

1st February, 2017

The Board of Directors

Oricon Enterprises Limited

1076, Dr. E Moses Road, P B No 6584,
Worli, Mumbai 400018,
Maharashtra, India.

Sub: Fairness Opinion on the Valuation Report dated February 1st, 2017 as prepared by **M/s K. S. Jhaveri & Company**, Chartered Accountants ("the Valuer") w.r.t. **Scheme of Amalgamation** of wholly owned subsidiary namely **Oricon Properties Private Limited** (the Transferor Company) with the holding company, **Oricon Enterprises Limited** (the Transferee Company).

Ref: appointment of Systematix Corporate Services Limited as the Merchant Banker to provide "Fairness Opinion" on Scheme of Amalgamation vide letter dated 27th January, 2017.

Dear Members of the Board,

I. Engagement Background

Systematix Corporate Services Limited ("**Systematix**"), a public limited company listed on BSE Limited, Mumbai and also a SEBI registered Category I Merchant Banker having permanent Registration Number INM000004224, has been appointed by **Oricon Enterprises Limited** (CIN: L28100MH1968PLC014156) to provide a "Fairness Opinion" pursuant to Regulation 11, 37 and 94 of the Listing Regulations vide SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015 ("**SEBI Circular**") on the proposed Scheme for Amalgamation of wholly owned subsidiary of your Company into the Company under Section 230-233 of the Companies Act, 2013 ("**the Scheme**").

The Scheme envisages dissolution of wholly owned subsidiary i.e. the Transferor Company into the Transferee Company without winding up under Sections 230 to 233 of the Companies Act, 2013, such that:

- (a) all the issued subscribed and paid-up capital of the Transferor Company is held by the Transferee Company as on the Appointed Date of the Scheme;
- (b) pursuant to the Scheme, equity shares held by the Transferee Company in the Transferor Company will be cancelled and the Transferee Company shall not be required to issue and / allot any shares to the shareholders of the Transferor Company;
- (c) no valuation is required to be issued by the Valuer for share entitlement ratios and
- (d) there will not be change in the shareholders of the Transferee Company as on the Effective Date of the Scheme



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In connection with the aforesaid, you requested our "Fairness Opinion" as of the date hereof as to the fairness of the Valuation Report prepared by the Valuer to the Equity Shareholders of the Transferee Company as on the "Appointed Date" as defined in the Scheme.

II. Basis of Opinion

In the Rationale of the Scheme, the following has been provided:

- (a) The Transferor Company and the Transferee Company are the part of same group of companies and the Scheme will lead to a simplified business structure for the group. The Scheme would help the Transferee Company to achieve economies of scale through efficient utilization of resources and facilities.
- (b) The Scheme would, therefore, enable the Transferee Company to increase operations and confer a competitive advantage on the entire business by avoiding duplication and with integrated process (es), the Transferee Company can achieve higher scales of operation.
- (c) The Scheme will help to improve competitive position of the Transferee Company due to greater integration, financial strength and flexibility. The Amalgamated Company will have the ability to leverage on its large asset base, diverse range of products and services, and vast pool of intellectual capital, to enhance shareholder value.
- (d) The Scheme will result in effective management and utilization of funds for capital expenditure and working capital of the Transferee Company.
- (e) The Board of Directors of the Transferee Company is of the opinion that the Scheme would benefit the Transferor Company, the Transferee Company and their shareholders, creditors, employees and other stakeholders of both the companies.

A brief history of each of the aforesaid companies is as under:

Oricon Enterprises Limited (CIN: L28100MH1968PLC014156), or the **Transferee Company**, is a public limited company listed on BSE and NSE. The Transferee Company is a public limited company incorporated under the provisions of the Companies Act, 1956 on 7th day of December, 1968 originally in the name of "Oriental Containers Private Limited" in the State of Maharashtra and subsequently converted into a "Public Limited Company" in the name of "Oriental Containers Limited" on 31st March, 1970. The registered office of the Transferee Company is situated at 1076, Dr. E. Moses Road, Worli, Mumbai 400 018, Maharashtra. The name of the Transferee Company has been changed to its present name "Oricon Enterprises Limited" with effect from 2nd May, 2006. The Transferee Company is engaged in the business of manufacturing and sale of petro chemical products, Liquid Colorants and trading activities.

Oricon Properties Private Limited (CIN: L28100MH1968PLC014156), or the **Transferor Company** was incorporated under the provisions of the Indian Companies Act, VII of 1913, on 16th day of November, 1943, as "Private Limited Company" originally in the name of "National Cotton Products Private Limited" in the State of Maharashtra and the name of the Company was changed its present name "Oricon Properties Private Limited" on 1st November, 2010. The registered office of the Transferor Company is situated at 35, Dr. E. Moses Road, Worli, Mumbai 400 018, Maharashtra. The Transferor Company is a wholly owned



Subsidiary of the Transferee Company and is presently engaged in the business of construction, development of land and real estate activities.

The key features and rationale of the Scheme as disclosed above alongwith the valuation report for entitlement ratio as submitted by M/s K. S. Jhaveri & Company, Chartered Accountants are relied upon by us for framing fairness opinion on the Entitlement Ratio. We have taken the foregoing facts (together with other facts and assumptions set forth in

III. Sources of Information

For recommendations of “Fairness Opinion”; we have relied upon the following data and documents:

- Copy of the “Valuation Report” prepared by M/s K. S. Jhaveri & Company, Chartered Accountants vide their report dated 1st February, 2017
- Copy of “the Draft Scheme” as provided by Oricon Enterprises Limited
- MOA & AOA of Oricon Enterprises Limited and Oricon Properties Pvt Ltd
- Audited Financials for FY2016 of Oricon Enterprises Limited and Oricon Properties Pvt Ltd
- Unaudited Financials for Q1 and Q2 of FY2017 of Oricon Enterprises Limited and Oricon Properties Pvt Ltd
- BSE and NSE Websites (www.bseindia.com; www.nseindia.com) and
- Other information and explanations as provided by the Transferee Company.

IV. Limitation of Scope and Review

Our “Fairness Opinion” and analysis is limited to the extent of review of the documents as provided to us by the Transferee Company including the Valuation Report prepared by the Valuer and the draft Scheme. We have relied upon the accuracy and completeness of all the information and documents provided to us without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We are not provided with any forward looking financial projections w.r.t. the Amalgamated Company.

We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Transferor Company and the Transferee Company. We also do not express any opinion as to the price at which equity shares of the Amalgamated Company may list or trade at any point of time.

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 course of obtaining the necessary Regulatory or third party approvals for the Scheme. Further, we do not express any opinion in any other matter except what is stated in this report w.r.t. the Transferor and the Transferee Company.

It is understood that this Fairness Opinion may not be relied upon by, nor be disclosed, in whole or in part to any third party for any purpose whatsoever. Notwithstanding the foregoing, this Fairness Opinion may be reproduced in the explanatory statement sent to the shareholders along with the Notice of General Meeting /



Postal Ballot form, conducted to get approval for the proposed Amalgamation, so long as form of reproduction of the Fairness Opinion in such report or any description of or reference in such report to Systematix, is in a form acceptance to us.

Our fees for services will be payable on delivery of this report and is not contingent on the successful completion of the Scheme.

Our Fairness Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter related thereto.

V. Conclusion

Based on and subject to the foregoing, we are of the opinion that as of the date hereof, the Valuation Report issued by the Valuer is FAIR to the Equity Shareholders of the Transferee Company.

Yours truly,

For Systematix Corporate Services Limited


Authorised Signatory

