



LIBORD ADVISORS PRIVATE LIMITED

(CIN No. : U67120MH2007PTC174533)

Corporate Off.: B-524 - 526, Chintamani Plaza, Near W. E. Highway Metro Station,
Mohan Studio Compound, Andheri Kural Road, Andheri (East), Mumbai - 400 099
Tel.: 91-22-6278 2900 (100 Lines) • E-mail : office@libord.com • Website : www.libord.com

To

Dated: 10-11-2022

**The Board of Directors,
Black Box Limited,**

501, 5th Floor, Building No.9,
Airoli Knowledge Park, MIDC Industrial Area,
Airoli, Navi Mumbai, Thane,
Maharashtra – 400 708, India

Subject: Fairness Opinion Report in relation to the proposed Scheme of Reduction of Share Capital between Black Box Limited ("The Company") and the Shareholders.

The Company is proposing a scheme of reduction of the share capital under Section 66 read with section 52 and any other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder (hereinafter referred to as 'the Scheme').

Accordingly, the Company has appointed Libord Advisors Private Ltd, Category I Merchant Banker, Registered with SEBI bearing Registration Number INM000012094, vide an engagement letter dated October 1, 2022 to issue a Fairness Opinion Report, in terms of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the SEBI Circular').

In connection with the same, we attach our Fairness Opinion Report, in terms of the SEBI Circular.

For Libord Advisors Private Ltd

Name: Lokendra Parihar

Designation: AVP - Merchant Banking

Place: Mumbai, Maharashtra



FAIRNESS OPINION REPORT

SCHEME

OF

REDUCTION OF CAPITAL

BETWEEN

BLACK BOX LIMITED AND

ITS SHAREHOLDERS

**UNDER SECTION 66 READ WITH SECTION 52 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013 AND NATIONAL COMPANY LAW TRIBUNAL (PROCEDURE FOR
REDUCTION OF SHARE CAPITAL OF COMPANY) RULES, 2016**

STRICTLY PRIVATE AND CONFIDENTIAL

Prepared and submitted by



Libord Advisors Private Ltd



Contents

1. Scope and purpose	4
2. Background of the Company.....	4
3. Exclusions and limitations	5
4. Sources of informations	6
5. Salient features of the scheme.....	6
6. Valuation report	6
7. Conclusion	7



1. Scope and Purpose

- 1.1 The Board of Directors of the Company proposes the Scheme, as mentioned above, under Section 66 read with Section 52 of the Companies Act, 2013 as amended and rules framed thereunder.
- 1.2 In this regard, the management of the Company has engaged 'Libord Advisors Private Ltd' (SEBI Registered Category I Merchant Banker) to provide a fairness opinion on the valuation of shares or assets and the Scheme.
- 1.3 Our Fairness Opinion Report is prepared solely for the purpose outlined hereinabove. The distribution of this Fairness Opinion Report shall hence be restricted to the Company, the shareholders, SEBI, Stock Exchanges and such other regulatory bodies required to give effect to the Scheme, including but not limited to the Registrar of Companies and the National Company Law Tribunal. This Fairness Opinion Report shall not be relied upon by any other person for any other purpose whatsoever and the Company hereby agrees to this fact.
- 1.4 This Fairness Opinion Report is subject to the sources, assumptions, exclusions, limitations and disclaimers detailed hereinafter as such, the Fairness Opinion Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

2. Background of the Company

- 2.1 The Company was incorporated as a private limited company under the name and style "Tata Telecom Private Limited on August 19, 1986 with the Registrar of Companies, Mumbai under the Companies Act, 1956. Subsequently, Company was converted into public company and consequently, name was changed to "Tata Telecom Limited" pursuant to fresh certificate of incorporation issued by the Registrar of Companies, Mumbai on May 26, 1987. Further, name of the Company was changed to "Avaya Global Connect Limited" pursuant to fresh certificate of incorporation issued by the Registrar of Companies, Mumbai on September 16, 2004. Further, name of the Company was changed to "AGC Networks Limited" pursuant to fresh certificate of incorporation issued by the Registrar of Companies, Mumbai on April 7, 2010. Subsequently, name of the Company was changed to "Black Box Limited" pursuant to fresh certificate of incorporation issued by the Registrar of Companies, Mumbai on November 24, 2021. The current registered office of the Company is at 501, 5th Floor, Building No.9, Airoli Knowledge Park, MIDC Industrial Area, Airoli, Navi Mumbai, Thane, Maharashtra – 400 708, India. The Corporate Identification Number (CIN) of the Company is L32200MH1986PLC040652.
- 2.2 The Equity shares of Company are listed on BSE Limited (BSE) and National Stock Exchanges of India Limited (NSE).
- 2.3 The Capital Structure of the Company as per the audited standalone financial statements as on March 31, 2022 is as under

(Amount in Rs)

Particulars	March 31, 2022
<u>Authorised Share Capital:</u>	
4,50,00,000 equity shares of Rs. 10/- each	45,00,00,000
50,00,000 cumulative or non-cumulative redeemable preference shares of Rs.100/- each	50,00,00,000
50,00,000 Convertible preference shares of Rs 100/- each	50,00,00,000
Total	145,00,00,000
<u>Issued, Subscribed and fully paid-up share capital:</u>	
3,28,12,854 equity shares of Rs. 10/- each, fully paid up	32,81,28,540
Total	32,81,28,540



Subsequently, the Company on April 20, 2022 has sub-divided its equity share having face value of Rs. 10/- (Rupees Ten only) each, fully paid-up into 5 (Five) equity shares having face value of Rs. 2/- (Rupees Two only) each, fully paid-up. Further, on May 19, 2022 the Company has issued 36,73,415 equity shares having face value of Rs. 2/- (Rupees Two only) each, fully paid-up on account of conversion of warrants. Further, on August 12, 2022 Company has issued 1,66,925 equity shares having face value of Rs. 2/- (Rupees Two only) each, fully paid up pursuant to exercise of Employee stock options granted under Employee Stock Option Scheme, 2015 of the Company.

The Authorised, Issued, Subscribed and paid-up share capital of the Company as on September 30, 2022 is as under:-

Particulars	(Amount in Rs.)
	September 30, 2022
<i>Authorised Share Capital:</i>	
22,50,00,000 equity shares of Rs. 2/- each	45,00,00,000
50,00,000 cumulative / non-cumulative redeemable preference shares of Rs.100/- each	50,00,00,000
50,00,000 Convertible preference shares of Rs 100/- each	50,00,00,000
Total	145,00,00,000
<i>Issued, Subscribed and fully paid-up share capital:</i>	
16,79,04,610 equity shares of Rs. 2/- each, fully paid up	33,58,09,220
Total	33,58,09,220

Subsequently, there has been no change in the Authorised, Issued, Subscribed and paid-up share capital of the Company till the date of this Report. The Capital structure provided here is subject to change pursuant to allotment of shares under employee's stock option scheme.

The Company does not have any partly paid-up Equity Shares. Further, the Company has its Equity Shares listed on both, NSE and BSE.

3. Exclusions and limitations

- 3.1 This Fairness Opinion Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. This Fairness Opinion Report is restricted for the purpose indicated in the Engagement Letter but does not preclude the management of the Company to provide a copy of this Fairness Opinion Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for any unauthorized use of this Fairness Opinion Report.
- 3.2 Our opinion and analysis are limited to the extent of review of documents and the Scheme, as provided by the Company and we have relied upon them without any independent verification.
- 3.3 We do not express any opinion as to the price at which shares of the Company may trade at any time, including subsequent to the date of this opinion. In rendering our opinion, we have assumed, that the Scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions and that in the course of obtaining the necessary approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Company and its subsidiaries and respective shareholders.



4. Sources of informations

For the purpose of the preparation of this Fairness Report, we have relied on the following information, as made available to us, by the management of the Company.

- a. Draft Scheme under Section 66 read with Section 52 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder;
- b. Non-applicability of Valuation Report dated November 10, 2022 by CA Ms. Heena Haren Shah (Registered Valuer)
- c. Latest Memorandum of Association and Articles of Association of the Company;
- d. Shareholding pattern of the Company as on June 30, 2022 and September 30, 2022;
- e. Audited financial statements for the year ended March 31, 2022 and limited reviewed financial statements for the period ended June 30, 2022; and
- f. Such other information and explanations as required and which have been provided by the management of the Company, which were considered relevant for the purpose of the Fairness Opinion Report.

5. Salient features of the scheme

- 5.1 The Company's financial statement currently reflects Accumulated Losses (debit balance of Profit & Loss Account) to the tune of **Rs.1,07,94,81,853/-** (Rupees One Hundred and Seven Crores Ninety-Four Lakh Eighty-One Thousand Eight Hundred and Fifty-Three Only) based on audited standalone financial statements for the year ended March 31, 2022.
- 5.2 The present issued, subscribed and paid-up share capital of the Company is Rs. **33,58,09,220** (Rupees Thirty-Three Crore Fifty-Eight Lakh Nine Thousand Two Hundred and Twenty only) comprising of 16,79,04,610 Equity Shares of Rs.2/- each. Accumulated losses have substantially wiped off the value represented by the Share Capital. This has given to the need for readjustment of capital reserve and securities premium in its books of accounts.
- 5.3 In the above context, the Company proposes to write off Accumulated Losses of Rs.1,07,94,81,853/- (Rupees One Hundred and Seven Crores Ninety-Four Lakh Eighty-One Thousand Eight Hundred and Fifty-Three Only) reflecting in the audited standalone financial statements of the Company as on March 31, 2022 with the balance appearing in Capital Reserve Account and Securities Premium Account.
- 5.4 Accordingly, upon coming into effect the Scheme, balance in Capital Reserve Account be reduced from Rs.22,63,86,525/- to Rs. Nil and balance in Securities Premium be reduced from Rs. 223,11,02,362/- to Rs. 1,37,80,07,034/-.
- 5.5 Notwithstanding the reduction of the capital of the Company in pursuance of this Scheme, the Company shall not be required to add the words "And Reduced" to its name as the last words there off.

6. Valuation report

- 6.1 As per para 4(a) of Annexure 1 to the SEBI Circular, the company is required to submit a valuation report from a Registered Valuer in respect of the Scheme. However, as per Para 4(b) of the above circular the Valuation Report is not required in cases where there is no change in the shareholding pattern of the Listed Company.



6.2 The Company has also obtained a Certificate from CA Ms. Heena Haren Shah (Registered Valuer) dated November 10, 2022 for non-applicability of the Valuation Report as mentioned in the SEBI Circular.

7. Conclusion

On the basis of our examination of the Scheme and other information and data provided to us by the Company and subject to the scope and limitation as mentioned hereinabove, to the best of our knowledge and belief, we are of the opinion that the proposed Scheme of Reduction and certificate obtained from CA Ms. Heena Haren Shah (Registered Valuer) dated November 10, 2022 for non-applicability of the Valuation Report as mentioned in the SEBI Circular is fair and reasonable.

For Libord Advisors Private Ltd



Name: Lokendra Parihar

Date: November, 10, 2022

Place: Mumbai, Maharashtra, India

