# VC CORPORATE ADVISORS PVT LTD.

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***PRIVATE & CONFIDENTIAL***

14th February, 2017

**The Board of Directors**
**SHRISTI INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED**
Plot No.X-1, 2 & 3, Block EP,
Sector V, Salt Lake City,
Kolkata 700 091

Dear Sir,

***Sub: Proposed scheme of demerger of Hospitality Division of Shristi Infrastructure Development Corporation Limited (hereinafter referred to as 'Demerged Undertaking' or 'SIDCL') into Vipani Hotels & Resorts Private Limited (hereinafter referred to as 'Resulting Company' or 'VHRPL') pursuant to a scheme of arrangement with effect from 01 January, 2017 ("Appointed Date").***

***Re: Fairness Opinion***

***PURPOSE:***

This has reference to our engagement for providing Fairness Opinion on the recommendation of equity shares entitlement ratio as provided by M/s. M Kumar Jain & Co. Chartered Accountants, Kolkata (herein after referred to as '**Valuer**') for the proposed demerger of Hospitality Division of Shristi Infrastructure Development Corporation Limited into Vipani Hotels & Resorts Private Limited pursuant to a scheme of arrangement with effect from 01 January, 2017 ('**Appointed Date**') under section 230 and section 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications(s) thereof).

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The equity share entitlement ratio for this opinion refers to number of equity shares of face value of Rs. 10/- of VHRPL which would be issued to the shareholders of SIDCL in addition to their equity shareholding in SIDCL.

The information contained herein and our report is confidential. It is intended only for the sole use of captioned purpose including for the purpose of obtaining requisite approvals as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**BACKGROUND AND SCOPE OF THIS REPORT:**

"**SIDCL**" is a Company incorporated under the Companies Act 1956 and being a Company within the meaning of the Companies Act 2013, having its registered office at Plot No.X-1,2 &3, Block EP, Sector V, Salt Lake City, Kolkata 700091 in the State of West Bengal. SIDCL is listed with BSE Limited and Calcutta Stock Exchange. SIDCL is a well established infrastructure development and construction company, having interests primarily in the business of construction on contract basis for other parties and providing allied services, including consultancy; housing and real estate, including hospitality.

"**VHRPL**" is a Company incorporated under the Companies Act 1956 and being a Company within the meaning of the Companies Act 2013, having its registered office at D-2, 5thFloor, Saket Place, Saket, New Delhi -110017. The Company has applied to the Regional Director for change of registered office to Plot No. X-l,2 & 3, Block EP, Sector V, Salt Lake City, Kolkata 700091 in the state of West Bengal. VHRPL is engaged and is having interests in hospitality business. VHRPL is a wholly owned (100%) subsidiary of SIDCL.

**CAPITAL STRUCTURE**

The Authorised, Issued, Subscribed and Paid-up Share Capital of SIDCL and VHRPL are as under:

| Company | Authorised Share Capital | Issued, Subscribed and Paid up Share Capital |
|---|---|---|
| **VHRPL** | Rs.50,00,000/- divided into 5,00,000 Equity Shares of Rs.10/- each | Rs. 49,60,000 divided into 4,96,000 Equity Shares of Rs. 10/- each fully paid up. |
| **SIDCL** | Rs. 30,50,00,000/- divided into 3,05,00,000 Equity Shares of Rs.10 each | Rs.22,20,00,000/- divided into 2,22,00,000 Equity Shares of Rs.10 each fully paid up |

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We have been further informed that pursuant to the proposed Demerger there will be no change in the shareholding pattern of SIDCL and the existing shares of VHRPL will be cancelled and every shareholder of SIDCL shall be holding shares in VHRPL in the same proportion as held in SIDCL before the demerger.

**SOURCES OF INFORMATION:-**

For the purposes of fairness opinion, we have relied upon the following sources of information –

a. Memorandum and Articles of Association of SIDCL and VHRPL,

b. Annual report for last 3 years ended March, 2016 of SIDCL and VHRPL,

c. Unaudited financial statement for 9 months ended 31st December, 2016 of VHRPL and Demerged undertaking and Remaining Business of SIDCL,

d. Draft Scheme of Arrangement,

e. Equity Share Entitlement Ratio Report dated 14th February 2017 issued by M/s. M Kumar Jain & Co. Chartered Accountants, Kolkata ('**Valuer**') and related workings.

f. Financial projections for the period from 2017-18 to 2025-26 of the demerged undertaking of SIDCL and financial projections for the period from 2017-18 to 2029-30 of VHRPL.

g. Discussion with and other relevant information as provided by the representatives of SIDCL in oral form or soft copy,

h. Such other information and explanations that have been provided to us by the management of SIDCL.

**EXCLUSIONS AND LIMITATIONS:-**

Our conclusion is based on the information furnished to us being, complete and accurate in all material aspects. We have relied upon the financials and the information and representations furnished to us and have not carried out any audit of such information.

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We have not carried on any independent valuation or appraisal of any of the assets or liabilities of the companies.

Our work does not constitute verification of financials or including the working results of the companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.

We assume no responsibility for updating or revising our opinion on the circumstances or events after the date hereof.

Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

**CONCLUSION: -**

We have reviewed the methodology used by the Valuer for arriving at the share entitlement ratio for the demerger of Hospitality Division of SIDCL into VHRPL and also reviewed the working and underlying assumptions adopted to arrive at the values, for the purpose of recommending the share entitlement ratio as per the Report submitted by the Valuer.

"We have accordingly formed an opinion that the exchange ratio as recommended by the Valuer i.e., 5 (Five) Equity Shares of the face value of Rs. 10/- each of VHRPL for every 1 (One) equity shares of Rs. 10/- each of SIDCL is fair and reasonable to the equity shareholders of SIDCL."

Yours Faithfully,

For **VC CORPORATE ADVISORS PRIVATE LIMITED**

Anup Kumar Sharma..

**ANUP KUMAR SHARMA**

**(VICE PRESIDENT)**

**SEBI REGN No. INM000011096**

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