VC CORPORATE ADVISORS PVT LTD.

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PRIVATE & CONFIDENTIAL

Dated : 31st October, 2018

The Board of Directors
SKIPPER LIMITED
3A, Loudon Street, 1st Floor,
Kolkata – 700 017

Dear Sir,

Sub: Proposed scheme of arrangement under section 230 to 232 read with section 52 and 66 of the Companies Act, 2013 between Skipper Limited ("Skipper" or "Demerged Company") and Skipper Pipes Limited ("SPL" or "Resulting Company") with effect from 01 April 2018 ("Appointed Date").

Re: Fairness Opinion

PURPOSE:

This has reference to our engagement letter dated September 26, 2018 whereby Skipper has appointed us to provide a Fairness Opinion in terms of the requirements of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI circular no. CFD/DIL3/CIR/2018/2 dated January 3, 2018, on the recommendation of Shares Exchange Ratio report dated 31st October, 2018 ("**Valuation Report**") issued by Saraf & Chandra LLP ("**Valuer**") for the proposed demerger of Polymer Products Division (except Palashbari unit at Guwahati) ("**Demerged Undertaking**") business of Skipper Limited and vesting the same into Skipper Pipes Limited with effect from 01 April 2018 under section 230 to section 232 read with section 52 and 66 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications(s) thereof). We understand that the proposed Scheme will be considered by the Audit Committee and the Board of Directors of Skipper.

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The share entitlement ratio for this opinion refers to number of equity shares of the face value of INR 1/- of SPL which would be issued to the shareholders of Skipper as consideration for the transfer and vesting of the Demerged Undertaking in proportion to their shareholding in Skipper.

The Scheme of Arrangement further provides that concurrently with the issuance of shares as considertation by SPL, all the equity shares issued by it to its existing shareholders shall stand cancelled, extinguished and annulled on and from the Effective Date.

The information contained herein and our report is confidential. It is intended only for the sole use of captioned purpose including for the purpose of obtaining requisite approvals as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BACKGROUND AND SCOPE OF THIS REPORT:

(i) **Skipper Limited** ("Skipper" or the "Demerged Company") is a public limited company, having Corporate Identity Number L40104WB1981PLC033408 was incorporated on 5th March, 1981 under the provisions of the Companies Act, 1956 having its registered office at 3A, Loudon Street, 1st Floor, Kolkata – 700 017, West Bengal. The equity shares of Skipper are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

(ii) **Skipper Pipes Limited** ("SPL" or the "Resulting Company") is a public limited company having Corporate Identity Number U25200AS2015PLC012078 was incorporated on 27th March, 2015 under the provisions of the Companies Act, 1956 and having its registered office at Mouza Chayani Dag No.335, 336, 337 Parlley Revenue circle – Palashbari, Kamrup Guwahati Kamrup, Assam 781128.

CAPITAL STRUCTURE

The share capital of the Demerged Company as on 31st October, 2018 is as follows:

Particulars	INR
Authorised Share Capital	
41,00,00,000 equity shares of INR 1 each	41,00,00,000
Total	41,00,00,000
Issued, Subscribed and Paid-up Capital	
102670212 equity shares of INR 1 each	102670212
Total	102670212

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The share capital structure of the Resulting Company as on 31st October, 2018 is as follows:

Particulars	INR
Authorised Share Capital	
13,00,00,000 equity shares of INR 1 each	13,00,00,000
Total	**13,00,00,000**
Issued, Subscribed and Paid-up Capital	
7,00,000 equity shares of INR 1 each	7,00,000
Total	**7,00,000**

BACKGROUND OF THE SCHEME OF ARRANGEMENT

I. Demerged Undertaking of the Demerged Company is proposed to be demerged, pursuant to the applicable provisions of the Companies Act, 2013and/or any other applicable laws and be transferred to and vested with the Resulting Company for achieving the above mentioned objectives.

II. The Demerged Company will continue its interests in the Remaining Undertaking.

III. The Resulting Company shall issue and allot shares to the shareholders of the Demerged Company as consideration for the transfer and vesting of the Demerged Undertaking in proportion to their shareholding in the Demerged Company and simultaneously with such issuance, in the books of the Resulting Company, all the equity shares issued by the Resulting Company to its existing shareholders shall stand cancelled, extinguished and annulled on and from the Effective Date.

IV. The demerger of the Demerged Undertaking in accordance with this Scheme shall take effect from the Appointed Date and shall be in accordance with Section 2 (19AA) of the Income Tax Act, 1961 such that:

i. All the properties of the Demerged Undertaking, being transferred by the Demerged Company, as on the Appointed Date shall become the properties of the Resulting Company by virtue of this Scheme;

ii. All the liabilities relatable to the Demerged Undertaking, as on the Appointed Date shall become the liabilities of the Resulting Companies by virtue of this Scheme;

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iii. The properties and the liabilities relatable to the Demerged Undertaking being transferred by the Demerged Company shall be transferred to the Resulting Company at the value appearing in the books of account of the Demerged Company immediately before the Demerger;

iv. All the shareholders of the Demerged Company as on the Record Date shall become the shareholders of the Resulting Company by virtue of the Demerger; and

v. The transfer of the Demerged Undertaking shall be on a going concern basis;

vi. The division of the business being demerged is "Undertaking" as defined under section 2(19AA) of the Income Tax Act 1961.

SOURCES OF INFORMATION:-

For the purposes of fairness opinion, we have relied upon the following sources of information –

a. Memorandum and Articles of Association of the Demerged Company and the Resulting Company,
b. Annual Accounts of the Demerged Company and the Resulting Company for last 3 financial years,
c. Draft of the proposed Scheme of Arrangement,
d. Share Entitlement Ratio Report dated 31st October, 2018 issued by the Valuer and related workings.

We have also obtained necessary explanations and information, which we believed were relevant to the present exxercise, from the representative of the Demerged Company and Resulting Company.

EXCLUSIONS AND LIMITATIONS:-

Our conclusion is based on the information furnished to us being, complete and accurate in all material aspects. We have relied upon the financials and the information and representations furnished to us and have not carried out any audit of such information.

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We have not carried on any independent valuation or appraisal of any of the assets or liabilities of the companies.

Our work does not constitute verification of financials or including the working results of the companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.

We assume no responsibility for updating or revising our opinion on the circumstances or events after the date hereof.

Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

CONCLUSION: -

We are made to understand that Pursuant to the Scheme, the Resulting Company, in order to comply with the intent of maintaining the economic interest of the shareholders of Skipper shall issue 1 (one) equity share of INR. 1 (Rupee one only) in Skipper Pipes Limited, credited as fully paid up for every 1 (one) equity share of INR. 1 (Rupee one only) each held by them in Skipper to all the shareholders of Skipper and the existing 7,00,000 equity shares of INR. 1 each of the Resulting Company shall stand cancelled.

"We have accordingly formed an opinion that the exchange ratio as recommended by the Valuer i.e., 1 (One) equity shares of SPL of INR 1/- each fully paid up for every 1 (One) equity shares of Skipper of INR 1/- each fully paid up, is fair to the shareholders of Skipper."

Yours Faithfully,

For **VC CORPORATE ADVISORS PRIVATE LIMITED**

Anup Kumar Sharma

ANUP KUMAR SHARMA

(VICE PRESIDENT)

SEBI REGN No. INM0000011096

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