



Date: March 31, 2025

To,
The Board of Directors,
India Radiators Limited ("Company")
88, Mount Road
Guindy, Chennai - 600032
Tamil Nadu

Dear Members of the Audit Committee and the Board of Directors,

1. Engagement Background

We understand that the Management of India Radiators Limited ("IRL" or the "Transferor Company") and Mercantile Ventures Limited ("MVL" or the "Transferee Company") (jointly referred to as "Companies") are contemplating Amalgamation of IRL with MVL and their respective shareholders and creditors through a Scheme of Amalgamation pursuant to Sections 230 to 232 of the Companies Act, 2013 and Rules framed thereunder ("Proposed Amalgamation").

The terms and conditions of the Proposed Amalgamation are more fully set out in the draft scheme of Amalgamation shared with us, the final version of which will be filed by the aforementioned companies with the appropriate authorities.

We understand that the Valuation as well as the swap ratio for the Proposed Amalgamation is based on the Joint Valuation Report dated March 31, 2025 issued by Kalyanam Bhaskar, Independent valuer registered with Insolvency and Bankruptcy Board of India ("IBBI") with Registration No.: IBBI/RV/06/2020/12959 and V.G. Hareesh, Independent valuer registered with IBBI with Registration No.: IBBI/RV/03/2021/14465 ("Valuers").

We, Khandwala Securities Limited ("KSL"), a SEBI registered Category-I Merchant Banker, have been engaged by IRL to give a fairness opinion ("Opinion") on Joint Valuation Certificate dated March 31, 2025 issued by Valuers.

2. Background of the companies and Rationale

Mercantile Ventures Limited is a listed public limited company incorporated under the laws of India and having its registered office at 88, Mount Road, Guindy, Chennai – 600032. The CIN of MVL is L65191TN1985PLC037309. MVL is a Chennai based 40-year-old company engaged in the business of Leasing of immovable properties and Manpower supply services. The equity shares of MVL are listed on BSE Limited ('BSE').

India Radiators Limited is a listed public limited company incorporated under the laws of India and having its registered office at No,88, Mount Road, Guindy, Chennai– 600032. The CIN of IRL is L27209TN1949PLC000963. IRL is a Chennai based Auto-Ancillary Company, engaged in the business of manufacturing automobile parts and components. The Company wherein offers a range of radiators, heat

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exchangers, and related products. Since couple of years the main operations of the IRL discontinued and its plant is shutdown. Currently IRL mainly deals in leasing of properties and has a land bank of around 7 Acres at Puzhali, Chennai. The equity shares of IRL are listed on BSE Limited ('BSE').

With a view to rationalize and consolidate the business activities, the Board of Directors of the Transferor Company and the Transferee Company are proposing to amalgamate the Transferor Company with the Transferee Company to ensure better management of the Company as a single entity.

We understand that the appointed date for the Proposed Amalgamation as per the draft scheme shall be opening business hours of 1 January 2025 or such other later date as may be fixed or approved by the National Company Law Tribunal at Chennai or such other competent authority.

3. Recommended Share Exchange Ratio for the Proposed transaction

The Valuers has recommended the following share exchange ratio for the Proposed Amalgamation:

"10 (Ten) equity shares of MVL of INR 10/- each fully paid up for 36 (Thirty-Six) equity shares of IRL of INR 10/- each fully paid up."

We have relied upon the joint valuation report (together with the other facts and assumptions set forth therein) into account while determining the meaning of "fairness", from a financial point of view, for the purposes of this Opinion.

4. Exclusions and Limitations

Our opinion and analysis are limited to the extent of review of the joint valuation report by the Valuers. In connection with the opinion, we have:

- a) Joint Valuation Report dated March 31, 2025, issued by Valuers.
- b) Consideration of various financial data including but not limited to the following:
 - a. Financial Statements of MVL for the years ended 31 March 2021 to 31 March 2024.
 - b. Financial Statements of IRL for the years ended 31 March 2021 to 31 March 2024.
 - c. Limited reviewed financial statements of MVL and IRL for nine months ended 31 December 2024.
 - d. Other relevant information and documents for the purpose of this engagement.
- c) Reviewed such other information and explanations as we have required, and which have been provided by the management of IRL and MVL.

This opinion is intended only for the sole use and information of IRL and MVL and in connection with the Proposed Amalgamation, including for the purpose of obtaining judicial and regulatory approvals for the Proposed Amalgamation and for no other purpose. We are not responsible in any way to any person/party/statutory authority for any decision of such person or party or authority based on this opinion. Any person/party intending to provide finance or invest in the shares/business of either IRL and/or MVL or their subsidiaries/ joint ventures/ associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.



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For the purpose of this assignment, KSL has relied on the Joint Valuation Certificate for the Proposed Amalgamation of IRL into MVL and information and explanation provided to it, the accuracy whereof has not been evaluated by KSL. KSL's work does not constitute certification or due diligence of any past working results and KSL has relied upon the information provided to it as set out in working results of the aforesaid reports.

KSL has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of IRL and MVL and to the Registrar of Companies. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the Proposed Amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on Joint Valuation Certificate issued for the Proposed Amalgamation between IRL and MVL and may not be applicable or referred to or quoted in any other context.

Our opinion is dependent on the information provided 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. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason which may occur subsequent to this date.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Moreover, in this case where the shares of MVL are being issued as consideration to the shareholders of IRL, it is not the absolute valuation that is important for framing an opinion but the relative valuation of the IRL vis-a-vis shares of MVL. We have assumed that the Final Scheme of Amalgamation will not differ in any material respect from the Draft Scheme of Amalgamation shared with us.

We do not express any opinion as to any tax or other consequences that might arise from the Proposed Amalgamation on MVL, IRL and their respective shareholders, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, government investigation or other contingent liabilities to which MVL, IRL and/or their associates/ subsidiaries, are or may be a party.



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The company has been provided with an opportunity to review Draft Opinion as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Final Opinion. Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such a holder should vote or act in connection with the Proposed Amalgamation or any matter thereto.

5. Conclusion

Based on and subject to the foregoing, we are of the opinion that the share issuance ratio is fair to the shareholders of MVL from the financial point of view. Further the relative valuation of IRL and MVL as detailed by the Valuers is fair.

For Khandwala Securities Limited



Pranav Khandwala
Director

Date: 31-03-2025

Place: Mumbai

