

PROPOSED MERGER

OF

TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED
(CIN: L40108UP2005PLC094304)

INTO

SIMRAN WIND PROJECT LIMITED
(CIN : U40108UP2005PLC094368)

**VALUATION REPORT FOR A FAIR AND EQUITABLE
RATIO OF ALLOTMENT**

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June 23, 2017

For Techno Electric & Engineering Co. Ltd.


(Niranjan Brahma)
Company Secretary (A-11652)



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For Techno Electric & Engineering Co. Ltd.

(Niranjana Brahma)
Company Secretary (A-11652)

1. INTRODUCTION

Terms of Engagement

There is a proposal before the Boards of Directors of Techno Electric & Engineering Company Limited (“**Techno**”) and Simran Wind Project Limited (“**Simran**”) (collectively referred to as Companies) to consider the merger of **Techno** into **Simran** with the Appointed date for such merger being 01/04/2017. We have been informed by the representatives of the Companies that such merger will be effected in a manner whereby **Simran** would be the Amalgamated Company and **Techno** would be the Amalgamating Company.

We have been approached by **Simran** and **Techno** to carry out a relative valuation of the shares of the Companies and to recommend a fair and equitable ratio of allotment, that is to say, the number of shares to be allotted by **Simran** to the shareholders of **Techno** on the merger of **Techno** from the Appointed Date i.e. 01.04.2017, pursuant to a proposed Scheme of Amalgamation under Section 232 of the Companies Act, 2013 (“the Scheme”), as per draft scheme made available to us.

This report (“Report”) sets out the findings of our exercise. The valuation of the businesses of the Companies as on 01.04.2017 has been carried out by us as at 23.06.2017 (“Valuation Date”) on a “going concern” basis.

Brief Background

Techno

Techno, a Company incorporated under the Companies Act, 1956 and a Company under the Companies Act, 2013, is a leading provider of high quality engineering, procurement and commissioning services to India’s core sector industries on turnkey basis mainly to Power, Metallurgical and Petrochemicals both in public and private domain. In the Power sector, **Techno** provides its services in all the three segments i.e. Generation, Transmission and Distribution. **Techno** is listed on the BSE Limited and National Stock Exchange of India Limited.

For Techno Electric & Engineering Co. Ltd.


(Nirānjan Brahma)
Company Secretary (A-11652)



The authorised, issued, subscribed and paid up share capital of **Techno** as on 01.04.2017 is as follows:

Particulars	Amount in Rs.
A. Authorised	
42,49,00,000 Equity Shares of Rs. 2/- each	84,98,00,000
5,50,20,000 Preference Shares of Rs. 10/- each	<u>55,02,00,000</u>
	<u>140,00,00,000</u>
B. Issued, Subscribed & Paid Up	
11,41,82,400 Equity Shares of Rs. 2/- each all fully paid up	<u>22,83,64,800</u>

However, the issued, subscribed and paid up equity capital of Techno was reduced to Rs. 22,53,64,800 comprising of 11,26,82,400 equity shares of Rs. 2 each consequent upon Buyback of 15,00,000 equity shares on 12.04.2017.

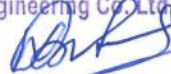
The authorised, issued, subscribed and paid up share capital of **Techno** as on 12.04.2017 is as follows:

Particulars	Amount in Rs.
A. Authorised	
42,49,00,000 Equity Shares of Rs. 2/- each	84,98,00,000
5,50,20,000 Preference Shares of Rs. 10/- each	<u>55,02,00,000</u>
	<u>140,00,00,000</u>
B. Issued, Subscribed & Paid Up	
11,26,82,400 Equity Shares of Rs. 2/- each all fully paid up	<u>22,53,64,800</u>

Simran

Simran, a company incorporated under the Companies Act, 1956 and a company under the Companies Act, 2013, is in the business of generating power through renewable energy sources (Wind Mills) in the states of Tamilnadu and Karnataka and selling the same to the respective state electricity boards.

For Techno Electric & Engineering Co. Ltd.



(Niranjan Brahma)
Company Secretary (A-11652)



The authorised, issued and paid up capital of **Simran** as on 01.04.2017 was as follows

Particulars	Amount in Rs.
A. Authorised	
97,50,00,000 Equity Shares of Rs. 2/- each	195,00,00,000
2,50,00,000 1% Redeemable Preference Shares of Rs. 10/- each	25,00,00,000
	<u>220,00,00,000</u>
B. Issued, Subscribed & Paid Up	
89,10,56,331 Equity Shares of Rs. 2/- each all fully paid up	<u>178,21,12,662</u>

2. DATA OBTAINED

We have called for and obtained such data, information, etc. as were deemed necessary for the purpose of our assignment, which have been made available to us by the Management of the Companies.

For the purpose of our assignment, we have relied on the statements, information and explanations provided to us and have not tried to establish the accuracy or otherwise thereof.

3. CONSIDERATION OF FACTORS

For the purpose of arriving at a fair exchange ratio, we have examined, considered and placed reliance on various details, data, documents, accounts, statements furnished to us and explanations and information given to us and have proceeded to find out the ratio of allotment on a consideration of the following factors :

The assets and liabilities identified as pertaining to or in relation to the **Techno**, are to be transferred to **Simran** at values appearing in the books of **Techno** as on the Appointed Date, pursuant to the Scheme of Amalgamation between **Techno** and **Simran**.

The value of Net Assets of **Techno** as on Appointed date based on the book value of the assets and liabilities, identified for being transferred to **Simran**, works out to Rs. 851.94 crores.

We have been informed that the whole of the paid-up Equity Share Capital of **Simran** 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, as stated hereinabove, 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.

4. EXCHANGE RATIO

On the basis of the above data and the factors considered relevant by us, we consider 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, to be as follows:

Computation of Fair Share Exchange Ratio:

Valuation Approach	Techno Electric & Engg. Co. Ltd.		Simran Wind Project Ltd.	
	Value per Share	Weight	Value per Share	Weight
Asset Approach	N.A	N.A	N.A	N.A
Income Approach	N.A	N.A	N.A	N.A
Market Approach	N.A	N.A	N.A	N.A
Relative Value per Share	N.A		N.A	
Exchange Ratio			N.A	

"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".

Method prescribed for calculation of Exchange ratio vide circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 is not applicable since there is no change in share holding pattern of the listed company.

For Techno Electric & Engineering Co. Ltd.

(Niranjan Brahma)
Company Secretary (A-11652)



5. LIMITATIONS AND DISCLAIMER

Our valuation is based on the information and the “Draft Scheme of Amalgamation” furnished to us being complete and accurate in all material respects.

Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have, therefore, not performed any audit, review or examinations of any of the historical or prospective information used and therefore, do not express any opinion with regards to the same.

Our report is meant for the purpose mentioned in Para 1 and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

We have relied upon written representations from the Management of the Companies that the information contained in this report is materially accurate and complete, fair in the manner of its portrayal and therefore forms a reliable basis for the valuation.

Our valuation is based on the market conditions and the regulatory environment that currently exists. However, changes to the same in the future could impact the properties and the industry they operate in, which may impact our valuation.

We have no obligation to update this report because of events or transactions occurring subsequent to the date of this report.

We are thankful to the Management of the Companies for furnishing data, information, etc. - often at a very short notice - without which our completing the present assignment would not have been possible.

Place: Kolkata

Date: 23.06.2017



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CA. P K Jaiswal
Partner
Membership No. 065000