

STRICTLY PRIVATE AND CONFIDENTIAL

November 06, 2024

To,
The Board of Directors,
Svatantra Microfin Private
Limited,
Sunshine Tower, Level 20,
Senapati Bapat Marg,
Dadar West,
Mumbai - 400 013

To,
The Board of Directors,
Svatantra Holdings Private
Limited,
213, 2nd Floor, T.V. Industrial
Estate, 52,
S.K.Ahira Marg, Worli,
Mumbai 400030

To,
The Board of Directors,
Chaitanya India Fin Credit Private
Limited,
Sunshine Tower, Level 20,
Senapati Bapat Marg, Elphinstone
Road, Delisle Road, Mumbai-
400013

Dear Sirs,

Sub: Fairness Opinion on the share exchange ratio for merger of Svatantra Holdings Private Limited and Chaitanya India Fin Credit Private Limited into Svatantra Microfin Private Limited

There is a proposal before the Board of Directors of Svatantra Microfin Private Limited ("Transferee Company" or "SMPL"), Svatantra Holdings Private Limited ("First Transferor Company" or "SHPL") and Chaitanya India Fin Credit Private Limited ("Second Transferor Company" or "CIFCPL") to merge SHPL and CIFCPL with SMPL, under a scheme of arrangement under sections 230-232 of Companies Act, 2013, including the rules and regulations made thereunder (hereinafter referred to as the "Scheme"). The said transaction is referred to as the "Proposed Amalgamation".

SHPL, CIFCPL and SMPL are collectively referred to as "Companies".

The Management of the Companies ("the Management") vide engagement letter dated November 01, 2024 ("Engagement Letter") have engaged Inga Ventures Private Limited ("Inga"), to provide a fairness opinion to the Board of Directors of the Companies on the share exchange ratio of merger of SHPL & CIFCPL into SMPL as recommended by the Valuer, viz. Bansi S. Mehta Valuers LLP, Registered Valuer ("BSM" or "Valuer") under their report issued dated November 06, 2024 ("Valuation Report").

Background and Purpose

Profile of Svatantra Holdings Private Limited

Svatantra Holdings Private Limited was incorporated on May 11, 2018 under the Companies Act, 2013 and registered at Registrar of Companies, Mumbai, Maharashtra. SHPL has its registered office at 213, Second Floor, TV Industrial Estate, 52, SK Ahira Marg, Worli, Mumbai – 400030.

SHPL is an unregistered Core Investment Company in terms of Core Investment Companies (Reserve Bank) Directions, 2016, issued by the RBI on August 25, 2016. SHPL is engaged in the business of making investments in equity shares, preference shares and other securities.

Profile of Chaitanya India Fin Credit Private Limited

Chaitanya India Fin Credit Private Limited was incorporated in India on March 31, 2009. The registered office is located at Sunshine Tower, Level 20, Senapati Bapat Marg, Elphinstone Road, Delisle Road, Mumbai, Mumbai- 400013.





CIFCPL is registered with the Reserve Bank of India as a Middle Layer Non-Deposit taking Non-Banking Finance Company (NBFC-ND) and is engaged in the 'Micro Finance' business as an NBFC-MFI. CIFCPL is a wholly owned subsidiary of SMPL. It is engaged in the business of providing micro finance loans and personal loans to low-income individuals and households in rural/ semi-urban areas. The NCDs of CIFCPL are listed on BSE.

Profile of Svantanta Microfin Private Limited

Svatanta Microfin Private Limited was incorporated in India on February 17, 2012. The registered office is located at 20th Floor, Sunshine Towers, Senapati Bapat Marg, Elphinstone Road (W), Mumbai - 400 013, Maharashtra.

SMPL is registered with the Reserve Bank of India as a Middle Layer Non-Deposit taking Non-Banking Finance Company (NBFC-ND) and is engaged in 'Micro Finance' business as an NBFC-MFI. SMPL is engaged in the business of providing micro finance loans and personal loans to low-income individuals and households in rural/semi-urban areas.

The proposal also envisages, inter alia, amalgamation of SHPL and CIFCPL into SMPL, whereby:

1. equity shares of SMPL to be issued to shareholders of SHPL; and
2. CIFCPL being a wholly owned subsidiary of SMPL, upon its amalgamation with SMPL equity shares of CIFCPL would stand cancelled.

The Valuer has arrived at share exchange ratio for merger as follows:

For equity shareholders of the SHPL:

For every 52 (Fifty-Two) equity shares of face and paid-up value of Rs 10/- (ten) each held in SHPL, 9 (Nine) equity shares of face and paid-up value of Rs. 10/- (ten) each of SMPL

For preference shareholders of the SHPL:

For every 52 (Fifty-Two) CCPS of face and paid-up value of Rs. 100/- (Hundred) held in SHPL, 90 (Ninety) Equity shares of face and paid-up value of Rs. 10/- (Ten) in SMPL

For shareholders of the CIFCPL:

As CIFCPL is a wholly owned subsidiary of SMPL, equity shares of CIFCPL would stand cancelled upon its amalgamation into SMPL.

The Companies in terms of the Engagement Letter have requested us to issue our independent opinion as to the fairness of the share exchange ratio recommended by the Valuer ("Fairness Opinion").

Source of Information

For arriving at the opinion set forth below, we have received from the Management and any information available in the public domain:

1. Valuation Report issued by the Valuer.
2. Draft Scheme of Amalgamation.
3. Profile of the Companies.





4. Audited Financial Statements of CIFCPL, SHPL and SMPL for the period ended September 30, 2024.
5. Audited Financial Statements of CIFCPL, SHPL and SMPL for the year ended March 31, 2023 and March 31, 2024.
6. Latest Shareholding details of CIFCPL, SHPL and SMPL as on November 06, 2024.
7. Other relevant information and documents for the purpose of this engagement.
8. Other relevant details regarding the Companies such as their history, past and present activities, future plans and prospects, existing shareholding pattern and other relevant information and data, including information in the public domain.
9. Such other information and explanations as required and which have been provided by the Management including Management Representations.
10. Such other information received during discussion with the Valuer.

Scope 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 Companies for the purposes of this Fairness Opinion. We express no opinion, and accordingly, accept no responsibility with respect to or for such information, or the assumptions on which it is based, and, we have simply accepted this information on an "as is" basis, and, have not verified the accuracy and/or the completeness of the same from our end.

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 Companies and its related parties (holding company / subsidiary /associates /joint ventures etc.) 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 Companies and other related entities which forms part of the group.

We have not reviewed any internal management information statements or any non-public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by the Companies on an "as is" basis for the purposes of this Fairness Opinion. We are not experts in the evaluation of litigation or other actual or threatened claims, and accordingly, we have not evaluated any litigation or other actual or threatened claims.

We have assumed that there are no circumstances that could materially affect the business or financial prospects of the Companies and other related entities which forms part of the group.

We understand that the Management, 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 any and all necessary regulatory or other consents, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the Scheme. 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 an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving the Companies, other related entities which forms part of the group or any of its assets, nor did we negotiate with any other party in this regard.

We express no opinion whatsoever and make no recommendation at all as to the Companies underlying decision to effect the Proposed Amalgamation. The fee for the engagement is not





contingent upon the results reported. We also do not provide any recommendation to the holders of equity shares or preference shares or secured or unsecured creditors of the Companies with respect to the Proposed Amalgamation. We also express no opinion, and accordingly, accept no responsibility for the financial performance of Companies following the consummation of the Proposed Amalgamation. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders / investors should buy, sell or hold any stake in the Companies or any of its related parties.

Our report is not, nor should it be construed as opining or certifying the compliance of the proposed transaction with the provisions of any law including companies, competition, taxation (including transfer pricing) and capital market related laws or as regards any legal implications or issues arising in India or abroad from such Proposed Amalgamation.

Conclusion

As understood, upon the Scheme being effective, shareholders of SHPL will become shareholders of SMPL and the outstanding issued and paid up share capital of CIFCPL will get cancelled.

Based on our examination of the Valuation Report, such other information / undertakings/representations provided to us by the management of the Companies and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned hereinabove and to the best of our knowledge and belief, we are of the opinion that the recommendation made by the Valuer of the share exchange ratio is fair and reasonable which is as under:

The share exchange ratio for the Proposed Amalgamation of SHPL and CIFCPL into SMPL is as under:

For equity shareholders of the SHPL:

For every 52 (Fifty-Two) equity shares of face and paid-up value of Rs 10/- (ten) each held in SHPL, 9 (Nine) equity shares of face and paid-up value of Rs. 10/- (ten) each of SMPL.

For preference shareholders of the SHPL:

For every 52 (Fifty-Two) CCPS of face and paid-up value of Rs. 100/- (Hundred) held in SHPL, 90 (Ninety) Equity shares of face and paid-up value of Rs. 10/- (Ten) in SMPL.

For shareholders of the CIFCPL:

As CIFCPL is a wholly owned subsidiary of SMPL, equity shares of CIFCPL would stand cancelled upon its amalgamation into SMPL.

Distribution of the Fairness Opinion

This Fairness Opinion is provided solely for the benefit of the Board of Directors of the Companies. Further, the Fairness Opinion may be disclosed on the website of the Companies and Stock Exchange and also be made part of the explanatory statement to be circulated to the shareholders and/or creditors and/ or debenture holders of the Companies, if required. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Inga's prior written consent.





However, the Companies may share the Fairness Opinion with the shareholders and/or creditors and/or debenture holders and regulatory authorities/ stock exchanges, on a need basis, for the purposes of the Proposed Amalgamation. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then, we will not be liable for any consequences thereof and shall not take any responsibility for the same. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

In no circumstances however, will Inga or its management, directors, officers, employees, agents, advisors, representatives and controlling persons of Inga accept any responsibility or liability including any pecuniary or financial liability to any third party.

Yours truly,

For Inga Ventures Private Limited



Kavita Shah

Partner