



**MARK**  
CORPORATE ADVISORS

November 15, 2022

MCAPL: MUM: 2022-23: 0131

To,  
**Purple Finance Limited**  
Room No. 11, 1st Floor,  
Indu Chamber, 349/353,  
Samuel Street,  
Vadgadi, Masjid Bunder (West),  
Mumbai- 400 003

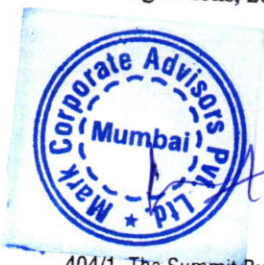
**Sub : Fairness Opinion Certificate on the Valuation of Shares in the matter of proposed Scheme of Merger by Absorption ("Scheme") of Canopy Finance Limited ("Transferor Company"/ "CFL") with Purple Finance Limited ("Transferee Company" / "PFL") and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013.**

Dear Sir/Madam,

The Board of Directors of **Purple Finance Limited ("Transferee Company" / "PFL")** has appointed us for handling certain matters including issuance of Fairness Opinion Certificate on the Share Exchange Ratio recommended by Mr. Bhavesh M Rathod, Registered Valuer having IBBI Registration Number IBBI/RV/06/2019/10708 (hereinafter referred to as **"the Valuer"**) for the proposed Scheme of Merger by Absorption ("Scheme") of Canopy Finance Limited ("Transferor Company"/ "CFL") with Purple Finance Limited ("Transferee Company" / "PFL") (**"the Proposed Transaction"**).

**1. BACKGROUND:**

- 1.1 The Board of Directors of both the Companies have considered proposal for Merger by Absorption of CFL with PFL and as a consideration for the Proposed Transaction, equity shareholders of CFL will be issued equity shares of PFL.
- 1.2 In this regard, Mr. Bhavesh M Rathod Registered Valuer having IBBI Registration Number IBBI/RV/06/2019/10708 was appointed to carry out the valuation with a view to recommend an exchange ratio of shares in the event of above-mentioned Merger by Absorption.
- 1.3 We have been appointed by the Board of Directors of **Purple Finance Limited ("Transferee Company" / "PFL")** to give Fairness Opinion on the Share Exchange Ratio recommended by the Valuer.
- 1.4 The Appointed Date of the Scheme is 1<sup>st</sup> October, 2022 and Effective date is the last of the dates on which the certified copies of the Order(s) of the Adjudicating Body, are filed with the Registrar of Companies, Mumbai by the Transferor and Transferee Company.
- 1.5 Our scope of work includes commenting only on the fairness of the Share Exchange Ratio recommended by the Valuers from financial point of view and not on the fairness or economic rationale of the Proposed Transaction per se. This opinion does not address any other aspects or implications related to the Proposed Transaction or any other transactions and also does not address the relative merits of the Merger by Absorption as compared to alternative transactions or strategies that might be available.
- 1.6 The information contained herein and our certificate is confidential. It is intended only for the sole use of captioned purpose including for the purpose of obtaining requisite approvals as per SEBI (LODR) Regulations, 2015 and Companies Act, 2013.



Page 1 | 4

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## 2. COMPANY PROFILE:

- 2.1 Canopy Finance Limited (“CFL”), the Transferor Company having CIN: L65910MH1981PLC380399 is having its registered office at 301, Corporate Arena Off, Aarey Piramal X Road, 3<sup>rd</sup> Floor, Behind Mahindra Gardens, Goregaon West, Mumbai - 400 062. The Equity Shares of the Company are listed on BSE Limited (“BSE”) and The Calcutta Stock Exchange Limited (“CSE”).

CFL is a Non-Banking Financial Company registered with Reserve Bank of India having Registration Number N-13.02430 and is inter-alia engaged in the business of lending money or financing Industrial Enterprises by way of making loans and advances or by subscribing to their Capital Structure.

- 2.2 Purple Finance Limited (“PFL”), the Transferee Company having CIN: U67120MH1993PLC075037 is having its registered office at Room No. 11, 1<sup>st</sup> Floor, Indu Chamber, 349/353, Samuel Street, Vadgadi, Masjid Bunder (West), Mumbai- 400 003. The Equity Shares of PFL are not listed on any Stock Exchanges.

PFL a Non-Banking Financial Company registered with Reserve Bank of India having Registration Number 13.01268 dated July 20, 1999 and is inter-alia currently engaged in the business of offering small secured business loans across India predominantly in tier III & tier IV cities.

## 3. SOURCE OF INFORMATION

For the purpose of the valuation, we have relied upon the following source of information provided by the management of the CFL and PFL;

- (i) Memorandum and Articles of Association;
- (ii) Audited Financial Statements of half year ended September 30, 2022 along with Independent Auditor’s Report and Audited Financial Statements for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 of the Transferor Company;
- (iii) Audited Financial Statements of half year ended September 30, 2022 along with Independent Auditor’s Report and Audited Financial Statements for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 of the Transferee Company;
- (iv) Copy of Valuation Report dated November 14, 2022 issued by Mr. Bhavesh M Rathod Registered Valuer, having IBBI Registration Number IBBI/RV/06/2019/10708 Registered Valuer having IBBI Registration;
- (v) Draft Scheme of Arrangement; and
- (vi) Brief overview and the operations of the companies.
- (vii) Discussion with the Valuer

## 4. PROCEDURES PERFORMED:

For arriving at the fairness opinion, we have performed the following procedures:

- Analysis of the audited financial statements of the Specified Companies for the year ending March 31, 2020 to March 31, 2022 and Audited Financial Statements of half year ended September 30, 2022;
- Considered Report of the Valuer for recommendation of the Share Exchange Ratio;
- Considered Draft Scheme;
- Considered Equity share capital of the Specified Companies as at the Report date;

