

*Strictly Private & Confidential*

June 29, 2024

**The Board of Directors**  
**Ventura Guaranty Limited**  
8th Floor, B-Wing,  
I-Think Techno Campus, Pokhran Road No. 2,  
Off Eastern Express, Highway, Thane,  
Thane - 400607, Maharashtra, India.

Members of the Board of the Directors:

**Sub: Fairness opinion on the proposed Fair Entitlement Ratio for the proposed Scheme of Merger by Absorption of Kashmira Investment and Leasing Private Limited ("KILPL") with Ventura Guaranty Limited ("VGL") and their respective Shareholders under Sections 230 and 232 and other applicable provisions of the Companies Act, 2013 read with relevant provisions of in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub- rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 dated June 20, 2023 ("Scheme of Merger by Absorption").**

**Ref.:** Our Engagement Letter dated June 28, 2024.

The Board of Directors of Ventura Guaranty Limited (hereinafter referred to as "VGL" or the "Transferee Company") has appointed FCA Payal Gada, Proprietor of Payal Gada & Co, Chartered Accountants, in her capacity as Registered Valuer as defined under section 247 of the Cos Act, under the category Securities or Financial Assets, registered with the Insolvency and Bankruptcy Board of India (IBBI Registration No. IBBI/RV/06/2019/11170) ("Independent Valuer") in relation to determination of Fair Entitlement Ratio for the purpose of Scheme of Merger by Absorption of Kashmira Investment and Leasing Private Limited (hereinafter referred to as "KILPL" or the "Transferor Company") with Ventura Guaranty Limited ("VGL") and their respective Shareholders under Sections 230 and 232 and other applicable provisions of the Companies Act, 2013.

Systematix Corporate Services Limited ("Systematix"), a SEBI registered Category I Merchant Banker having permanent Registration Number INM000004224 and also BSE and NSE empanelled Independent Valuer, has been appointed by VGL to provide a "Fairness Opinion" pursuant to Regulation 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") read together with Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub- rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 dated June 20, 2023 as amended from time to time.

Our opinion is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the opinion is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.



## **Systematix Corporate Services Limited**

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## I. SOURCES OF INFORMATION

The sources of information, which have been furnished to us by the VGL, are as follows:

- Reviewed Valuation Report dated June 29, 2024 issued by the Independent Valuer FCA Payal Gada, Registered Valuer containing the recommendation of fair entitlement ratio of Equity Shares under Section 230 to 232 of the Companies Act, 2013 for the proposed Scheme of Merger by Absorption;
- Draft Scheme of Merger by Absorption;
- Reviewed financial and operating information with respect to the business, operations and prospects of KILPL and VGL including historical financial information and financial forecasts prepared and confirmed by Management of KILPL and VGL;
- MOA & AOA of the KILPL and VGL;
- Audited Financial Statements of KILPL and VGL for the financial year ended March 31, 2024;
- Shareholding pattern of the Companies as on June 29, 2024;
- Reviewed certain publicly available Business and financial information relating to KILPL and VGL; and
- have considered such other information and factors as may we deemed appropriate.

In addition to the above, we have also obtained other necessary explanations and information, which we believed were relevant to the present exercise, from the management of VGL.

## II. SCOPE LIMITATIONS, ASSUMPTIONS, EXCLUSIONS, LIMITATIONS AND DISCLAIMERS

Our Opinion and analysis are limited to the extent of review of the documents as provided to us and described above.

We have relied upon the accuracy and completeness of all information and documents provided to us, without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the KILPL and VGL. In particular, we do not express any opinion as to the value of any asset of KILPL and VGL, whether at current prices or in the future.

We do not express any opinion as to the price at which shares of VGL may trade at any time, including subsequent to the date of this opinion. In rendering our opinion, we have assumed, that the Scheme of Merger by Absorption will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the Scheme of Merger by Absorption, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on KILPL and VGL and their respective shareholders.

We do not express any opinion as to any tax or other consequences that might arise from the Scheme of Merger by Absorption on KILPL and VGL and their respective shareholders, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Company have obtained such advice as it deemed necessary from qualified professionals.

We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. Our opinion is specific to the merger as contemplated in the Scheme of Merger by Absorption provided to us and is not valid for any other purpose.

We may currently or in the future provide, investment banking services to KILPL and VGL and/or its subsidiaries or their respective affiliates that are unrelated to the proposed Scheme of Merger by Absorption, for which services we have / may receive customary fees. In addition, in the ordinary course of their respective businesses, affiliates of Systematix may actively trade in the securities of the VGL or its group companies or for their own accounts and for the accounts of their customers and, accordingly, may at any



time hold a position in such securities. Our engagement and the opinion expressed herein are for the use of the Board of Directors of VGL in connection with the consideration of the Scheme of Merger by Absorption and for none other. Neither Systematix, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for or based on or relating to any such information contained therein.

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 of Merger by Absorption or any matter related thereto.

This report may be submitted to the BSE Limited, Securities and Exchange Board of India, the National Company Law Tribunal and such other statutory authorities from whom approval is required under applicable law. The report may also be disclosed on the websites of the KILPL and VGL and made available to shareholders and creditors in connection with the approval process for the Scheme of Merger by Absorption.

The fee for this engagement is not contingent upon the results of this report.

### III. BACKGROUND OF THE COMPANIES

#### **Kashmira Investment and Leasing Private Limited (“KILPL” or the “Transferor Company”)**

KILPL was originally incorporated as "Kashmira Investment and Leasing Private Limited" on July 03, 1986 with the Registrar of Companies, Maharashtra, Mumbai under the provisions of the Companies Act, 1956. KILPL is a non-systematically important, non-deposit taking Non-Banking Finance Company (“NBFC”) registered with Reserve Bank of India having Registration Number 13.00742 dated April 20, 1998 and is inter-alia engaged in the business of Lending and Borrowing against the securities. They also trade and invest in securities. KILPL having CIN: U65100MH1986PTC186364 is an Unlisted Company. The Registered office of the Company is situated at 8<sup>th</sup> Floor, B - Wing, I – Think Techno Campus, Pokhran Road No 2, behind TCS Off Eastern Express, Thane - 400607, Maharashtra, India.

The Share Capital of the KILPL as on March 31, 2024 is as under:

Particulars	Amount (in Rs.)
<b>Authorised Share Capital</b>	
20,00,000 Equity Shares of Rs. 10/- each	2,00,00,000
<b>Total</b>	<b>2,00,00,000</b>
<b>Issued, Subscribed and Paid-Up Capital</b>	
8,71,918 Equity Shares of Rs. 10/- each fully paid-up	87,19,180
<b>Total</b>	<b>87,19,180</b>

#### **Ventura Guaranty Limited (“VGL” or the “Transferee Company”)**

VGL was originally incorporated as a Limited Company under the name of "Shyam Commercial Limited" on September 24, 1984 with the Registrar of Companies, Maharashtra, Mumbai under the provisions the Companies Act, 1956. The name of the VGL has been changed from Shyam Commercial Limited to Phoenix Ventura and Guaranty Limited on January 14, 1994 and has been further changed to its present name from Phoenix Ventura and Guaranty Limited to Ventura Guaranty Limited. VGL by obtaining a fresh Certificate of Incorporation consequent to change of name dated October 04, 1994 from the Registrar of Companies, Maharashtra Mumbai. VGL is listed Company bearing CIN L65100MH1984PLC034106 and is a Non-Banking Finance Company (NBFC) registered as investing Company and non deposit taking company with





Reserve Bank of India having Registration Number 13.00224 dated March 04, 1998. The Company is carrying out its activities through its subsidiary companies namely Ventura Securities Limited and a step-down subsidiary namely Ventura Allied Services Private Limited. The Company is a financial holding company. The Registered Office of the Company is situated at 8th Floor B - Wing I – Think Techno Campus Pokhran Road No 2 behind TCS Off Eastern Express, Thane - 400607, Maharashtra, India. The Equity Shares of the VGL are listed on BSE Limited (“BSE”) with SCRIP Code “512060”.

The Share Capital of the VGL as on March 31, 2024 is as under:

Particulars	Amount (in Rs.)
<b>Authorised Share Capital</b>	
1,00,00,000 Equity Shares of Rs. 10/- each	10,00,00,000
<b>Total</b>	<b>10,00,00,000</b>
<b>Issued, Subscribed and Paid-Up Capital</b>	
31,94,800 Equity shares of Rs.10/- each fully paid up	3,19,48,000
<b>Total</b>	<b>3,19,48,000</b>

#### IV. RATIONALE FOR THE SCHEME OF MERGER BY ABSORPTION

VGL holds 10.06% in KILPL. As stated above, both KILPL and VGL are registered NBFCs. Considering the overlap of business activities, it is proposed to integrate the respective business activities of both entities in a single entity. The proposed Scheme of Merger by Absorption will enable following:

- Focused and holistic approach of the management towards combined business operations;
- Integration of business operations would enable the Transferee Company to provide significant impetus to its growth;
- Create value for stakeholders, including respective shareholders, customers, lenders and employees as the combined business would benefit from increased scale, innovations in technology and expanded reach with increased growth opportunities, higher cross selling opportunities to a larger base of customers, improvement in productivity and operational efficiencies, amongst others;
- Avoidance of duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances;
- Pooling of common resources leading to operational synergies;
- Reduction in number of entities;
- Operating synergies resulting in cost optimisation, reduction in the number of Non-Banking Financial companies through surrender of NBFC license to the RBI as a result of Merger by Absorption.
- There is no likelihood that any shareholder or creditor or employee of KILPL and VGL would be prejudiced as a result of the Scheme of Merger by Absorption. Thus, the merger is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

#### V. RECOMMENDATION OF THE REGISTERED VALUER

As stated above, we have reviewed a copy of the Valuation Report dated June 29, 2024 issued by Registered Valuer proposing the following Fair Entitlement Ratio for Equity Shares to be issued by the VGL to the Equity Shareholders of the KILPL:

*“Eighty-Four (84) fully paid-up Equity Shares of Rs. 10/- each of the Transferee Company shall be issued and allotted for every One Hundred (100) fully paid-up Equity Shares of Rs. 10/- each held in the Transferor Company.” (“Fair Entitlement Ratio”)*





**VI. OUR COMMENT ON PROPOSED FAIR ENTITLEMENT RATIO**

Our fairness opinion has been prepared based on the report provided by the Registered Valuer and our exercise of the various qualitative factors relevant to Companies, having regard to information base, Management representations, key underlying assumptions and limitations.

On consideration of all the relevant factors and circumstances, we believe that the Fair Entitlement Ratio determined by Registered Valuer is fair including from a financial stand point.

Thanking you.

**For Systematix Corporate Services Limited**  
*(SEBI Registration No. INM000004224)*

**Amit Kumar**  
**Director, Investment Banking**

