



HORIZON MANAGEMENT PRIVATE LIMITED

Private & Confidential

Date: 8th February 2023

To,
**The Board of Directors / Audit Committee /
Committee of Independent Directors
Ram Ratna Wires Limited**
Ram Ratna House,
Oasis Complex,
P.B. Marg, Worli,
Mumbai – 400013

To,
**The Board of Directors,
Global Copper Private Limited**
Survey No. 65/66, Village Garadiya,
Jarod - Samlaya Road, Taluka Savli,
Vadodara – 391520

Dear Sir / Madam,

**Subject: Fairness Opinion on Fair Equity Share Exchange Ratio for the proposed merger of
Global Copper Private Limited into Ram Ratna Wires Limited**

1.0 We refer to the engagement letter dated 15th December 2022, wherein Ram Ratna Wires Ltd. and Global Copper Private Limited appointed Horizon Management Private Limited (“HMPL” or “we” or “us”) to provide fairness opinion on the Fair Equity Share Exchange Ratio recommended by Mr. S. Sundararaman, Registered Valuer (IBBI Registration No.: IBBI/RV/06/2018/10238 (“Registered Valuer”) and Desai Haribhakti & Co. as additional valuer (“Additional Valuer”) for the proposed merger of Global Copper (P) Ltd. (“GCPL”) into Ram Ratna Wires Ltd. (“RRWL”). The Registered Valuer and Additional Valuer are together referred to as “Valuers” herein. RRWL and GCPL are together referred to as “Companies” herein.

2.0 Brief Background

2.1 RRWL

RRWL is a public limited company, incorporated on 21st July 1992 and having its registered office at Ram Ratna House, Oasis Complex, P. B. Marg, Worli, Mumbai, Maharashtra - 400013. RRWL is primarily engaged in the business of manufacturing winding wires, mainly enamelled copper wires. The equity shares of RRWL are listed on BSE Limited (“BSE”) and on National Stock Exchange of India Limited (“NSE”).

RRWL had reported consolidated total revenue and profit after tax of INR 22,886 Mn and INR 542 Mn respectively, for FY 21-22. As at 31st December 2022, the paid up equity share capital of RRWL was INR 220 Mn consisting of 4,40,00,000 equity shares of face value of INR 5/- each fully paid up.



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2.2 GCPL

GCPL is a private limited company, incorporated on 28th July, 2010 and having its registered office of the Company is located at Survey No. 65/66, Jarod Samlaya Road, Village Garadiya, Savli, Gujarat – 391780. It is primarily engaged in the business of trading and manufacturing of copper tubes & pipes. The product portfolio of the company includes the Level wound coil copper tubes and coils, Pancake copper tubes and straight copper tubes.

GCPL had reported total revenue and profit after tax of INR 2,813 Mn and INR 63 Mn respectively, for FY 21-22. As at 31st December 2022, the paid up equity share capital of GCPL was INR 10.77 Mn consisting of 10,76,890 equity shares of face value of INR 10/- each fully paid up. RRWL holds 60% equity stake in GCPL as of 31st December 2022.

3.0 Scope & Purpose

We understand that the proposal of merger of GCPL into RRWL on a going concern basis with effect from 1st April, 2023 (“**Appointed Date**”) is being evaluated, pursuant to a Scheme of Amalgamation under Section 230 – 232 and other applicable provisions of Companies Act, 2013 (“**Proposed Merger**”).

For the purpose of the Proposed Merger, the Companies have appointed the Valuers to recommend the fair equity share exchange ratio to be placed before the Board of Directors, Audit Committee and Committee of Independent Directors of the respective Companies.

In this connection, pursuant to the requirements of SEBI Master Circular (SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665) dated November 23, 2021 (as amended from time to time) (“**SEBI Circular**”), RRWL has engaged HMPL to provide fairness opinion on the Equity Share Exchange Ratio proposed by the Valuers for the Proposed Merger.

The fairness opinion report (“**Fairness Opinion**” or “**Report**”) is our deliverable in respect of the above engagement.

Our scope of work includes commenting only on the fairness of the Equity Share Exchange Ratio recommended by the Valuers from financial point of view and not on fairness or economic rationale of the Proposed Merger per se. This Report does not address any other aspects or implications related to the Proposed Merger or any other transactions and also does not address the relative merits of the merger as compared to alternative transactions or strategies that might be available.

This Report is to be read in conjunction with the scope and purpose of the Report, assumptions, exclusions, limitations, and the disclaimers, as have been detailed hereinafter.

This Report may be used for the purpose of complying with the requirements of SEBI Circular, for placing before Board of Directors, Audit Committee and Committee of Independent





Directors of the respective Companies and for submission to regulatory and statutory authorities in connection with the Proposed Merger and for the internal evaluation and assessment of GCPL. The report shall not be used for any other purpose.

4.0 Sources of Information

In connection with this exercise, we have considered the following information:

- Draft Scheme of Amalgamation under Section 230-232 and other applicable provisions of the Companies Act, 2013, with regard to the Proposed Merger;
- Valuation Report dated 8th February 2023 for the Proposed Merger issued by the Registered Valuer;
- Valuation Report dated 8th February 2023 for the Proposed Merger issued by the Additional Valuer;
- Shareholding Pattern of RRWL and GCPL as on December 31, 2022;
- Annual reports of RRWL for the year ended March 31, 2022 and earlier periods;
- Audited financial statements of GCPL for the year ended March 31, 2022 and earlier periods;
- Provisional financial statements of RRWL for 9 months ended 31st December 2022;
- Audited financial statements of GCPL for 9 months ended 31st December 2022;
- Such other information, documents, data, reports, discussions and verbal & written explanations from the Management in connection with the operations of the respective Companies / subsidiaries, past and present activities, future plans and prospects, details of the Investments, share capital and shareholding pattern of RRWL and GCPL and information available from public domain;
- Other relevant information and documents for the purpose of this engagement.

5.0 Procedures Adopted

In connection with this exercise, we have adopted the following procedures:

- Review of the historical financial statements of the Companies;
- Review of Valuation Reports issued by the Valuers;
- Considered the Draft Scheme of Amalgamation;
- Discussions with the management of the Companies regarding past and current business, operations, financial condition and prospects of the Companies;
- Discussions with the Valuers regarding the valuation approach and methodology adopted, key parameters and seeking relevant clarifications;
- Review of certain publicly available business and financial information relating to the Companies;
- Conducted such other analyses and considered such other information and factors as deemed appropriate.





6.0 Scope Limitations, Assumptions, Qualifications, Exclusions & Disclaimers

- 6.1 The Report is to be read in totality, and not in parts, in conjunction with the relevant documents and information referred to therein.
- 6.2 This Fairness Opinion, its contents and the results herein are specific to (i) the purpose of fairness opinion agreed as per the terms of our engagement; (ii) date of this Report (iii) the reports of the Valuers for recommendation of Equity Share Exchange Ratio, and are based on the financial statements of the Companies as of December 31, 2022. We have been informed that the business activities of the Companies have been carried out in the normal and ordinary course between December 31, 2022 and the date of this Report and no material changes have occurred in their respective operations and financial position.
- 6.3 While our work has involved an analysis of financial and other information provided by the Companies, our engagement does not constitute an audit, due diligence or verification of historical financials including the working results of the Companies or their business referred to in this Fairness Opinion. Accordingly, we express no audit opinion or any other form of assurance on the accuracy of any financial information referred to in this Fairness Opinion.
- 6.4 HMPL has relied upon the representations that the information provided is accurate and complete in all material respects. With respect to explanations and information sought from the Companies, we have been given to understand by the respective managements that they have not omitted any relevant and material factors about the Companies and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the information given by the Companies. If there were any omissions, inaccuracies or misrepresentations of the information provided by the Companies' management, it may have a material effect on our findings.
- 6.5 HMPL has not conducted any independent valuation or appraisal of any of the assets or liabilities of the Companies. In particular, HMPL does not express opinion on value of assets of the Companies and/or their subsidiary, holding, affiliates, whether at current price or future price. No investigation of the Companies claim to the title of assets or property owned by the Companies has been made for the purpose of this Report. With regard to the Companies, HMPL has relied solely on representation, whether verbal or otherwise made, by the management for purpose of this Report. Therefore, no responsibility whatsoever is assumed for matters of legal nature. Further, HMPL has not evaluated solvency or fair value of the Companies forming part of the Scheme under any law relating to bankruptcy, insolvency or similar matter.
- 6.6 This Fairness Opinion is based on business, economic, market and other conditions as they existed as of the date of this Fairness Opinion. Subsequent events or circumstances that could affect the conclusions set forth in our Fairness Opinion include, without limitation, adverse changes in industry performance or market conditions and changes to the business, financial condition, and results of operations of the Companies. The users of this Report should read the basis upon which the Report has been done and be aware of the potential for later variations in value due to factors that are unforeseen as on the date of Report. Due to possible changes in





market forces and circumstances, this opinion can only be regarded as relevant as at the date of the Report. HMPL is under no obligation to update, revise or reaffirm the Fairness Opinion.

- 6.7 Providing fairness opinion is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. In the ultimate analysis, our opinion will have to be tempered by the exercise of judicious discretion and judgment taking into account all the relevant factors. There is, therefore, no indisputable single Equity Share Exchange Ratio. While we have provided our opinion on the fairness of the Equity Share Exchange Ratio recommended by the Valuers based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion.
- 6.8 The Fairness Opinion assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations, and that the Companies will be managed in a competent and responsible manner. Further, this Fairness Opinion has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited balance sheet of the Companies.
- 6.9 In no circumstances, shall the liability of HMPL, its directors or employees relating to the services provided in connection with the engagement set out in this Report exceed the amount paid to HMPL in respect of the fees charged by it for these services.
- 6.10 It is understood that this Fairness Opinion is for the benefit and use of the Board of Directors, Audit Committee and Committee of Independent Directors of the respective Companies in connection with and for purposes of its evaluation of the Proposed Merger and is not rendered to or for the benefit of, and shall not confer rights or remedies upon, any person other than the Board of Directors, Audit Committee and Committee of Independent Directors of the respective Companies. HMPL accepts no responsibility or liability to any third party, in connection with this Report. This opinion may not be disclosed, referred to, or communicated (in whole or in parts) to any third party, nor shall any public reference be made, for any purpose whatsoever except as required to be disclosed by RRWL to the relevant stock exchanges pursuant to SEBI Circular and may be disclosed on the website of RRWL and the stock exchanges to the extent required in terms of the SEBI Circular, as part of the explanatory statement to be circulated to the shareholders and/or creditors of RRWL and as required to be disclosed to relevant judicial, regulatory or government authorities, as required under applicable laws. It is clarified that reference to this Report in any document and/ or filing pursuant to the Regulations, in connection with the Proposed Merger, shall not be deemed to be an acceptance by HMPL of any responsibility or liability to any person / party other than RRWL. Neither this Fairness Opinion nor the information contained herein, may be reproduced passed to any person or used for any purpose other than stated above, without prior written approval of HMPL.





- 6.11 This Fairness Opinion is subject to laws of India and is governed by concept of materiality.
- 6.12 The Fairness Opinion should not be construed to be an investment advice in any manner whatsoever. HMPL also expresses no opinion and accordingly accepts no responsibility or as to the prices at which the equity shares of RRWL will trade following the announcement of the Proposed Merger or as to the financial performance of RRWL following the consummation of the Proposed Merger.
- 6.13 The fee for our services is not contingent upon the results of the Proposed Merger.
- 6.14 Our Fairness Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with Proposed Merger or any matter related thereto.
- 6.15 The Companies have been provided with opportunity to review the draft as part of standard practice so that factual inaccuracies/omissions are avoided in the Fairness Opinion.

7.0 Valuers' Recommendation

The Registered Valuer and Additional Valuer have recommended the following Equity Share Exchange Ratio for the Proposed Merger as per their respective Valuation Report:

“For every 1 equity share in GCPL of INR 10/- each fully paid up, equity shareholders of GCPL should be allotted 6 equity shares of RRWL of INR 5/- each fully paid.”

8.0 Opinion & Conclusion

On consideration of all the relevant factors and circumstances and on the basis of information and explanation provided to us, in our opinion, the Equity Share Exchange Ratio as recommended by the Valuers, is fair to the equity shareholders of RRWL, from a financial point of view.

For Horizon Management Private Ltd
SEBI Registered Category I Merchant Banker
Registration Code: INM000012926



Pankaj Harlalka
COO Investment Banking
Date: 8th February, 2023
Place: Kolkata

