

Date: July 30, 2024

**The Board of Directors**  
Macrotech Developers Limited  
10<sup>th</sup> Floor, Lodha Excelus,  
NM Joshi Marg, Apollo Mills Compound,  
Mahalaxmi, Mumbai 400 011

Dear Sirs,

**Sub: Proposed scheme of merger by absorption of National Standard (India) Limited (“NSIL”), Sanathnagar Enterprises Limited (“SEL”) and Roselabs Finance Limited (“RFL”) (together referred as “Transferor Companies”) into Macrotech Developers Limited (“Macrotech”)**

You have requested us to issue a fairness opinion (“**Opinion**”) from a financial point of view on the Share Exchange Ratios (as defined below) in relation to Proposed Transaction.

#### **Proposed Transaction**

Macrotech and Transferor Companies are proposing to enter into a scheme of merger by absorption (the “**Scheme**”), which envisages the merger by absorption of Transferor Companies with Macrotech and dissolution of Transferor Companies.

Our scope is restricted to providing an Opinion on the Share Exchange Ratios for the merger of Transferor Companies into Macrotech as recommended by Bansi S. Mehta Valuers LLP (Registered Valuer – Securities or Financial Assets) (the “**Valuer**”) in valuation report dated July 30, 2024.

The Valuer has recommended the share exchange ratio as 92 (Ninety Two) fully paid up equity shares of Macrotech of face value INR 10/- each in exchange of every 1,000 (One Thousand) fully paid up equity shares of NSIL of face value INR 10/- each (the “**Share Exchange Ratio 1**”), 7 (Seven) fully paid up equity shares of Macrotech of face value INR 10/- each in exchange of every 1,000 (One Thousand) fully paid up equity shares of SEL of face value INR 10/- each (the “**Share Exchange Ratio 2**”) and 7 (Seven) fully paid up equity shares of Macrotech of face value INR 10/- each in exchange of every 1,000 ( One Thousand) fully paid up equity shares of RFL of face value INR 10/- each (the “**Share Exchange Ratio 3**”) ((Share Exchange Ratio 1, Share Exchange Ratio 2 and Share Exchange Ratio 3, are collectively referred to herein as “**Share Exchange Ratios**”). The shareholding of Macrotech/wholly owned subsidiary of Macrotech in Transferor Companies as on the record date will get cancelled in accordance with the Scheme.

In arriving at our Opinion, we have reviewed (i) the valuation report dated July 30, 2024 issued by the Valuer, (ii) the draft of the Scheme received by us and (iii) the historical financials, business projections, business information and listed stock price data. We have also reviewed certain publicly available information which the Macrotech has confirmed as being reasonable for the purposes of providing our fairness opinion and have also taken into account such other matters as we deemed necessary including our assessment of general economic, market and monetary conditions.



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We have also assumed that the final Scheme will be substantially the same as the scheme discussed with and reviewed by us and that there will be no material changes between the draft shared with us and the final approved scheme. Any such material changes will require us to re-evaluate our opinion herein.

In addition to above, we have had discussions with members of the management of the Macrotech on the past and current business operations of the concerned businesses, their future prospects and operations, and have received management representation letter from Macrotech and the Transferor Companies dated July 30, 2024.

Further, we have had discussions with the Valuer on such matters which we believed were necessary or appropriate for the purpose of issuing this Opinion.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed good and marketable and we would urge Macrotech and the Transferor Companies to carry out an independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment. We have further assumed that the Proposed Transaction would be carried out in compliance with all the applicable laws, rules and regulations.

In giving our Opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in oral or written form, discussed with or reviewed by us, or publicly available. We have been given to understand that all information that was relevant for the purpose of our exercise was disclosed to us. With respect to information and data relating to Macrotech and the Transferor Companies provided to or otherwise reviewed by or discussed with us, we have been advised by the management of Macrotech, and we have assumed and relied upon such advice, that such information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of Macrotech as to the potential strategic implications and operational benefits anticipated to result from the Proposed Transaction and the other matters covered thereby. We have not conducted any evaluation or appraisal of any assets or liabilities of Macrotech or the Transferor Companies nor have we evaluated the solvency or fair value of Macrotech or the Transferor Companies, whether for any lender or otherwise, under any laws relating to bankruptcy, insolvency or similar matters or the Company's ability to fulfill its obligations towards any class of investors or third parties. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or facilities of Macrotech or the Transferor Companies.

Our Opinion does not factor overall economic environment risk and other risks and is purely based on the information and representations provided to us. We have not assumed the risk of any material adverse change having an impact on the businesses of Macrotech and/or the Transferor Companies in arriving at our final Opinion. A multitude of factors including, but not limited to, changes in demand, competition, technology, any geo-political risks, wars, insurrections and any macroeconomic conditions in India and globally can cause actual events, performance or results to differ significantly from the financial projections.

Our Opinion does not address, and we have not assessed, any matters (including any existing or potential contingent liabilities and any ongoing or threatened litigation, including taxation proceedings) which may have an impact, adverse or otherwise, on the business, operations or prospects of Macrotech, the Transferor Companies or their affiliates or any underlying assumptions, forecasts or views of the management of Macrotech or the Transferor Companies. We have relied upon the financial, market, and technical data provided to or obtained by us or the management's views on the



future businesses, operations and prospects or any underlying assumptions for the same.

We have assumed, with your consent, that the Proposed Transaction will be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party approvals (including approvals of all classes of shareholders and creditors of Macrotech and the Transferor Companies and their respective affiliates, as applicable), consents and releases for the Proposed Transaction, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Macrotech, the Transferor Companies or the contemplated benefits of the Proposed Transaction. We have further assumed that such approvals, consents and releases will be duly obtained as required pursuant to applicable laws and contractual obligations, without any delays. Representatives of Macrotech have advised us, and we have further assumed, that the final terms of the Scheme will not vary from those set forth in the Draft Scheme reviewed by us. Further, we have assumed that there will not be any adverse rulings or proceedings whatsoever (whether of any court, regulatory body or otherwise) arising out of or in relation to the Proposed Transaction as contemplated by the Scheme.

Our Opinion does not address, and we have not assessed, any legal, regulatory, taxation or accounting matters. We have also assumed that all aspects of the Proposed Transaction and any other transaction contemplated in the Draft Scheme would be in compliance with applicable laws and regulations; and we have issued this Opinion on the understanding that we would not in any manner verify, or be responsible for ensuring, such compliance. Without prejudice to the generality of the foregoing, we express no opinion and have assumed that the Proposed Transaction will not trigger obligations to make open offers under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and accordingly we have not considered the consequences or impact on Macrotech or the Transferor Companies, if any such open offers are mandated. We have also assumed that the Proposed Transaction will not result in any adverse effect on Macrotech, the Transferor Companies or their respective businesses, whether under tax or other laws or under the terms of any license or approval. We also have assumed, with your consent, that the Proposed Transaction will be treated as a tax-free reorganization for Indian income tax purposes.

Our Opinion is restricted to the fairness, from a financial point of view, of the Share Exchange Ratios, as determined by the Valuer pursuant to its valuation exercise, and we express no view as to the fairness (financial or otherwise) to the holders of any other class of securities or creditors of Macrotech, the Transferor Companies or any of their affiliates. Our Opinion also does not address any matters otherwise than as expressly stated herein, including but not limited to matters such as corporate governance, shareholder rights or any other equitable considerations. We are not providing you with any investment advice or recommendations in connection with the Proposed Transaction including any advice (from an investment perspective) on the suitability of the Proposed Transaction (whether structured as any single transaction or a series of transactions) or any trading strategy or any other structuring options or approach involving Macrotech and the Transferor Companies. Further, Macrotech will remain solely responsible for the commercial assumptions on which the Opinion provided by us is based and for its decision to proceed with the Proposed Transaction. Further, our opinion does not take into account any corporate actions of any of Macrotech and the Transferor Companies after the date hereof, including payment of dividends. We have not made or been provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Macrotech, the Transferor Companies or their respective affiliates. We express no opinion as to the solvency or fair value of Macrotech or the Transferor Companies under any laws, or otherwise, or the realizable value of the properties or assets of Macrotech or the Transferor Companies or their respective affiliates.



A valuation estimate for any transaction does not necessarily suggest that a market exists for the transaction. We have not made any physical inspection of the properties or assets of Macrotech, the Transferor Companies or their respective affiliates. We were not requested to, and we did not, participate in the negotiation or structuring of the Proposed Transaction, nor were we requested to, and we did not, solicit third party indications of interest in the possible acquisition of all or a part of the Transferor Companies. We express no view as to, and our Opinion does not address, the underlying business decision of Macrotech to effect the Proposed Transaction, the relative merits of the Proposed Transaction as compared to any alternative business strategies that might exist for Macrotech or the effect of any other transaction in which Macrotech might engage. We also express no view as to, and our Opinion does not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees of any parties to the Proposed Transaction, or any class of such persons, relative to the Share Exchange Ratios. We express herein no view or opinion as to any terms or other aspects of the Proposed Transaction or the Scheme (other than the Share Exchange Ratios, as determined by the Valuer pursuant to their valuation exercise, to the extent expressly specified herein). Our Opinion is necessarily based upon information available to us, and the publicly available information and other conditions and circumstances existing, as of the date hereof.

Our Opinion does not constitute a recommendation to any shareholder or creditor of Macrotech or Transferor Companies as to how such shareholder or creditor should vote on the Proposed Transaction or any matter related thereto. In addition, this Opinion does not address the fairness to, or any other consideration, to the creditors or other constituencies of Macrotech. We are not expressing any opinion herein as to the prices at which the equity shares of Macrotech and/or the Transferor Companies will trade following the announcement or consummation of the proposed transaction or as to the prices at which the equity shares of Macrotech and/or the Transferor Companies may be transacted.

Macrotech has executed the engagement letter ("Kotak EL") in relation to our services in connection with the delivery of this Opinion to Macrotech in connection with the Transaction. We will receive fees from Macrotech for these services under Kotak EL. In addition, Macrotech has agreed to indemnify us from any claims arising out of our engagement in providing the Opinion.

We or our affiliates in the past five years may have provided, and currently maybe providing, services to Macrotech and/ or Transferor Companies and/ or their affiliates unrelated to the Proposed Transaction for which we or such affiliates have received and expect to receive compensation, including, without limitation as lenders and creditors to Macrotech.

In the ordinary course of business, we and our affiliates may actively trade or hold securities of companies that may be the subject matter of this transaction for our own account or for the account of our customers and, accordingly, may at any time hold long or short position in such securities. In addition, we and our affiliates maintain relationships with Macrotech and its respective affiliates.

This Opinion is provided solely for the benefit of the Board of Directors of Macrotech and is for the purpose of submission to the Stock Exchanges under the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and shall not confer rights or remedies upon, any shareholder of Macrotech, Transferor Companies or any other person including any company involved in the Scheme other than the members of the Board of Directors of Macrotech and shall not be used for any other purpose. This Opinion may not be used or relied upon by nor is it issued for the benefit of any third party for any purpose whatsoever or disclosed, referred to or communicated by you (in whole or in part) except with our prior written consent in each instance. Provided however, this opinion may only be disclosed as may be required under any applicable law in India and may be





## Investment Banking

kept open for inspection by shareholders of Macrotech, but we take no responsibility or liability for or arising out of any such disclosure. We specifically disclaim any responsibility to any third party to whom this Opinion may be shown or who may acquire a copy of this Opinion.

The laws of India govern all matters arising out of or relating to this Opinion (including, without limitation, its interpretation, construction, performance, and enforcement).

With respect to any suit, action or any other proceedings relating to this Opinion, the courts of competent jurisdiction at India shall have exclusive jurisdiction.

On the basis of and subject to the foregoing, our work as merchant bankers, our work as described above, and other factors that we deem relevant, it is our view that, as of the date hereof, the proposed Share Exchange Ratios recommended by the Valuer, in the valuation report dated July 30, 2024, are fair and reasonable from a financial point of view.

Yours faithfully,

**For Kotak Mahindra Capital Company Limited**

A handwritten signature in blue ink, appearing to read "Rajesh Kumar".

**Authorised Signatory**

**Date: July 30, 2024**

**To,**  
**The Board of Directors**  
**Macrotech Developers Limited**  
412, Floor- 4, 17G Vardhaman Chamber,  
Cawasji Patel Road, Horniman Circle,  
Fort, Mumbai City, Mumbai - 400001,  
Maharashtra, India.

**Subject: Fairness Opinion to the Board of Directors of Macrotech Developers Limited on the listed Non-Convertible Debentures of Macrotech Developers Limited ("Listed NCDs") consequent to the Scheme of Merger by Absorption**

Dear Sir/Madam,

We refer to our discussion undertaken with the Management of **Macrotech Developers Limited** ("**MDL**" or "**Transferee Company**") wherein the Management of MDL (*the "Management"*) has appointed **Kunvarji Finstock Private Limited**, a Category I Merchant Banker registered with SEBI having Registration Number – INM000012564 (*hereinafter referred to as "Kunvarji" or "We" or "Us" or "Our"*) vide engagement letter dated July 25, 2024 to provide a fairness opinion on the Listed NCDs consequent to the Scheme of Merger by Absorption of Roselabs Finance Limited ("**First Transferor Company**") and National Standard (India) Limited ("**Second Transferor Company**") and Sanathnagar Enterprises Limited ("**Third Transferor Company**") with Transferee Company with effect from the Appointed Date as defined in the Scheme.

*First Transferor Company, Second Transferor Company and Third Transferor Company shall collectively referred to as "Transferor Companies".*

Transferee Company is in the process of obtaining requisite approvals for the draft Scheme of Merger by Absorption under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder for the merger of Transferor Companies with the Transferee Company and their respective shareholders.

The First Transferor Company is a listed company having its equity shares listed on BSE Limited and 74.25% of its share capital is held by the Transferee Company. The Second Transferor Company is a listed company having its shares listed on BSE Limited and Calcutta Stock Exchange Limited and 73.94% of its share capital is held by the Transferee Company. The Third Transferor Company is a listed company having its shares listed on BSE Limited and 72.70% of its share capital is held by the Transferee Company.



**Kunvarji Finstock Pvt. Ltd.**

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Registered Office : Kunvarji, B - Wing, Siddhivinayak Towers, Off. S.G. Road, Ahmedabad - 380 051.

Corporate Office : 1218-20, 12th Floor, Summit Business Bay, Opp. PVR Cinema,

Near Western Express Highway – Metro Station, Andheri (E), Mumbai, Maharashtra - 400093.

CIN - U65910GJ1986PTC008979

000124/2024



The Transferee Company is a listed company having its shares listed on BSE Limited and National Stock Exchange of India Limited since 19th April 2021 and it is currently engaged in the business of real estate development. The non-convertible debentures of the Transferee Company are listed on BSE Limited, the details of which are set out in Schedule A of the Scheme.

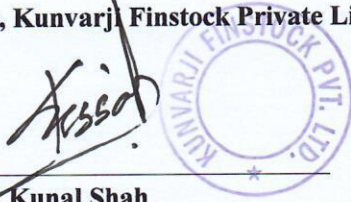
Paragraph (A) 2 (d) of Part - I of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 specifies that a listed entity shall obtain a fairness opinion from a SEBI Registered merchant banker in case there is a valuation of assets/shares done by the valuer for the listed entity and unlisted entity.

As per the Scheme, there shall be no change in the terms and conditions of the Listed NCDs pursuant to this Scheme. The holders of the Listed NCDs as on the Effective Date will continue to hold the Listed NCDs, without any interruption and on the same terms.

On the basis of our evaluation of the relevant documents and according to the information, explanations and representations provided to us by the Management, we hereby state that the Scheme of Merger by Absorption doesn't seem to have any adverse impact on the holders of the Listed NCDs and is **fair and reasonable** for the holders of the Listed NCDs.

This certificate is intended for the information of the Company and for the purpose of submitting the same to the relevant authorities in relation to the proposed Scheme of Merger by Absorption.

For, Kunvarji Finstock Private Limited



Mr. Kunal Shah  
Director (DIN: 00049623)

Place: Ahmedabad  
Date: July 30, 2024  
MB Registration: INM000012564

**Kunvarji Finstock Pvt. Ltd.**

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CIN - U65910GJ1986PTC008979

000125/2024



**FEDEX  
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*(Formerly Known as Fedex Securities Limited)*

MERCHANT BANKING DIVISION



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SEBI REGN. NO. INM 000010163

**Strictly Private & Confidential**

Dated: July, 30 2024

**The Board of Directors of**

**Roselabs Finance Limited**

412, 4<sup>th</sup> Floor, 17G Vardhaman Chamber  
Cawsaji Patel Road, Horniman Circle  
Fort, Mumbai, 400001

**&**

**National Standard (India) Limited**

412, 4<sup>th</sup> Floor, 17G Vardhaman Chamber  
Cawsaji Patel Road, Horniman Circle  
Fort, Mumbai, 400001

**&**

**Sanathnagar Enterprise Limited**

412, 4<sup>th</sup> Floor, 17G Vardhaman Chamber  
Cawsaji Patel Road, Horniman Circle  
Fort, Mumbai, 400001

**Dear Members of the Board:**

**Sub: Fairness opinion towards the proposed merger by absorption of Roselabs Finance Limited (“First Transferor Company”) and National Standard (India) Limited (“Second Transferor Company”) and Sanathnagar Enterprise Limited (“Third Transferor Company”) into Macrotech Developers Limited (“MDL” or “Transferee Company” or “Company”) under Sections 230 to 232 and other applicable provisions and rules framed thereunder (“Scheme”)**

We refer to our letter of engagement (“LoE”) whereby Fedex Securities Private Limited (“Fedex”) is *inter alia* engaged to provide a fairness opinion (*as defined*) on the Equity Share Exchange Ratios (*as defined herein*) recommended by the Registered Valuer (*as defined herein*) for the proposed merger by absorption of Roselabs Finance Limited (“First Transferor Company”) and National Standard (India) Limited (“Second Transferor Company”) and Sanathnagar Enterprise Limited (“Third Transferor Company”) into Macrotech Developers Limited (“MDL” or “Transferee Company” or “Company”) (“Proposed Merger”) under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (“Proposed Scheme”). We understand that the Proposed Scheme will be considered by the Board of Directors.



### **Brief Background and Purpose**

#### **Roselabs Finance Limited ('RFL' or 'First Transferor Company')**

RFL is a listed public limited company, incorporated on January 04, 1995 under the provision of the Companies Act, 1956. The registered office of the company is situated at 412, Floor-4, 17G Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai 400001. RFL is engaged in the business of real estate development. The equity shares of RFL are listed on BSE Limited (BSE). Macrotech Developers Limited is a holding company of RFL and it holds 74.25% of its equity share capital as on June 30, 2024.

Currently, RFL does not have any ongoing project and no further business opportunity is envisaged.

#### **National Standard (India) Limited ('NSIL' or 'Second Transferor Company')**

NSIL is a listed public limited company, incorporated on August 20, 1962 under the provision of the Companies Act, 1956. The registered office of the company is situated at 412, Floor-4, 17G Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai 400001. NSIL is engaged in the business of real estate development. The equity shares of NSIL are listed on both BSE Limited (BSE) and Calcutta Stock Exchange Limited. Macrotech Developers Limited is a holding company of NSIL and it holds 73.94% of its equity share capital as on June 30, 2024.

Currently, NSIL does not have any ongoing project and no further business opportunity is envisaged.

#### **Sanathnagar Enterprise Limited ('SEL' or 'Third Transferor Company')**

SEL is a listed public limited company, incorporated on June 18, 1947 under the provision of the Companies Act, 1956. The registered office of the company is situated at 412, Floor-4, 17G Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai 400001. SEL is engaged in the business of real estate development. The equity shares of SEL are listed on BSE Limited (BSE). Macrotech Developers Limited is a holding company of SEL and it holds 72.70% of its equity share capital as on June 30, 2024.

Currently, SEL does not have any ongoing project and no further business opportunity is envisaged.

#### **Macrotech Developers Limited ('MDL' or 'Transferee Company' or 'Company')**

MDL is a listed public limited company, incorporated on September 25, 1995 under the provision of the Companies Act, 1956. The registered office of the company is situated at 412, Floor-4, 17G Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai 400001. The Company is engaged in the business of construction and development of residential projects, commercial project and Digital Infrastructure parks in India. The equity shares of MDL are listed on both BSE Limited (BSE) and National Stock Exchange of India Limited.

Currently, The Company has an ongoing project and majorly they are allocated in Eastern Suburbs of Mumbai, South Central, Pune, Western Suburbs, Thane and Bengaluru.

Roselabs Finance Limited ("First Transferor Company") and National Standard (India) Limited ("Second Transferor Company") and Sanathnagar Enterprise Limited ("Third Transferor Company") (herein after collectively referred to as "**Transferor Companies**") are subsidiary of the Transferee Company.

For the purpose of the Proposed merger by absorption of the Transferor Companies with the Transferee Company ("**Proposed Scheme**"), the Transferor Companies and the Transferee Company have appointed Bansi S. Mehta Valuers LLP as a **Registered Valuer** for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2022/172 to determine the Equity Share Exchange Ratios (*as defined below*) and has in terms of the LoE the Board of Directors of the Transferor Companies has requested Fedex Securities Private Limited to examine the Valuation Report issued by the Registered Valuer and other related information provided by the Transferor Companies and issue our independent opinion as to the fairness of the Equity Share Exchange Ratios ("**Fairness Opinion**") as per the requirements of the relevant SEBI circulars ("**SEBI Circulars**"). This Fairness Opinion is being provided solely to the Board of

Directors of the Transferor Companies and strictly within this context and is not intended to represent the valuation at which such transaction is carried out, and does not address the Transferor Companies (or any other party's) underlying business decision to proceed with or effect any commercial decisions relating to the Proposed Scheme.

This fairness opinion is intended only for the sole use and information of the Board of Directors of the Transferor Companies and only in connection with the Proposed Merger and is for the purpose of submission to the Stock Exchanges under the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. We are not responsible in any way to any other person / party for any decision of such person or party based on this fairness opinion. Any person / party intending to provide finance / invest in the shares / business of any of the companies involved in the Proposed Merger 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. It is hereby notified that any reproduction, copying or otherwise quoting of this fairness opinion or any part thereof, other than in connection with the Proposed Merger as aforesaid can be done only with our prior permission in writing.

**As per the Valuation Report dated July 30, 2024, the Registered Valuer have recommended the following equity share exchange ratios for equity shareholders of RFL, NSIL and SEL with MDL ("Equity Share Exchange Ratio") as under:**

**For RFL**

*"07 (Seven) equity shares of MDL having a face value of INR 10 each fully paid-up shall be issued for every 1,000 (One Thousand) equity shares held in RFL having face value of INR 10 each fully paid-up"*  
**("Share Exchange Ratio 1")**

**For NSIL**

*"92 (Ninety-Two) equity shares of MDL having a face value of INR 10 each fully paid-up shall be issued for every 1,000 (One Thousand) equity shares held in NSIL having face value of INR 10 each fully paid-up"*

**("Share Exchange Ratio 2")**

**For SEL**

*"07 (Seven) equity shares of MDL having a face value of INR 10 each fully paid-up shall be issued for every 1,000 (One Thousand) equity shares held in SEL having face value of INR 10 each fully paid-up"*

**("Share Exchange Ratio 3")**

The Share Exchange Ratio 1, Share Exchange Ratio 2 and Share Exchange Ratio 3 collectively referred to as **("Share Exchange Ratios")**

**Brief Background of the Proposed Scheme**

The Transferee Company is the holding company of the Transferor Companies and as on June 30, 2024 the Transferee Company holds 74.25% of the paid-up equity share capital of the First Transferor Company, 73.94% of the paid-up equity share capital of the Second Transferor Company and 72.70% of the paid-up equity share capital of the Third Transferor Company. Accordingly, the Transferor Companies between themselves and with the Transferor Companies are group companies. The proposed merger will result in streamlining, rationalization and simplification of the group holding structure by way of reduction in the number of entities, resulting in ease of management for the Transferee Company, reduction in overheads including administrative, managerial and other expenditure, and optimal utilization of resources by elimination of duplication of activities and related costs, reduction in the multiplicity of legal and regulatory compliances at present carried out separately by the Transferor Companies and the Transferee Company and promote organizational efficiencies with the achievement of greater economies of scale and free up

management bandwidth, especially of senior management, towards more productive and value generating activities.

operational synergies resulting in cost optimization, achieve rationalisation of costs by simplification of management structure, rationalisation of the group holding structure by way of reduction in number of entities and streamline the structure of Transferee Company, simplify the financial reporting of all stakeholders, result in significant reduction in multiplicity of legal and regulatory compliances required at present to be carried out by Transferor Companies and maximising overall shareholder value. In view of the aforesaid, the Board of Directors of the Transferor Companies and the Transferee Company will consider the proposed scheme of Merger by Absorption under the provisions of Section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

**Proposed Scheme provides, *inter alia*, for:**

**Absorption of First Transferor Company with the Transferee Company**

- Part II of the Proposed Scheme deals with the merger of the First Transferor Company with the Transferee Company.
- Upon Part II of the Proposed Scheme becoming effective and in consideration of the transfer and vesting of all the assets and liabilities of the First Transferor Company into the Transferee Company in accordance with this Scheme, the Transferee Company shall issue and allot to every member of First Transferor Company (Other than to the Transferee Company and/ or its nominee and/ or its subsidiaries as applicable), holding fully paid up equity shares in First Transferor Company and whose names appear in the register of members of First Transferor Company on the Record Date or to such of their heirs, executors, administrators or the successors-in-title as the case may be, fully paid-up equity shares of INR 10 (Indian Rupee Ten) each of the Transferee Company by virtue of and in the manner provided in proposed scheme.

**Absorption of Second Transferor Company with the Transferee Company**

- Part III of the Proposed Scheme deals with the merger of the Second Transferor Company with the Transferee Company.
- Upon Part III of the Proposed Scheme becoming effective and in consideration of the transfer and vesting of all the assets and liabilities of the Second Transferor Company into the Transferee Company in accordance with this Scheme, the Transferee Company shall issue and allot to every member of Second Transferor Company (Other than to the Transferee Company and/ or its nominee and/ or its subsidiaries as applicable), holding fully paid up equity shares in Second Transferor Company and whose names appear in the register of members of Second Transferor Company on the Record Date or to such of their heirs, executors, administrators or the successors-in-title as the case may be, fully paid-up equity shares of INR 10 (Indian Rupee Ten) each of the Transferee Company by virtue of and in the manner provided in proposed scheme

**Absorption of Third Transferor Company with the Transferee Company**

- Part IV of the Proposed Scheme deals with the merger of the Third Transferor Company with the Transferee Company.
- Upon Part IV of the Proposed Scheme becoming effective and in consideration of the transfer and vesting of all the assets and liabilities of the Third Transferor Company into the Transferee Company in accordance with this Scheme, the Transferee Company shall issue and allot to every member of Third Transferor Company (Other than to the Transferee Company and/ or its nominee and/ or its subsidiaries as applicable), holding fully paid up equity shares in Third Transferor Company and whose names appear in the register of members of Third Transferor Company on the Record Date or to such of their heirs, executors, administrators or the successors-in-title as the case

may be, fully paid-up equity shares of INR 10 (Indian Rupee Ten) each of the Transferee Company by virtue of and in the manner provided in proposed scheme.

**As per the Proposed Scheme, upon the coming into effect of the Scheme, the Transferor Companies shall stand dissolved without winding up on an order made by the NCLT under section 230 of the Companies Act, 2013.**

All terms not specifically defined in this Fairness Opinion Report shall carry the same meaning as in the Proposed Scheme.

For avoidance of doubt, this Fairness Opinion is not to be construed as financial advice in relation to the sale of, or subscription for, any shares in the Transferor Companies and/or the Transferee Company to any person.

#### **Source of Information**

For the said examination and for arriving at the opinion set forth below, we have received:

1. Equity shares exchange ratios report dated July 30, 2024 issued by the Registered Valuer (“**Valuation Report**”);
2. Draft of the Proposed Scheme;
3. Historical financial information for the year ended March 31, 2024 and for the three months period ended June 30, 2024 of the Transferor Companies and the Transferee Company;
4. Financial Projections of the Transferee Company which represents the Management’s best estimate of the future financial performance of the MDL (“**Management Projections**”);
5. Details of Employee Stock Ownership Plan of the Transferee Company as at the Valuation Date;
6. Management Representation Letter;
7. Necessary clarifications, explanations and information (including oral) from the Registered Valuer;
8. Necessary explanations and information from the representatives of the Transferor Companies and the Transferee Company; and
9. Other information as available in public domain.

#### **Limitation of Scope and Review**

This Fairness Opinion is confidential and is being provided solely for the benefit of the Board of Directors of the Transferor Companies, and is for the purpose of submission to the Stock Exchanges under the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and shall not confer rights or remedies upon, any shareholder of the Transferor Companies or the Transferee Company, or any other person other than the members of the Board of Directors of Macrotech, or be used for any other purpose. This Opinion may not be used or relied upon by nor is it issued for the benefit of any third party for any purpose whatsoever or disclosed, referred to or communicated by you (in whole or in part) except with our prior written consent in each instance. Provided however, this opinion may only be disclosed to Transferor Companies or as may be required under any applicable law in India and may be kept open for inspection by shareholders of Transferor Companies, but we take no responsibility or liability for or arising out of any such disclosure. We specifically disclaim any responsibility to any third party to whom this Letter may be shown or who may acquire a copy of this Letter.

Each recipient acknowledges that some or all of the information contained in the Fairness Opinion is or may be inside information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each recipient undertakes not to use any information contained in the opinion for any unlawful purpose.

In this Fairness Opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in verbal or written form, discussed with or reviewed by or for us, or publicly available. We have been given to understand that all information required by us that was relevant for the purpose of our exercise was disclosed to us. We have not conducted any evaluation or appraisal of any assets or liabilities of the Transferor Companies or the Transferee Company nor have we evaluated the solvency or fair value of the Transferor Companies or the Transferee Company, under any laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or facilities of the Transferor Companies or the Transferee Company.

This Fairness Opinion does not factor overall economic environment risk, material adverse change and other risks and is purely based on the information and representations provided to us. Considering the overall materiality, this Fairness Opinion has not considered the impact of shares that would be issued by the Transferee Company, as consideration for merger of the Transferor Companies with the Transferee Company.

This Fairness Opinion express no view as to, and our Opinion does not address, the underlying business decision of the Transferor Companies and the Transferee Company to affect the Proposed Scheme or the merits of the Proposed Scheme. Our Opinion does not constitute a recommendation to any shareholder or creditor of the Transferor Companies and the Transferee Company as to how such shareholder or creditor should vote on the Proposed Scheme or any matter related thereto. We are not expressing any opinion herein as to the prices at which the shares of the Transferor Companies will trade following the announcement or consummation of the Proposed Scheme or as to the prices at which the shares of the Transferor Companies may be transacted.

This Fairness Opinion is not and does not purport to be an appraisal or otherwise reflective of the prices at which any business or securities actually could be ideally bought or sold by any party and are not indicative of actual value or actual future results that might be achieved, which value may be higher or lower than those indicated.

This Fairness Opinion is necessarily based on financial, economic, market and other conditions as in effect on the date of this issuing the Fairness Opinion, and the information made available to us as of, the date hereof, including the capital structure of the Transferor Companies and the Transferee Company.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed good and marketable and we would urge the Transferor Companies and the Transferee Company to carry out an independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment. We have further assumed that the Proposed Scheme would be carried out in compliance with applicable laws, rules and regulations.

We and our affiliates in the past five years have provided, and currently provide, services to the Transferor Companies and the Transferee Company and their affiliates unrelated to the Proposed Scheme for which services we and such affiliates have received and expect to receive compensation, including, without limitation as creditors and as valuers for the purchase/sale of assets/businesses/securities by/to Macrotech (as the case may be).

In the ordinary course of business, we and our affiliates may actively trade or hold securities of companies that may be the subject matter of this Proposed Scheme for our own account or for the account of our customers and, accordingly, may at any time hold long or short position in such securities and may vote at any general meeting as they deem fit. In addition, we have in the past rendered professional services to the Transferee Company, the Transferor Companies and their respective affiliates

The laws of India govern all matters arising out of or relating to this Fairness Opinion (including, without limitation, its interpretation, construction, performance, and enforcement).

With respect to any suit, action or any other proceedings relating to this Fairness Opinion the courts of competent jurisdiction in India shall have exclusive jurisdiction.

For avoidance of any doubts, it is clarified that fees payable to Fedex Securities Private Limited by the Transferor Companies are not in any way contingent upon nature of opinion provided to the Transferor Companies.

#### **Distribution of this Fairness Opinion**

The Fairness Opinion is addressed to the Board of Directors of the Transferor Companies (in its capacity as such) solely for the purpose of providing them with an independent opinion on the fairness of the Valuation as determined by the Valuer and for the purpose of submission to the Stock Exchanges, National Company Law Tribunal along with the application/petition for the Proposed Scheme and such other regulatory authorities under SEBI Circular and /or Companies Act, 2013. The Fairness Opinion shall not be disclosed or referred to publicly or to any third party, other than as required by Indian law (in which case you would provide us a prior written intimation) without our prior written consent. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. In no circumstances however, will Fedex or its directors, officers, employees and controlling persons of Fedex accept any responsibility or liability including any pecuniary or financial liability to any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

#### **Conclusion**

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, Equity Share Exchange Ratios as recommended by the Valuer, is Fair from a financial point of view to the shareholders of the respective Transferor Companies.

Yours truly,

For, **Fedex Securities Private Limited**



Uday Nair

Director

DIN: 03431884