam,

We, Sundae Capital Advisors Private Limited (referred to as “**Sundae**” or “**We**”), refer to the engagement letter dated May 03, 2021, wherein we have been requested to provide a fairness opinion on valuation report to be issued by valuers w.r.t. the Amalgamation of Ma Kalyaneshwari Holdings Private Limited with Maithan Alloys Limited being proposed as part of a Composite Scheme of Arrangement (“**Scheme**”) amongst **Ma Kalyaneshwari Holdings Private Limited** (hereinafter called “**MKHPL**” or “**Demerged Company**” for Part II of the Scheme or “**Transferor Company**” for Part III of the Scheme), **Anjaney Land Assets Private Limited** (hereinafter called “**ALAPL**” or “**Resulting Company**” for Part II of the Scheme) and **Maithan Alloys Limited** (hereinafter called “**MAL**” or “**Transferee Company**” for Part III of the Scheme) and their respective shareholders and creditors under the provisions of Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013.

**SCOPE AND PURPOSE OF THIS REPORT**

The Company has appointed KPMG Valuation Services LLP (Registered Valuer - Securities or Financial Assets, with Registration No. IBBI Registration No. IBBI/RV-E/06/2020/115) for recommendation of the Share Exchange Ratio for the proposed amalgamation as envisaged under Part III of the Scheme (KPMG Valuation Services LLP is hereinafter referred to as “**Valuer**”).

We have been appointed by the Company to examine the Share Exchange Ratio Report to be issued by Valuer (“**Share Exchange Ratio Report**”) and issue our independent opinion as to the fairness of the valuation (“**Fairness Opinion**”).

All terms not specifically defined in this fairness opinion shall carry the same meaning as in the Share Exchange Ratio Report.

## BRIEF BACKGROUND OF THE COMPANIES

### **Ma Kalyaneshwari Holdings Private Limited (“MKHPL”)**

Ma Kalyaneshwari Holdings Private Limited, formerly known as Bhagwati Syndicate Private Limited, is a private limited company, incorporated under the Companies Act, 1956 with Corporate Identification Number U70100WB1985PTC039654 and having its Registered Office at 4th, Floor, 9 AJC Bose Road Kolkata - 700 017, West Bengal, India.

MKHPL is registered with RBI (as defined hereinafter) as a Non-Banking Financial Company. MKH is the holding company of MAL and presently holds 1,72,70,176 equity shares of face value INR 10 each constituting 59.32% stake in MAL. Presently, MKH has the following two (2) business verticals:

1. **Real Estate and Ancillary Business:** Real Estate and Ancillary Business (“**REAB**”) division of MKH comprises of business activities related to owning and maintenance of immovable properties for leasing / sale purposes; and
2. **Remaining Business:** Remaining Business (“**Remaining Business Undertaking**”) division of MKH comprises of business of holding investments, including purchase and sale of shares & securities including shares held in MAL. As on May 5, 2021, MKH’s Remaining Business Undertaking holds 1,72,70,176 equity shares of face value INR 10 constituting 59.32% stake in MAL.

### **Anjaney Land Assets Private Limited (“ALAPL”)**

Anjaney Land Assets Private Limited is a private limited company, incorporated under the Companies Act, 2013 with Corporate Identification Number U70109WB2021PTC244728 and having its Registered Office at 4th Floor, 9 A J C Bose, Kolkata - 700 017, West Bengal, India.

ALAPL was incorporated to carry on the business of owning and maintenance of immovable properties for leasing/ sale purposes. ALAPL is a wholly owned subsidiary of MKH.

### **Maithan Alloys Limited (“MAL”)**

MAL is a public limited company, incorporated under the Companies Act, 1956 with Corporate Identification Number L27101WB1985PLC039503 and having its Registered Office at 4th Floor, 9 A J C Bose, Kolkata - 700 017, West Bengal, India.

The equity shares of MAL are listed on the National Stock Exchange of India Ltd. (“**NSE**”), the Calcutta Stock Exchange Limited (“**CSE**”) and under the permitted to trade category of the BSE Limited (“**BSE**”).

MAL is engaged in the business of manufacturing and exporting of all three bulks Ferro alloys - Ferro Manganese, Silicon Manganese and Ferro Silicon.

## SUMMARY OF PROPOSED TRANSACTION

The following sections of the Scheme deals with the proposed demerger and amalgamation

- Part II** : Deals with the Demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company, its consideration, accounting treatment and other related matters.

**Part III** : Deals with the Amalgamation of the Transferor Company with the Transferee Company, its consideration, accounting treatment and other related matters.

## **SOURCE OF INFORMATION AND REPRESENTATIONS**

For the purpose of forming our opinion on the Share Exchange Ratio for the proposed amalgamation under Part III of the Scheme, we have relied on the discussions with the Management and the following information and documents made available to us:

- Share Exchange Ratio Report dated May 05, 2021 issued by KPMG Valuation Services LLP (Registered Valuer - Securities or Financial Assets, with Registration No. IBBI Registration No. IBBI/RV-E/06/2020/115)
- Necessary explanations and information from the management of Company.
- Discussion with the Valuer, as required.
- Other information as available in public domain.

We have obtained explanations and information considered reasonably necessary for our exercise, from the executives of the company. Our analysis considers those facts and circumstances present at the date of this Fairness Opinion.

## **EXCLUSIONS AND LIMITATIONS**

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the management for the purpose of this opinion. With respect to the estimated financials, if any, provided to us by the management, we have assumed that such financials were prepared in good faith and reflect the best currently available estimates and judgments by the management. We express no opinion and accordingly accept no responsibility with respect to or for such estimated financials or the assumptions on which they were based. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of the Transferee Company or Transferor Company. We have solely relied upon the information provided to us by the management. We have not reviewed any books or records of the Transferee Company or Transferor Company (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Transferee Company or Transferor Company and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the Transferee Company or Transferor Company. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by the Transferee Company or Transferor Company for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of the Transferee Company or any of the Transferor Company with respect to these matters. In addition, we have assumed that the Proposed Scheme of Arrangement will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Proposed Scheme of Arrangement.

We understand that the managements of the Transferee Company or Transferor Company during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Proposed Scheme of Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that the any of the companies may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and, on the information, made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra- ordinary transaction involving the Companies or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to the Transferee Company or Transferor Company for providing a fairness opinion on the proposed transaction and will receive professional fees for our services.

In the ordinary course of business, Sundae is engaged in merchant banking business including corporate advisory, re-structuring, valuations, etc. We may be providing various other unrelated independent professional advisory services to Transferee Company or Transferor Company in the ordinary course of our business.

It is understood that this letter is solely for the benefit of and use by the Board of Directors of the Transferee Company or Transferor Company for the purpose of this transaction and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law. Statute, Act, guideline or similar instruction. Management should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to the Transferee Company or Transferor Company underlying decision to effect to the proposed transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of the Transferee Company or Transferor Company should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of the Transferee Company will trade following the announcement of the transaction or as to the financial performance of the Transferee Company or any of the Transferor Company following the consummation of the transaction.

In no circumstances however, will Sundae or its associates, directors or employees accept any responsibility or liability to any third party. Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement with the Transferee Company.

## OUR OPINION

With reference to above and based on information and explanation provided by the management, after analyzing the draft Scheme, and based on our examination of the Share Exchange Ratio Report issued independently by the Valuer and our independent analysis and subject to the exclusions and limitations mentioned hereinabove and to the best of our knowledge the opinions are as follows:

### **Part III of the Scheme: Fair Share Exchange Ratio based on the report of KPMG Valuation Services LLP (Registered Valuer - IBBI Registration No. IBBI/RV-E/06/2020/115)**

*“1,72,70,176 equity shares of the face value of INR 10 each fully paid-up of MAL shall be issued and allotted as fully paid up to the equity shareholders of MKHPL in the proportion of their holding in MKHPL.”*

The Transferor Company, as on the date of the Share Exchange Ratio Report, holds 1,72,70,176 equity shares of face value of INR 10 each fully paid-up in the Transferee Company. Upon the effective date, pursuant to amalgamation of the Transferor Company with the Transferee Company, the entire shareholding of Transferor Company in the Transferee Company will be cancelled and the shareholders of the Transferor Company would be issued same number of fully paid-up equity shares of Transferee Company which is currently held by Transferor Company in Transferee Company, in proportion to their holding in Transferor Company. Pursuant to the amalgamation, there would be no change in the paid-up share capital of the Transferee Company. As mentioned above, post-amalgamation the shareholders of the Transferor Company will hold the same number of shares as the Transferor Company hold in the Transferee Company. Consequently, there is no impact on the shareholding pattern of other shareholders of the Transferee Company and therefore no valuation of the Transferee Company and of the Transferor Company is required.

**Based on the information made available to us, the Share Exchange Ratio recommended by KPMG Valuation Services LLP under the draft Scheme, in our opinion, is fair and reasonable.**

The aforesaid Scheme shall be subject to the receipt of approvals from NCLT and other statutory authorities as may be required. The detailed terms and conditions are more fully set forth in the draft Scheme. Sundae has issued this Fairness Opinion with the understanding the draft Scheme shall not be materially altered and the parties hereto agree that the Fairness Opinion shall not stand good in case the final Scheme alters the transaction.

Yours sincerely,  
for Sundae Capital Advisors Private Limited

  
NitiN Somani  
Director

