

Submitted to

VIVRITI CAPITAL LIMITED,

FAIRNESS OPINION

*On valuation report provided by*

SPA VALUATION ADVISORS PRIVATE LIMITED

*On*

*share swap ratio pursuant to scheme of arrangement under section 230-232 of  
Companies Act, 2013.*

BY

**CAPITALS<sup>^</sup>SQUARE**  
Teaming together to create value

**CAPITALSQUARE ADVISORS PRIVATE LIMITED**

(Category - I Merchant Banker, SEBI Registration no: INM000012219)

Reg off: 208, Aarpee Centre, CTS 70, MIDC Road no. 11, Andheri (East), Mumbai 400093, India)



June 26, 2024

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The Board of Directors  
Vivriti Capital Limited  
Prestige Zackria Metropolitan No. 200/1-8, 2nd Floor, Block - 1,  
Annasalai, Chennai, Tamil Nadu - 600002

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The Board of Directors  
Hari and Company Investments Madras Private Limited  
"Sri Malolan", 19/5, Krishnaswami Avenue, Mylapore  
Chennai, Tamil Nadu - 600004

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The Board of Directors  
Vivriti Next Private Limited  
Prestige Zackria Metropolitan No. 200/1-8, 8th Floor, Block - 1,  
Annasalai, Chennai, Tamil Nadu - 600002

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The Board of Directors  
Vivriti Asset Management Private Limited  
Prestige Zackria Metropolitan No. 200/1-8, 8th Floor, Block - 1,  
Annasalai, Chennai, Tamil Nadu - 600002

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The Board of Directors  
Vivriti Funds Private Limited (formerly known as Keerthi Logistics Pvt. Ltd.)  
Prestige Zackria Metropolitan No. 200/1-8, 8th Floor, Block - 1,  
Annasalai, Chennai, Tamil Nadu - 600002

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RE: Fairness Opinion on Valuation Report of Share swap ratio, provided by SPA Valuation Advisors Private Limited, a Registered Valuer, having Reg No.: IBBI/RV-E/05/2021/148, for the proposed composite scheme of arrangements of Vivriti Capital Limited, Vivriti Next Private Limited and Vivriti Asset Management Private Limited

## PURPOSE

We, Capital Square Advisors Private Limited ("CSAPL"), a Category-1 Merchant Banker (SEBI Registration No. INM000012219) have been appointed as an Independent Merchant Banker for furnishing Fairness Opinion on the valuation report provided by SPA VALUATION ADVISORS PRIVATE LIMITED, dated June 24, 2024, for the purpose of proposed composite scheme of arrangements of Vivriti Capital Limited, Hari and Company Investments Madras Private Limited, Vivriti Next Private Limited, Vivriti Asset Management Private Limited and Vivriti Funds Private Limited, under sections 230 to 232 of the Companies Act, 2013 and other Applicable Provisions and Rules framed thereunder.

The fairness opinion report is required to be submitted to the stock exchanges to facilitate compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. SEBI/HO/CFD/POD- 2/P/CIR/2023/93 dated June 20, 2023, Scheme of Arrangement by listed companies along with Regulations 164 (1) of Securities and Exchange Board of

India (Issue of Capital and Disclosure Requirements) Regulations 2018 (ICDR) read with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022.



## BACKGROUND

### Vivriti Capital Limited

Vivriti Capital Limited (*formerly known as Vivriti Capital Private Limited*) is a public company, limited by shares, incorporated under the Companies Act, 2013, under corporate identification number U65929TN2017PLC117196 and having its registered office at Prestige Zackria Metropolitan No. 200/1-8, 2nd Floor, Block - 1, Annasalai, Chennai, Tamil Nadu - 600002 (hereinafter referred to as "VCL" or "Demerged Company" or "Amalgamated Company"). VCL is registered as a non-deposit taking systematically important non-banking finance company ("NBFC-ND-SI") with the RBI in terms of the certificate of registration bearing registration No.N-07.00836 dated January 5, 2018 ("NBFC Registration") and an NBFC-Factor in terms of license bearing registration N-07-00901 ("NBFC Factoring License"). VCL is engaged primarily in the business of a finance company, hire purchase company and/ or leasing company and is involved in lending, structured finance, financial asset sales and trading, investments, co-origination of retail/ SME / enterprise debt products and related advisory services. Additionally, VCL also has investments in Vivriti Asset Management Private Limited and Cred Avenue Private Limited (CAPL) which are into asset management businesses and technology business respectively. The non-convertible debentures and commercial papers of VCL are listed on BSE.



## SHAREHOLDING STRUCTURE OF VCL

The share capital structure of VCL as on March 31, 2024 is as follows:

VCL shareholding - Non Diluted											
Name of Shareholder	Number of Equity Shares	Number of Series A CCPS	Number of Series A2 CCPS	Number of Series B CCPS	Number of Series B2 CCPS	Number of Series C CCPS	Number of Series D CCPS	Equity (No of shares)	Equity (%)	CCPS (No of shares)	CCPS(%)
Gaurav Kumar	66,32,577.00	-	-	-	-	-	-	66,32,577.00	30.74%	-	0.00%
Vineet Sukumar	67,37,840.00	-	-	-	-	-	-	67,37,840.00	31.23%	-	0.00%
Aniket Satish Deshpande	5,51,000.00	-	-	-	-	-	-	5,51,000.00	2.55%	-	0.00%
Soumendra Nath Ghosh	5,82,200.00	-	-	-	-	-	-	5,82,200.00	2.70%	-	0.00%
Shaik Mohammed Irfan Basha	5,09,550.00	-	-	-	-	-	-	5,09,550.00	2.36%	-	0.00%
Others	7,86,725.00	-	-	-	-	-	-	7,86,725.00	3.65%	-	0.00%
Vivint ESOP Trust	39,13,590.00	-	-	-	-	-	-	39,13,590.00	18.14%	-	0.00%
Creation Investments India III, LLC	1,31,596.00	4,21,21,438.00	1,53,48,035.00	-	37,96,936.00	8,57,768.00	-	1,31,596.00	0.61%	6,41,24,177.00	70.51%
Lightrock Growth Fund I S.A., SICAV-RAIF	2,32,512.00	-	-	1,00,77,113.00	-	15,16,854.00	-	2,32,512.00	1.08%	1,15,93,166.00	12.75%
Financial Investments SPC	-	-	-	1,00,77,113.00	-	-	-	-	0.00%	1,00,77,113.00	11.08%
LR India Fund I S.a.r.l., SICAV-RAIF	2,32,512.00	-	-	-	-	15,15,954.00	-	2,32,512.00	1.08%	15,15,954.00	1.67%
TVS Shriram Growth Fund 3	2,87,313.00	-	-	-	-	27,11,556.00	9,18,274.00	2,87,313.00	1.33%	36,29,830.00	3.99%



Namrata Kaul	1,15,161.00	-	-	-	-	-	-	1,15,161.00	0.53%	-	0.00%
Sudhar Srivivasan	93,075.00	-	-	-	-	-	-	93,075.00	0.43%	-	0.00%
Sangy Malhotra	93,075.00	-	-	-	-	-	-	93,075.00	0.43%	-	0.00%
Narayan Ramachandran	1,15,161.00	-	-	-	-	-	-	1,15,161.00	0.53%	-	0.00%
Shadish ' Mehta and Kalpa S Mehta	2,25,000.00	-	-	-	-	-	-	2,25,000.00	1.04%	-	0.00%
Trenon Investments Company Private Limited	1,05,265.00	-	-	-	-	-	-	1,05,265.00	0.49%	-	0.00%
Anata Capital Ventures Fund 1	1,05,265.00	-	-	-	-	-	-	1,05,265.00	0.49%	-	0.00%
Nisa Family Trust	1,05,265.00	-	-	-	-	-	-	1,05,265.00	0.49%	-	0.00%
Anita Belani	21,053.00	-	-	-	-	-	-	21,053.00	0.10%	-	0.00%
VAM ESOP Trust	-	-	-	-	-	-	-	-	0.00%	-	0.00%
Others - VAM	-	-	-	-	-	-	-	-	0.00%	-	0.00%
<b>Total no. of shares on Non-Diluted basis</b>	<b>2,15,75,735.00</b>	<b>4,21,21,438.00</b>	<b>1,53,48,035.00</b>	<b>2,01,54,225.00</b>	<b>57,96,936.00</b>	<b>66,01,332.00</b>	<b>9,18,274.00</b>	<b>2,15,75,735.00</b>	<b>100.00%</b>	<b>9,09,40,240.00</b>	<b>100.00%</b>

Name of Shareholder	Number of Equity Shares	Number of Series A CCPS	Number of Series A2 CCPS	Number of Series B CCPS	Number of Series B2 CCPS	Number of Series C CCPS	Number of Series D CCPS
Conversion Factor	1.00	0.76	0.82	1.00	1.00	1.00	1.01



VCL shareholding - Fully Diluted

Name of Shareholder	Number of Equity Shares	Number of Series A CCPS	Number of Series A2 CCPS	Number of Series B CCPS	Number of Series B2 CCPS	Number of Series C CCPS	Number of Series D CCPS	Equity (No of shares)	Equity (%)	CCPS (No of shares)	CCPS(%)	Total	Total (%)
Gaurav Kumar	66,32,577.00	-	-	-	-	-	-	66,32,577.00	30.74%	-	0.00%	66,32,577.00	6.66%
Vineet Sukumar	67,37,840.00	-	-	-	-	-	-	67,37,840.00	31.23%	-	0.00%	67,37,840.00	6.76%
Aniket Satish Deshpande	5,51,000.00	-	-	-	-	-	-	5,51,000.00	2.55%	-	0.00%	5,51,000.00	0.55%
Soumendra Nath Ghosh	5,82,200.00	-	-	-	-	-	-	5,82,200.00	2.70%	-	0.00%	5,82,200.00	0.58%
Shak Mohammed Irtan Basha	5,09,550.00	-	-	-	-	-	-	5,09,550.00	2.36%	-	0.00%	5,09,550.00	0.51%
Others	7,86,725.00	-	-	-	-	-	-	7,86,725.00	3.65%	-	0.00%	7,86,725.00	0.79%
Vivint ESOP Trust	39,13,590.00	-	-	-	-	-	-	39,13,590.00	18.14%	-	0.00%	39,13,590.00	3.93%
Creation Investments India III, LLC	1,31,596.00	3,19,44,558.00	1,25,88,942.00	-	57,96,936.00	8,57,768.00	-	1,31,596.00	0.61%	5,11,88,204.00	56.29%	5,13,19,800.00	51.52%
Lightrock Growth Fund I S.A., SICAV-RAIF	2,32,512.00	-	-	1,00,77,112.00	-	15,16,054.00	-	2,32,512.00	1.08%	1,15,93,166.00	12.75%	1,18,25,678.00	11.87%
Financial Investments SPC	-	-	-	1,00,77,113.00	-	-	-	-	0.00%	1,00,77,113.00	11.08%	1,00,77,113.00	10.12%
LR India Fund I S a r l, SICAV-RAIF	2,32,512.00	-	-	-	-	15,15,954.00	-	2,32,512.00	1.08%	15,15,954.00	1.67%	17,48,466.00	1.76%
TVS Shriram Growth Fund 3	2,87,313.00	-	-	-	-	27,11,556.00	9,27,830.65	2,87,313.00	1.33%	36,39,386.65	4.00%	39,26,699.65	3.94%
Namrata Kaul	1,15,161.00	-	-	-	-	-	-	1,15,161.00	0.53%	-	0.00%	1,15,161.00	0.12%
Sridhar Srinivasan	93,075.00	-	-	-	-	-	-	93,075.00	0.43%	-	0.00%	93,075.00	0.09%
Sarav Mahotra	93,075.00	-	-	-	-	-	-	93,075.00	0.43%	-	0.00%	93,075.00	0.09%
Narayan Ramachandran	1,15,161.00	-	-	-	-	-	-	1,15,161.00	0.53%	-	0.00%	1,15,161.00	0.12%



Shashi / Mehta and Kalpa S Mehta	2,25,000.00	-	-	-	-	-	-	2,25,000.00	1.04%	-	0.00%	2,25,000.00	0.23%
Trenton Investments Company Private Limited	1,05,265.00	-	-	-	-	-	-	1,05,265.00	0.49%	-	0.00%	1,05,265.00	0.11%
Anara Capital Ventures Fund 1	1,05,265.00	-	-	-	-	-	-	1,05,265.00	0.49%	-	0.00%	1,05,265.00	0.11%
Nisa Family Trust	1,05,265.00	-	-	-	-	-	-	1,05,265.00	0.49%	-	0.00%	1,05,265.00	0.11%
Anita Belani	21,053.00	-	-	-	-	-	-	21,053.00	0.10%	-	0.00%	21,053.00	0.02%
VAM ESOP Trust	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	0.00%
Others - VAM	-	-	-	-	-	-	-	-	0.00%	-	0.00%	-	0.00%
<b>Total no. of shares on Fully Diluted basis</b>	<b>2,15,75,735.00</b>	<b>3,19,44,558.00</b>	<b>1,25,88,942.00</b>	<b>2,01,54,225.00</b>	<b>57,96,936.00</b>	<b>66,01,332.00</b>	<b>9,27,830.65</b>	<b>2,15,75,735.00</b>	<b>100.00%</b>	<b>7,80,13,823.65</b>	<b>85.79%</b>	<b>9,95,89,558.65</b>	<b>100.00%</b>

Source: Management

\*The Equity shares and Compulsorily Convertible Preference Shares of VCL are not listed on any stock exchange in India.

\*\*VCL has outstanding employee stock options under the VCL ESOP 2023 Scheme, the exercise of which may result in an increase in the issued and paid-up share capital of VCL.

### Vivriti Next Private Limited

Vivriti Next Private Limited (formerly known as QED Business Solutions Private Limited) is private company, limited by shares, incorporated under the Act, under corporate identification number U74999IN2017PTC117539 and having its registered office at Prestige Zackria Metropolitan No. 200/1-8, 8th Floor, Block -1, Annasalai, Anna Road, Chennai, Chennai, Tamil Nadu, India, 600002 (hereinafter referred to as "VNPL"). VNPL is engaged primarily in the business of human resource services, consultancy in all fields in India and abroad and providing ancillary advisory services and is proposing to undertake the activities of a technology company which will then provide





technology services and consultancy services to other companies including companies engaged in the business of lending and investment, and related advisory services.

### SHAREHOLDING STRUCTURE OF VNPL

The share capital structure of VNPL as on March 31, 2024 is as follows:

Diluted and Non-Diluted no. of shares are same				
Name of Shareholder	Number of Equity Shares	Number of Series A CCPS	Total	%
Vineet Sukumar	7,44,056.00	-	7,44,056.00	7.38%
Gaurav Kumar	7,32,435.00	-	7,32,435.00	7.26%
Creation Investments India III, LLC	100.00	56,67,114.00	56,67,214.00	56.19%
Lightrock Growth Fund I S.A., SICAV-RAIF	100.00	13,05,804.00	13,05,904.00	12.95%
Financial Investments SPC	100.00	11,12,713.00	11,12,813.00	11.03%
LR India Fund I S.A. r.L, SICAV-RAIF,	100.00	1,92,983.00	1,93,083.00	1.91%
TVS Shriram Growth Fund 3	100.00	3,31,062.00	3,31,162.00	3.28%
<b>Total no. of Shares</b>	<b>14,76,991.00</b>	<b>86,09,676.00</b>	<b>1,00,86,667.00</b>	<b>100.00%</b>

*\*Conversion of CCPS into equity is in 1:1 conversion ratio*

Source: Management

**Hari and Company Investments Madras Private Limited**



Hari and Company Investments Madras Private Limited is private company, incorporated under the Companies Act, 1956, under corporate identification number U65991TN1989PTC017066 and having its registered office at "Sri Malolan", 19/5, Krishnaswami Avenue, Mylapore Chennai, Tamil Nadu, India - 600004 (hereinafter referred to as "HCIMPL" or the "Resulting Company I"). HCIMPL is engaged primarily in the business of carrying on as an investment company, providing business and personal loans and also has a portfolio of investments in shares and other securities. HCIMPL is a wholly owned subsidiary of VNPL. HCIMPL is registered as a NBFC-ND-SI with the RBI in terms of the certificate of registration bearing registration No. 07.00076 dated March 5, 1998.

### SHAREHOLDING STRUCTURE OF HCIMPL

The share capital structure of HCIMPL as on March 31, 2024 is as follows:

HCIMPL- Diluted and Non-Diluted no. of shares are same			
S No.	Name of shareholder	No. of Equity Shares held	% of shareholding held
1	Vivriti Next Private Limited (formerly known as QED Business Solutions Pvt Ltd)	749,999	99.99%
2	Vineet Sukumar*	1	0.00%
<b>Total no. of Shares</b>		<b>750,000</b>	<b>100</b>

Source: Management

### Vivriti Asset Management Private Limited

Vivriti Asset Management Private Limited is a deemed public company, incorporated under the Act, under corporate identification number U65929TN2019PTC127644 and having its registered office at Prestige Zackria Metropolitan No. 200/1-8, 1st Floor, Block - 1, Annasalai, Chennai, Tamil Nadu - 600002 (hereinafter referred to as



“VAMPL” or the “Amalgamating Company”). VAMPL is engaged primarily in the business of asset management, financial services, portfolio management and related advisory services and sponsor/manager participation into investment vehicles managed by VAMPL. The non-convertible debentures of VAMPL are listed on BSE.

### SHAREHOLDING STRUCTURE OF VAMPL

The share capital structure of VAMPL as on March 31, 2024 is as follows:

VAMPL- Diluted and Non-Diluted no. of shares are same				
Name of Shareholder	Number of Equity Shares	Number of Series A CCPS	Total	%
VCL	2,03,42,539.00	46,72,897.00	2,50,15,436.00	69.99%
Gaurav Kumar	22,35,267.00	-	22,35,267.00	6.25%
Vineet Sukumar	22,35,266.00	-	22,35,266.00	6.25%
Others - VAM	20,500.00	-	20,500.00	0.06%
VAM ESOP Trust	9,79,500.00	-	9,79,500.00	2.74%
Creation Investments India III, LLC	100.00	8,76,068.00	8,76,168.00	2.45%
Lightrock Growth Fund I S.A., SICAV-RAIF	100.00	17,52,236.00	17,52,336.00	4.90%
LR India Fund I S.a r.L, SICAV-RAIF,	100.00	17,52,236.00	17,52,336.00	4.90%
TVS Shriram Growth Fund 3	100.00	8,76,068.00	8,76,168.00	2.45%
<b>Total no. of shares</b>	<b>2,58,13,472.00</b>	<b>99,29,505.00</b>	<b>3,57,42,977.00</b>	<b>100.00%</b>

*\*Conversion of CCPS into equity is in 1:1 conversion ratio*

*Source: Management*



## Vivriti Funds Private Limited

Vivriti Funds Private Limited (formerly known as *Keerthi Logistics Private Limited*) is a private company, limited by shares, incorporated under the 1956 Act, under corporate identification number U60231TN2003PTC052025 and having its registered office at Prestige Zackria Metropolitan No. 200/1-8, 8th Floor, Block -1, Annasalai, Chennai, Chennai, Tamil Nadu, India, 600002 (hereinafter referred to as “VFPL” or the “Resulting Company 2”). VFPL main objects include to undertake activities of asset management and investment advisory services and sponsor/manager participation into investment vehicles managed by VFPL. VFPL is a wholly owned subsidiary of VNPL.

### SHAREHOLDING STRUCTURE OF VFPL

The share capital structure of VFPL as on March 31, 2024 was as follows:

VFPL- Diluted and Non-Diluted no. of shares are same			
S No.	Name of shareholder	No. of Equity Shares held	% of shareholding held
1	Vivriti Next Private Limited	85,789	100.000%
2	Mr. Vineet Sukumar*	1	0.001%
	Total no. of shares	85,790	100

\*Conversion of CCPS into equity is in 1:1 conversion ratio

Source: Management



## DEFINITIONS

“Amalgamating Undertaking” means all the undertakings and entire business of the Amalgamating Company, as a going concern;

“AMC Business” means the activities carried on by the Demerged Company, both directly and through VAMPL, which comprises of the business of investment manager of or for any mutual funds, unit trusts, venture capital funds, alternative investment funds, investment trust, limited liability partnerships, co-investment portfolio management, or any other portfolio of securities that encompass all activities including but not restricted to commencing from ideation of a scheme, setting up of relevant entity to manage the scheme, related advisory, sourcing and utilisation of the funds through the schemes and realisation/ repatriation/ return of capital;

“Demerged Undertaking 1” shall mean the undertaking, business, activities and operations of the Demerged Company, pertaining to the NBFC Business, as a going concern;

“Demerged Undertaking 2” shall mean the undertaking, business, activities and operations of the Demerged Company, pertaining to the AMC Business, as a going concern;

“NBFC Business” means the business of lending, structured finance, financial asset sales and trading, co-origination of retail/ SME/ enterprise debt products, in accordance with the NBFC Registration and NBFC Factoring License issued to the Demerged Company by the RBI.



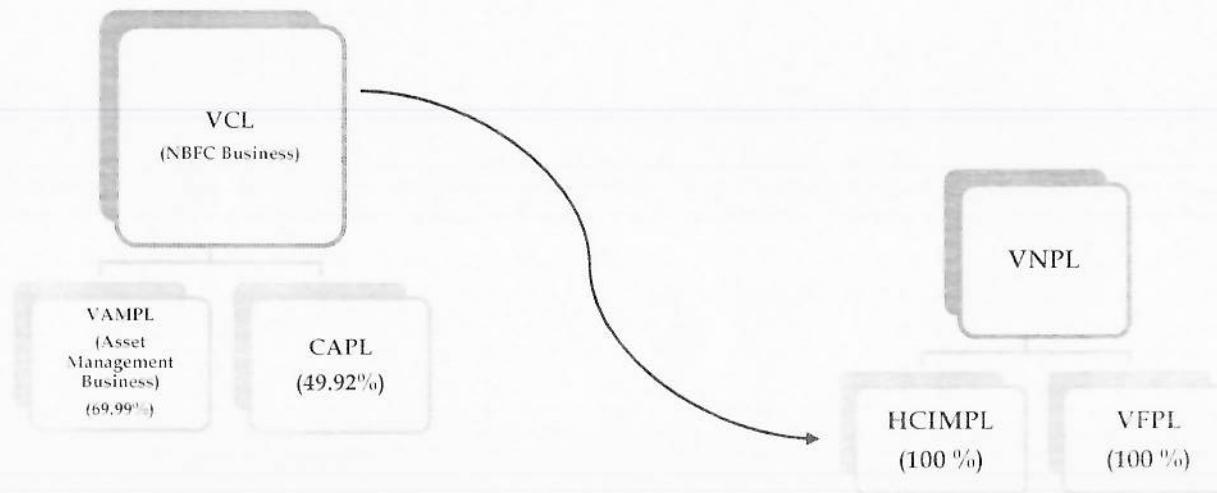
## BRIEF OF TRANSACTION HAPPENING

As per the draft composite scheme of arrangement under section 230-232 of the companies Act 2013 provided to us, below transactions are happening:

- (a) the transfer, by way of a demerger, of the Demerged Undertaking 1 of the Demerged Company to the Resulting Company 1, and consequent issue of Demerger 1 Consideration Shares by VNPL to the shareholders of the Demerged Company (“Demerger 1”);

### Demerger 1

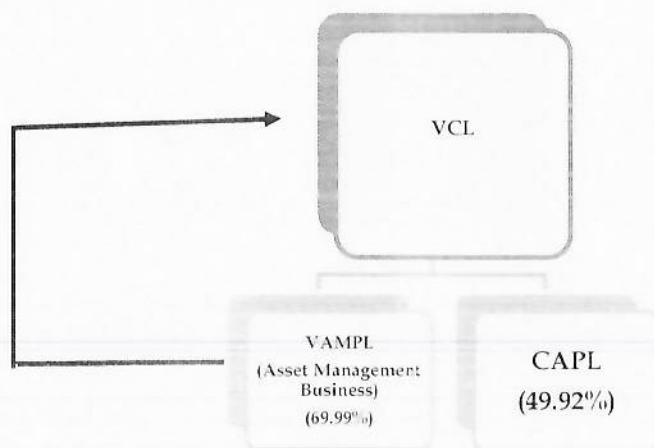
(VNPL will issue shares to the shareholders of VCL in lieu of transfer of NBFC business into HCIMPL)



(b) the amalgamation of the Amalgamating Company with the Amalgamated Company and dissolution of the Amalgamating Company without winding up and the consequent issuance of Amalgamation Consideration Shares by the Amalgamated Company to the shareholders of the Amalgamating Company, other than the Amalgamated Company ("Amalgamation");

Amalgamation

(VCL will issue shares to the shareholders of VAMPL excluding its shareholding in VAMPL)

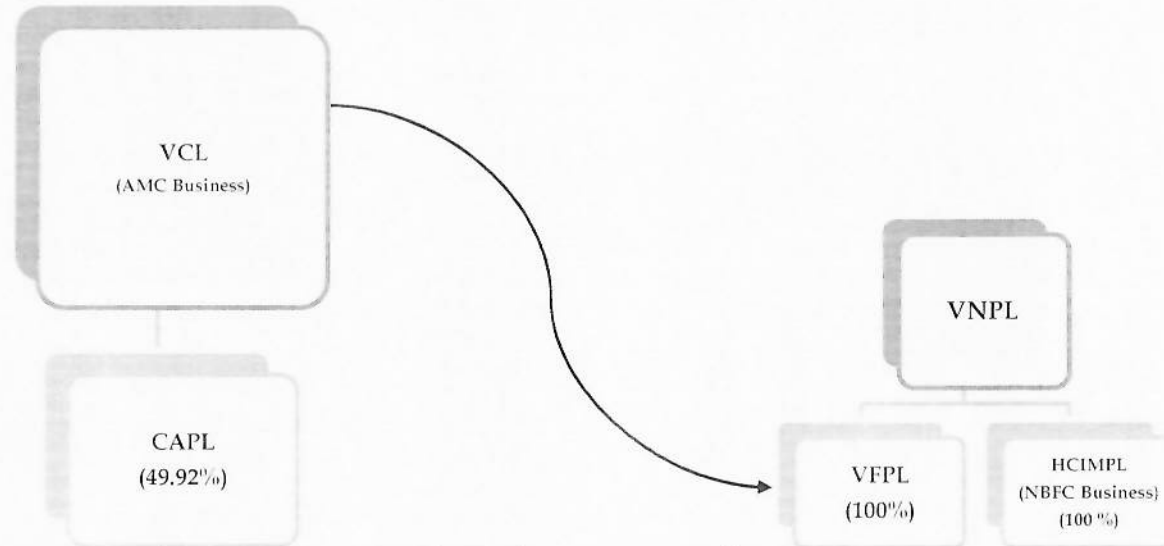


(c) the transfer, by way of a demerger, of the Demerged Undertaking 2 of the Demerged Company to the Resulting Company 2, and consequent issue of Demerger 2 Consideration Shares by VNPL to the shareholders of the Demerged Company ("Demerger 2");



## Demerger 2

(VNPL will issue shares to the shareholders of VCL in lieu of transfer of AMC business into VFPL)



(d) various other matters incidental, consequential or otherwise integrally connected therewith, including the reduction of the share capital of VCL;

### INFORMATION RELIED UPON

We have prepared the Fairness Opinion Report on the basis of the information provided to us and inter-alia the following:

- Draft Composite Scheme of Arrangement
- Audited Financial Statement of VCL for the year ended March 31, 2021 to 2024
- Future Projections of VCL till the year ended March 31, 2028

Fairness Opinion on Valuation report of SPA VALUATION ADVISORS PRIVATE LIMITED,  
By: CapitalSquare Advisors Private Limited





- Audited Financial Statement of VAMPL for the year ended March 31, 2020 to 2024
- Future Projections of VAMPL till the year ended March 31, 2028
- Audited Financial Statement of VNPL for the year ended March 31, 2022 to 2023
- Actual Financial Statement of VNPL for the year ended March 31, 2024
- Future Projections of VNPL till the year ended March 31, 2028
- Actual Financial Statement of VFPL for the year ended March 31, 2024
- Future Projections of VFPL till the year ended March 31, 2028
- Audited Financial Statement of HCIMPL for the year ended March 31, 2024
- Listed Peer Set of VCL /VAMPL
- Shareholding structure of VCL/VAMPL/VNPL/VFPL/HCIMPL
- Terms of VCL ESOP SCHEME 2023
- Term sheet of "TVS Shriram Growth Fund 3" investor in VCL
- Information and explanations given by management of VCL and its representatives
- Information as available on public domain

#### VALUATION APPROACHES USED BY SPA VALUATION ADVISORS PRIVATE LIMITED

For the purposes of valuation, the Registered Valuer (SPA Valuation Advisors Private Limited) has adopted the following valuation approaches:

- Asset approach : Book Value (Adjusted NAV) Method
- Income approach : Discounted Cash flow Method
- Market approach : Comparable Companies Market Multiple Method  
: Market Price Method



As per the Valuation Report issued by SPA VALUATION ADVISORS PRIVATE LIMITED, below is the conclusion made by them:

### Share Swap Ratio for Demerger -1

VCL (NBFC undertaking)	Equity shares	Series A	Series A2	Series B	Series B2	Series C	Series D	Total
Valuation (INR Crores)	1,105.42	1,636.66	644.99	1,032.59	297.00	338.22	94.48	5,149.36
Number of shares on fully diluted basis	2,15,75,735.00	3,19,44,558.00	1,25,88,942.00	2,01,54,225.00	57,96,936.00	66,01,332.00	9,27,830.65	9,95,89,558.65
Value per share (INR) - A	512.34	512.34	512.34	512.34	512.34	512.34	1,018.30	
<u>VNPL</u>								
Valuation (INR Crores)	40.39	40.39	40.39	40.39	40.39	40.39	40.39	
Number of shares on fully diluted basis	1,00,86,667.00	1,00,86,667.00	1,00,86,667.00	1,00,86,667.00	1,00,86,667.00	1,00,86,667.00	1,00,86,667.00	
Value per share (INR) - B	40.05	40.05	40.05	40.05	40.05	40.05	40.05	
Effective entitlement ratio - C=A/B	12.79	12.79	12.79	12.79	12.79	12.79	25.43	
Total shares to be issued on NBFC demerger	27,59,53,650	40,85,70,896	16,10,12,568	25,77,72,537	7,41,42,811	8,44,31,036	2,35,94,733	1,28,54,78,231



Particulars	Approaches	Methods	Total Value (In INR Crores)	Weights	Total Value adjusted weights (In INR Crores)
Valuation of NBFC Undertaking of VCL	Income Approach	Discounted Cash Flow Method	5,786.79	70.00%	4,050.75
	Market Approach	Comparable Companies Market Multiple Method	3,662.03	30.00%	1,098.61
	Assets Approach	Adjusted NAV Method	1,712.33	0.00%	-
Total Fair value of NBFC Business of VCL (In INR Crores) as on 31-03-2024					5,149.36

Particulars	Approaches	Methods	Total Value (In INR Crores)	Weights	Total Value adjusted weights (In INR Crores)
VNPL Valuation	Income Approach	Discounted Cash Flow Method	46.39	50.00%	23.20
	Market Approach	Comparable Companies Market Multiple Method	-	0.00%	-
	Assets Approach	Adjusted NAV Method	34.39	50.00%	17.20
Total Fair value of VNPL (In INR Crores) as on 31-03-2024					40.39

*“On a fully diluted basis, 12.79 shares of face value of INR 1 each fully paid up of VNPL shall be issued to the shareholders of VCL for 1 share of face Value of INR 10 fully paid up held in VCL on a fully diluted basis for all classes of shares except Series D preference shares. For Series D CCPS in VCL, 25.43 shares on a fully diluted basis of face value of INR 1 each fully paid up of VNPL shall be issued for 1 share of face Value of INR 10 fully paid up held in VCL on a fully diluted basis.”*



Further, as per the terms of VCL Series D CCPS, the total number of Equity Shares to be issued upon conversion of corresponding shares issued in VNPL shall be arrived at assuming the entire issuance of Series D Round was undertaken by the Company taking into account the valuation of the core lending business undertaking of the Company and the entire business undertaking of VAM, which shall not exceed INR 53,510,000,000.



## Amalgamation

<u>VAMPL</u>	
Valuation (INR Crores)	552.72
Number of shares on fully diluted basis	3,57,42,977.00
Value per share (INR)	154.64
<u>VCL</u>	
Valuation (INR Crores)	11,234.96
Less: NBFC Demerger	5,149.36
Valuation post demerger (INR Crores)	6,085.60
Number of shares on fully diluted basis	9,86,61,728.00
Value per share (INR)	616.81
Effective entitlement ratio	0.25
Total shares to be issued on VAM merger	26,81,885

*“On a fully diluted basis, 0.25 shares of face value of INR 10 each fully paid up of VCL shall be issued to the shareholders of VAMPL (other than VCL), for 1 share of face Value of INR 10 fully paid up held in VAMPL on a fully diluted basis”*

In amalgamation stage, to arrive at price per share of VCL, entitlement of Series D CCPS has been deducted from Value of VCL and their corresponding shares have been deducted from total number of shares on a fully



diluted basis in VCL as rights of shares to be issued under the swap are different from the rights of Series D CCPS.

Further, entitlement of Series D CCPS in VAM has been deducted from Value of VAM as this value is not attributable to other shareholders of VAM.

Particulars	Approaches	Methods	Equity Value (In INR Crores)	Weights	Equity Value adjusted weights (In INR Crores)
VAMPL	Income Approach	Discounted Cash Flow Method	563.05	100.00%	563.05
	Market Approach	Comparable Companies Market Multiple Method	898.34	0.00%	-
	Assets Approach	Adjusted NAV Method	162.10	0.00%	-
Fair value of VAMPL (In INR Crore) as on 31-03-2024					563.05



## Demerger 2

VAM undertaking	Equity shares	Series A	Series A2	Series B	Series B2	Series C	Series D	Series E	
Valuation (INR Crores)	125.13	174.22	68.66	109.92	31.62	36.00	10.33	7.17	563.05
Number of shares on fully diluted basis	2,29,43,467.00	3,19,44,558.00	1,25,88,942.00	2,01,54,225.00	57,96,936.00	66,01,332.00	9,27,830.65	13,14,152.00	10,22,71,442.65
Value per share (INR)	54.54	54.54	54.54	54.54	54.54	54.54	111.35	54.54	
<u>VNPL</u>									
Valuation (INR Crores)	5,189.76	5,189.76	5,189.76	5,189.76	5,189.76	5,189.76	5,189.76	5,189.76	
Number of shares on fully diluted basis	1,29,55,64,889	1,29,55,64,889	1,29,55,64,889	1,29,55,64,889	1,29,55,64,889	1,29,55,64,889	1,29,55,64,889	1,29,55,64,889	
Value per share (INR)	40.06	40.06	40.06	40.06	40.06	40.06	40.06	40.06	
Effective entitlement ratio	1.36	1.36	1.36	1.36	1.36	1.36	2.78	1.36	
Total shares to be issued on VAM demerger	3,12,03,115	4,34,44,598	1,71,20,961	2,74,09,746	78,83,832	89,77,811	25,79,369	17,87,246	14,04,06,678



## Total Value of VNPL with NBFC Business

Particulars	Amount in INR crores
Value of NBFC business	5,149.36
Value of VNPL	40.39
<b>Total Value of VNPL with NBFC Business (INR Crores)</b>	<b>5,189.8</b>

Particulars	Amount in INR crores
VNPL Existing no. of shares	1,00,86,667.00
Additional shares issued against merger of NBFC business	1,28,54,78,234.58
<b>Total Shares of VNPL with NBFC Business</b>	<b>1,29,55,64,901.58</b>

### FINDINGS OF CAPITAL SQUARE ADVISORS PRIVATE LIMITED

We have gone through the valuation report dated June 24, 2024, of the Registered Valuer, for the purpose of ascertaining the reasonableness of the valuation as done by them. We have taken into consideration the fairness of the various methodologies as considered by the Registered Valuer for the said valuation.

#### *Comment on the Valuation Approaches*

##### *Asset Approach*

The Asset Approach is based on the value of an entity's assets less the value of its liabilities. Net asset value represents the value of the total equity and then may be divided by the number of shares outstanding held by company and, thereby,

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represent the net asset value per share. Keeping in mind the purpose of the report and availability of information we believe this valuation methodology will give a true and fair value per share.

#### *Income Approach*

In present case, Discounted Cash Flow (DCF) method has been used to arrive at a value as per Income Approach Method. The Income Approach involves valuation methods that convert future anticipated economic benefits into a single present value. In the present case the Registered Valuer has used Discounted Cash Flow ("DCF") Method to arrive at the value of shares. The DCF method discounts projected future cash earnings back to present value at a rate that reflects the risk inherent in the projected earnings.

#### *Market Approach*

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The difficulty here in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, profitability and accounting practices.

Whereas no publicly traded company provides an identical match to the operations of a given company, important information can be drawn from the way comparable enterprises are valued by public markets. In the case of an early-stage company and different business model the problem aggravates further.

In the present case, EV/EBIDTA multiple and P/E multiple has been used as market multiple for ascertaining the valuation through market approach.



## Comment on Share Swap Ratio

For ascertaining the valuation of various businesses/companies, the Registered Valuer has used a combination of Income approach, Cost approach and Market approach by assigning appropriate weightage to the valuation arrived at, through various valuation methodologies. We believe that the Registered Valuer has used appropriate valuation methodologies for determining the share-swap ratio and following share-swap ratio are fair:

### Demerger 1

Series in VCL	Number of shares in VCL (fully dilutive basis)	Number of shares in VCL (non-dilutive basis)	Corresponding Series in VNPL	Swap ratio	Number of shares in VNPL (non-dilutive basis)	Conversion ratio	Number of shares in VNPL (fully dilutive basis)
Equity shares (Class A)	2,15,75,735	2,15,75,735	Equity shares	12.79	27,59,53,643	1.00	27,59,53,643
Equity shares (Class B)	0	0	Equity shares	12.79	0	1.00	0
Series A	3,19,44,558	4,21,21,438	Series B CCPS	12.79	53,87,33,192	0.76	40,85,70,896
Series A2	1,25,88,942	1,53,48,035	Series B2 CCPS	12.79	19,63,01,367	0.82	16,10,12,568
Series B	2,01,54,225	2,01,54,225	Series C CCPS	12.79	25,77,72,537	1.00	25,77,72,537
Series B2	57,96,936	57,96,936	Series C2 CCPS	12.79	7,41,42,811	1.00	7,41,42,811
Series C	66,01,332	66,01,332	Series D CCPS	12.79	8,44,31,034	1.00	8,44,31,034
Series D	9,27,831	9,18,274	Series E CCPS	12.79	1,17,44,724	2.01	2,35,94,733
<b>Total</b>	<b>9,95,89,559</b>	<b>11,25,15,975</b>			<b>1,43,90,79,308</b>		<b>1,28,54,78,222</b>

\* The difference in total shares to be issued on NBFC demerger on a fully dilutive basis is due to rounding down the shares



### Amalgamation :

Class of Shares in VAM	Number of shares in VAM (fully dilutive basis)	Number of shares in VAM (non-dilutive basis)	Instrument to be issued at VCL	Swap ratio	Number of shares in VCL (non-dilutive basis)	Conversion ratio	Number of shares in VCL (fully dilutive basis)*
Equity Shares	2,58,13,472	2,58,13,472	Equity shares (Class A)	0.25	13,67,732	1.00	13,67,732
Series A CCPS	99,29,505	99,29,505	Series E CCPS	0.25	13,14,152	1.00	13,14,152
<b>TOTAL</b>	<b>3,57,42,977</b>	<b>3,57,42,977</b>			<b>26,81,884</b>		<b>26,81,884</b>

\* The difference in total shares to be issued on VAMPL merger on a fully dilutive basis is due to rounding down the shares

### Demerger 2 -

Series in VCL	Number of shares in VCL (fully dilutive basis)	Number of shares in VCL (non-dilutive basis)	Corresponding Series in VNPL	Swap ratio	Number of shares in VNPL (non-dilutive basis)	Conversion ratio	Number of shares in VNPL (fully dilutive basis)
Equity shares (Class A)	2,29,43,467	2,29,43,467	Equity shares	1.36	3,12,03,109	1.00	3,12,03,109
Equity shares (Class B)	0	0	Equity shares	1.38	0	1.00	0
Series A	3,19,44,558	4,21,21,438	Series B CCPS	1.36	5,72,85,155	0.76	4,34,44,598
Series A2	1,25,88,942	1,53,48,035	Series B2 CCPS	1.36	2,08,73,327	0.82	1,71,20,961
Series B	2,01,54,225	2,01,54,225	Series C CCPS	1.36	2,74,09,745	1.00	2,74,09,745
Series B2	57,96,936	57,96,936	Series C2 CCPS	1.36	78,83,832	1.00	78,83,832

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Series C	66,01,332	66,01,332	Series D CCPS	1.36	89,77,810	1.00	89,77,810
Series D	9,27,830	9,18,274	Series E2 CCPS	1.36	12,48,852	2.07	25,79,369
Series E	13,14,152	13,14,152	Series F CCPS	1.36	17,87,246	1.00	17,87,246
<b>Total</b>	<b>10,22,71,442</b>	<b>11,51,97,859</b>			<b>15,66,69,076</b>		<b>14,04,06,670</b>

\* The difference in total shares to be issued on AMC demerger on a fully dilutive basis is due to rounding down the shares

## CONCLUSION

### Approach for Recommendation of NCD/MLD Exchange Ratio

As per the clause 25.3, 66.11 and 101.10 of the draft scheme shared with us,

*Clause 25.3:* "the holders of VCL NCDs whose names are recorded in the relevant registers of the Demerged Company on the Appointed Date, if any, or their legal heirs, executors or administrators or (in case of a corporate entity) its successors, shall continue holding the same number of NCDs in the Resulting Company 1 as held by such NCD holder in the Demerged Company and on the same terms and conditions"

*Clause 66.11:* "the holders of VAMPL NCDs whose names are recorded in the relevant registers of the Amalgamating Company on the Appointed Date, if any, or their legal heirs, executors or administrators or (in case of a corporate entity) its successors, shall continue holding the same number of NCDs in the Amalgamated Company as held by such NCD holder respectively in the Amalgamating Company and on the same terms and conditions"



*Clause 101.10: "Pursuant to Clause 101.8, the holders of VAMPL NCDs whose names are recorded in the relevant registers of the Demerged Company on the Appointed Date, if any, or their legal heirs, executors or administrators or (in case of a corporate entity) its successors, shall continue holding the same number of NCDs in the Resulting Company 2 as held by such NCD holder respectively in the Demerged Company and on the same terms and conditions."*

Basis of above provisions of the scheme, as the holders of NCDs/MLDs of VCL, VAMPL and VCL (Post Amalgamation) will get the same no of NCDs/MLDs in HCIMPL, VCL and VFPL post demerger 1, amalgamation and demerger 2 respectively basis of same terms & conditions, we compute the below swap for the same:

*"For every 1 (one) NCD/MLD as held in VCL by the holder(s), 1 (one) NCD/MLD of HCIMPL (Demerger 1) of equivalent face value and paid up value, coupon rate, tenure, redemption price and quantum and nature of security will be offered"*

*"For every 1 (one) NCD/MLD as held in VAM by the holder(s), 1 (one) NCD/MLD of VCL (Amalgamation) of equivalent face value and paid up value, coupon rate, tenure, redemption price and quantum and nature of security will be offered"*

*"For every 1 (one) NCD/MLD as held in VCL by the holder(s), 1 (one) NCD/MLD of VFPL (Demerger 2) of equivalent face value and paid up value, coupon rate, tenure, redemption price and quantum and nature of security will be offered"*



## EXCLUSIONS AND LIMITATIONS

For the purpose of our opinion we have relied upon the information provided to us and have not carried out any audit/ due diligence/ any independent verification of such information.

## DISCLAIMER

Our scope of work did not include the following: -

Carrying out a market survey/financial feasibility, Financial and Legal due diligence of VCL, HCIMPL, VNPL, VAMPL and VFPL.

We hereby declare that we have no direct or indirect interest in VCL, HCIMPL, VNPL, VAMPL and VFPL / assets valued. Our work did not constitute an audit in accordance with Generally Accepted Auditing Standards, an examination of internal controls or other attestation or review services. Accordingly, we do not express any opinion on the information presented.

It may be noted that this Fairness Opinion is expressed solely with reference to requirements under Regulation 59A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the SEBI circular(s)/notification(s)/guideline(s) and the purpose and scope of this assignment is restricted to opine about fairness of valuation already done by the Registered Valuer.

The management of VCL, HCIMPL, VNPL, VAMPL and VFPL or their related parties are prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this opinion available to any party other than those required by statute for carrying out the limited purpose of this opinion including making relevant disclosures to the Stock Exchange,



SEBI, NCLT and other statutory, judicial and regulatory authorities, disclosing on the website of the Transferor Company and Transferee Company and further may also be made part of the notice/explanatory statement to be circulated to the shareholders and/or creditors of the Transferor Company and Transferee Company and in accordance with the applicable law. This opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified in this opinion, under any Indian or Foreign Law, Statute, Act, Guidelines or similar instructions. We would not be responsible for any litigation or other actual or threatened claims.

We have been engaged by the respective companies to issue a Fairness Opinion and will receive a fixed fee for rendering this Fairness Opinion, which is independent of the happening or otherwise of the proposed activities.

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

#### CONCLUSION

On the basis of the Draft Composite Scheme of Arrangements and Valuation report issued by SPA VALUATION ADVISORS PRIVATE LIMITED, and subject to the contents of this document, our work as described herein, to the best of our knowledge and belief, we are of the opinion that, as of the date hereof, the Share Exchange Ratio, as recommended by the Registered Valuer, is fair in relation to the proposed Composite Scheme of Arrangements.

For CapitalSquare Advisors Private Limited

  
Authorized Signatory



Date: June 26, 2024