

KEYNOTE

January 30th, 2020

The Board of Directors
NOCIL Limited
Mafatlal House,
Backbay Reclamation,
Mumbai – 400 020.

The Board of Directors
Suremi Trading Private Limited
D-1, Sindhu House, 4th Floor,
Nanabhai Lane, Fort,
Mumbai – 400 020.

The Board of Directors
Sushripada Investments Private Limited
Mafatlal House,
Backbay Reclamation,
Mumbai – 400 020.

Dear Sir(s)/Madam(s),

Reg: Fairness Opinion in connection with the proposed amalgamation of Suremi Trading Private Limited (“STPL”) and Sushripada Investments Private Limited (“SIPL”) with NOCIL Limited (“NOCIL”)

Keynote Financial Services Limited (“Keynote” or “we” or “us”) is a Category I Merchant Banker registered with Securities Exchange Board of India (“SEBI”). We understand that the Management of STPL, SIPL and NOCIL (“the Companies”) are contemplating a Scheme of Arrangement (“Scheme”) for the amalgamation of STPL and SIPL with NOCIL (“Proposed Transaction”). The proposed transaction is to be carried out pursuant to the Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

In connection with the aforesaid, we have been requested by the management of the Companies to issue a Fairness Opinion, as to the fairness of the Share Allotment/Entitlement Ratio to the Shareholders of STPL and SIPL for the proposed transaction as on 30th January, 2020 (“Valuation Date”). We have perused the documents/information provided by you in respect of the said Arrangement and the Valuation Report as issued by SSPA & Co. dated 30th January, 2020 and state as follows:

Company Profile:

NOCIL Limited commenced rubber chemicals production in the year 1975. Situated in a designated ‘Chemicals Zone’ about 40 km away from Mumbai City, NOCIL is currently the largest rubber chemicals manufacturer in India with state of art technology for the manufacture of rubber chemicals. The standalone revenue from operations of NOCIL for financial year ended March 31, 2019 was INR 1,04,290 lakhs and the issued, subscribed and fully paid-up equity share capital of NOCIL as at March 31, 2019 was INR 16,542 lakhs. The equity shares of NOCIL are listed on BSE and NSE.

STPL is engaged in the business of trading in fabrics and granting of loans and advances and holding investments in various types of securities. As informed by the Management, 2,07,72,170 equity shares



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constituting 12.54% of the total paid-up equity share capital of NOCIL is held by STPL as on the Valuation Date.

STPL has 53,179 equity shares of INR 10 each and 9,84,000 0.01% Non-Cumulative Compulsorily Convertible Preference Shares ('CCPS') of INR 10 each outstanding as on the Valuation Date. As informed by the management of STPL, each CCPS of STPL is convertible into one equity share of STPL of INR 10 each.

SIPL is engaged in the business of trading of goods and holds investments in equity shares. As informed by the Management, 89,60,880 Equity Shares constituting 5.41% of the total paid-up equity share capital of NOCIL is held by SIPL as on the Valuation Date.

SIPL has 30,644 equity shares of INR 100 each and 6,99,998 0.01% Non-Cumulative Compulsorily Convertible Preference Shares of INR 100 each outstanding as on the Valuation Date. As informed by the management of SIPL, each CCPS of SIPL is convertible into one equity share of SIPL of INR 100 each.

Rationale of the Report:

The amalgamation of the STPL and SIPL with NOCIL would include the following benefits:

- Ensuring a streamlined group structure by reducing the number of legal entities in the group structure;
- Reducing the multiplicity of legal and regulatory compliances required at present;
- Eliminating duplicative communication and coordination efforts across multiple entities;
- Rationalizing costs by eliminating multiple record keeping and administrative functions;

Our Recommendation:

As stated in the Valuation Report by SSPA & Co., they have recommended the following:

"2,07,72,170 equity shares of the face value of INR 10 each fully paid-up of NOCIL shall be issued and allotted as fully paid up to the equity shareholders of STPL and compulsorily convertible preference shareholders of STPL in the proportion of their holding in STPL"

"89,60,880 equity shares of the face value of INR 10 each fully paid-up of NOCIL shall be issued and allotted as fully paid up to the equity shareholders of SIPL and compulsorily convertible preference shareholders of SIPL in the proportion of their holding in SIPL."

In case STPL or SIPL acquires additional equity shares of face value of INR 10 each fully paid-up of NOCIL before the effective date without incurring any additional liability, such additional number of equity shares of face value of INR 10 each fully paid-up of NOCIL shall also be issued and allotted to the shareholders of STPL and SIPL respectively in proportion of the number of equity shares and compulsorily convertible preference shares held by the shareholders of STPL and SIPL in STPL and SIPL respectively.

The aforesaid merger shall be pursuant to the Draft Scheme of Arrangement and shall be subject to receipt of approval from the National Company Law Tribunal or such other competent authority as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the merger are more fully set forth in the Draft Scheme of Arrangement. Keynote has issued the Fairness Opinion with the understanding that Draft Scheme of Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Arrangement alters the transaction.



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Based on the information, data made available to us, to the best of our knowledge and belief, the Share Allotment / Entitlement Ratio as recommended by SSPA & Co. in relation to the proposed Draft Scheme of Arrangement is Fair to the shareholders of STPL and SIPL in our opinion.

Sources of Information:

For arriving at the Fairness Opinion set forth below, we have relied upon the following sources of information:

- Valuation Report by SSPA & Co. dated 30th January, 2020.
- Shareholding pattern of STPL, SIPL and NOCIL as on 31st December 2019.
- Draft Scheme of Arrangement between STPL, SIPL and NOCIL and their Respective Shareholders.
- Annual reports for FY 2018-2019 of STPL, SIPL and NOCIL.

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our Analysis.

Exclusions and Limitations:

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the companies for the purpose of this opinion. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of the companies. We have solely relied upon the information provided to us by the companies. We have not reviewed any books or records of the companies (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the companies and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the companies. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by the companies for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on this opinion. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of the companies with respect to these matters. In addition, we have assumed that the Draft Scheme of Arrangement will be approved by the regulatory authorities and that the proposed Transaction will be consummated substantially in accordance with the terms set forth in the Draft Scheme of Arrangement.

We understand that the management of the companies during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Draft Scheme of Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the Proposed Transaction that the companies may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the



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information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving the companies or any of their assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to the companies for providing a Fairness Opinion and will receive a fee for our services.

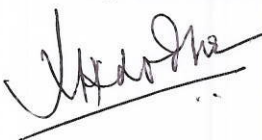
In the ordinary course of business, Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Transaction.

The Fairness Opinion is addressed only to the Board of Directors of the companies and is for the purpose of submission to the Stock Exchanges under the SEBI Circular. Further, the Fairness Opinion may be disclosed on the website of the companies and the Stock Exchanges and also be made part of the explanatory statement to be circulated to the shareholders and / or creditors of the Company. The Fairness Opinion should be read in totality and not in parts. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Keynote's prior written consent. If this Fairness Opinion is used by any person other than whom it is addressed or for any purpose other than the purpose state hereinabove, then we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to the companies' underlying decision to effect to the Proposed Transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of the companies should vote at their respective meetings, if any, held in connection with the Transaction. We do not express and should not be deemed to have expressed any views on any other terms of Transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of the companies will trade following the announcement of the Transaction or as to the financial performance of the companies following the consummation of the Transaction.

In no circumstances however, will Keynote Financial Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Keynote Financial Services Limited or its associates, directors or employees by any third party, the companies and their affiliates shall indemnify them.

For Keynote Financial Services Limited



Nipun Lodha

Exec. Vice President and Head Corporate Finance



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