

**FEDEX
SECURITIES
PVT LTD**

(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, 4th Floor, 17G Vardhaman Chamber
Cawsaji Patel Road, Horniman Circle
Fort, Mumbai, 400001

&

National Standard (India) Limited

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

&

Sanathnagar Enterprise Limited

412, 4th 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

