

Submitted to

TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

FAIRNESS OPINION

On valuation report provided by

P. K. Jaiswal & Co.
(Chartered Accountants)

On

Draft Scheme of Amalgamation of

TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED
(TRANSFEROR COMPANY)

With

SIMRAN WIND PROJECT LIMITED
(TRANSFERRE COMPANY)

BY

M/s SPA CAPITAL ADVISORS LTD.

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"Everything we hear is an opinion, not a fact. Everything we see is a perspective, not the truth."

June 27, 2017

**Fairness Opinion on Valuation report of P.K. Jaiswal & Co. (Chartered Accountants),
By: SPA Capital Advisors Limited**

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To,
The Board of Directors,
Techno Electric & Engineering Co. Ltd.
1B, South Block (1st Floor), Park Plaza,
71, Park Street, Kolkata - 700016

RE: Fairness Opinion on Valuation Report provided by P.K. Jaiswal & Co. (Chartered Accountants) for the purpose of scheme of amalgamation of Techno Electric & Engineering Company Limited (Techno) with Simran Wind Project Limited (Simarn).

PURPOSE

We have been engaged to give fairness opinion on the report provided by P. K. Jaiswal & Co. (Chartered Accountants) for the purpose of proposed amalgamation of Techno, having its registered office at C-218 Ground Floor (GR-1), Sector-63, Noida, Gautam Buddha Nagar, Uttar Pradesh, India, 201307 (i.e. the "Transferee Company") with Simran, having its registered office at C-218 Ground Floor (GR-2), Sector-63, Noida, Gautam Buddha Nagar, Uttar Pradesh, India, 201307, Section 232 of the Companies Act, 2013.

The fairness opinion report is required to be submitted to the stock exchanges to facilitate the Companies with Regulation 11, Regulation 37 & Regulation 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.



BACKGROUND

Simran Wind Project Limited (Transferee Company):

Simran Wind Project Limited ("Simran"), a Company incorporated under the provisions of the Companies Act, 1956 and a Company under the Companies Act 2013 and having its registered office at C-218 Ground Floor (GR-2), Sector-63, Noida, Gautam Buddha Nagar, Uttar Pradesh, India, 201307.

Simran is engaged in the business of acquiring and commissioning wind turbine generators (wind mills) in the states of Tamilnadu and Karnataka and selling the same to the respective state electricity boards. At present Simran has a total of 79 wind mills with an aggregate rated power generating capacity of 129.90 MW. In view, inter alia, of the potential existing in such business of Simran and as part of an overall strategy for diversification, growth and development in the power sector, Techno acquired controlling stake in Simran. At present, Techno and its nominees holds 89,10,56,331 Equity Shares in Simran constituting 100% of the total Issued Equity Share Capital of the Simran.

Share capital:

Authorised Share Capital:	(Rs.)
97,50,00,000 Equity Shares of Rs.2/- each	195,00,00,000
2,50,00,000 Preference Shares of Rs.10/- each	25,00,00,000

	220,00,00,000

Issued, Subscribed and Paid up Share Capital:

89,10,56,331 Equity Shares of Rs.2/- each fully paid up	178,21,12,662
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Note: Entire shareholding of Simarn is held by Techno.

Techno Electric & Engineering Co. Ltd. (Transferor Company):

Techno Electric & Engineering Company Limited ("Techno"), a Company incorporated under the provisions of the Companies Act, 1956 and a Company under the Companies Act, 2013 and having its registered office at C-218, Ground Floor (GR-1), Sector-63, Noida, Gautam Buddha Nagar, Uttar Pradesh, India, 201307.

Techno is a well established engineering, procurement and construction (EPC) contracting company with its focus primarily on the Indian power sector, It provides engineering, procurement and construction services for fuel oil storage and handling systems, comprehensive piping systems including power cycle piping, process plant installation, fire protection systems, EHV switchyards, EHV sub stations, power plant cabling system, plant electrical distribution system including plant earthing systems and lightning protection system and plant illumination systems and such like, Techno also possess specific domain knowledge that enables it to serve the steel, fertilizer, metals and petrochemicals sectors along with specialized jobs in diversified manufacturing, Techno is listed on the National Stock Exchange of India limited(NSE), and the BSE Limited (BSE).

Share capital:

Authorized Share Capital:	(Rs.)
42, 49, 00,000 Equity Shares of Rs.2/- each	84, 98, 00,000
5, 50, 20,000 Preference Shares of Rs.10/- each	55, 02, 00,000

	140, 00, 00,000

Issued, Subscribed and Paid up Share Capital:	
11, 26, 82,400 Equity Shares of Rs.2/- each fully paid up	22, 53, 64,800

Fairness Opinion on Valuation report of P.K. Jaiswal & Co. (Chartered Accountants),
 By: SPA Capital Advisors Limited



TRANSACTION

We understand that this transaction involves amalgamation of Techno into Simran under the Scheme of Amalgamation pursuant to Sections 232 of the Companies Act, 2013.

PURPOSE OF FAIRNESS OPINION REPORT

This said fairness opinion has been issued pursuant to the requirement of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the companies going through any arrangement/ amalgamation/ merger/ reconstruction/ reduction of capital, etc. are required to obtain a "fairness opinion" from an Independent Merchant Banker relating to the valuation of assets/ shares done by the Valuer.

INFORMATION RELIED UPON

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

- Audited Annual Financial Statements of Techno for the financial year 2015-16 and 2016-17.
- Audited Annual Financial Statements of Simran for the financial year 2015-16 and 2016-17.
- Valuation Report issued by P. K. Jaiswal & Co., Chartered Accountants;
- Draft Scheme of Amalgamation; and
- Other information as provided by the management of Techno.



VALUATION APPROACHES USED BY P. K. Jaiswal & Co.

As mentioned by P.K. Jaiswal and Co. (Chartered Accountant) in their valuation report and as informed to them:

The whole of the paid-up Equity Share Capital of Simran (which is a wholly owned subsidiary of Techno) shall stand cancelled by Rs. 178,21,12,662 comprising 89,10,56,331 Equity Shares of Rs.2/- each, since all these shares of Simran are held by Techno as the holding company.

Similarly, all the shareholders of Techno will become the shareholders of Simran in the same proportion in which they hold shares (on the record date) in Techno and accordingly the issued, subscribed and paid up capital of Simran shall then be Rs.22,53,64,800 on such allotment being made.

Finally and most importantly it may be noted that; this is a merger of a listed company into its wholly-owned subsidiary and all the shareholders of Techno will become the shareholders of Simran in the same proportion in which they hold shares (on the record date) in Techno as also the capital of Simran shall stand cancelled as Simran is currently a wholly-owned subsidiary of Techno, hence the question or the aspect of adjusting the equities between the companies and their shareholders (which primarily is the root of fixing such ratio of allotment) is not relevant in this case.

On the basis of the information, P.K. Jaiswal & Co. considered the fair exchange ratio, if assets and liabilities pertaining to or in relation to the Techno are to be transferred at their respective values as appearing in the books of Techno with effect from 01/04/2017, as follows:

"For every 1 (One) Equity share of Rs. 2/- fully paid-up held in Techno, 1 (One) Equity share of Rs.2/- fully paid- up in Simran to be issued to the shareholders of Techno".

CONCLUSION

Pursuant to the Scheme of Amalgamation and Valuation Report provided by P. K. Jaiswal & Co. (Chartered Accountants);

The share exchange ratio for the purposes of Scheme of Amalgamation would be as under:

"For every 1 (One) Equity share of Rs. 2/- fully paid-up held in Techno, 1 (One) Equity share of Rs.2/- fully paid- up in Simran to be issued to the shareholders of Techno"

On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the swap ratio determined is fair and reasonable.



Disclaimer: The Final Report has been prepared for the internal and exclusive use of the Board of Directors of Techno (the "Board of Directors") in support of the decisions to be taken by them. Therefore, the Final Report may not be disclosed, in whole or in part, to any third party or used for any purpose whatsoever other than those indicated in the Engagement and in the Final Report itself, provided that the Final Report may be transmitted to the experts appointed in compliance with the law and its content may be disclosed publicly where required by regulations of the Indian authorities. Any other use, in whole or in part, of the Final Report will have to be previously agreed and authorized in writing by SPA Capital Advisors Limited (SPA). In preparing the Final Report, SPA has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by Techno. SPA has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. Publicly available information deemed relevant for the purpose of the analyses contained in the Final Report has also been used. Therefore the Final Report is based on: (i) our interpretation of the information which Techno, as well as their representatives and advisers, have supplied to us to date; (ii) our understanding of the terms upon which Techno intends to consummate the Transaction (iii) the assumption that the Transaction will be consummated in accordance with the expected terms and within the expected time periods. The Final Report and the Opinion concern exclusively for the purpose of proposed amalgamation and do not constitute an opinion by SPA as to the absolute value of the shares of Techno.

For SPA Capital Advisors Limited



(Sourabh Garg)
Vice President



(Khushboo Tanwar)
Manager

