



SEBI REGN. NO. INM 000010163

Strictly Private & Confidential

Dated: 25 January, 2022

To, The Board of Directors Roselabs Finance Limited 412, Floor-4,, Cawasji Patel Road,, Vardhaman Chamber, Horniman Circle, Fort, Mumbai, Maharashtra, 400001	To, The Board of Directors National Standard (India) Limited 412, Vardhaman Chamber, 4, 17G, Cawasji Patel Road, Horniman Circle, Fort, Mumbai, Maharashtra, 400001	To, The Board of Directors Sanathnagar Enterprises Limited 412, Vardhaman Chamber, Floor- 4, 17G, Cawasji Patel Road, Horniman Circle, Fort,, Mumbai, Maharashtra, 400001
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Dear Members of the Board:

Sub: Fairness Opinion on the share exchange ratio for the proposed merger by absorption of Roselabs Finance Limited, National Standard (India) Limited and Sanathnagar Enterprises Limited, the Transferor Companies with Macrotech Developers Limited, the Transferee Company

We refer to our letter of engagement dated January 8, 2022 ("LoE") whereby Fedex Securities Private Limited ("Fedex") is *inter alia* engaged by the respective managements of Roselabs Finance Limited, National Standard (India) Limited and Sanathnagar Enterprises Limited to provide a fairness opinion to the respective Board of Directors of the Transferor Companies (*as defined*) on the share exchange ratio determined by Drushti Rahul Desai, Registered Valuer ("Valuer") appointed by the Transferee Company for the proposed Scheme of Merger by Absorption of Roselabs Finance Limited, National Standard (India) Limited and Sanathnagar Enterprises Limited with Macrotech Developers Limited, the Transferee Company vide a Scheme of Merger by Absorption 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 of the Transferor Companies.

Company Background and Purpose

Roselabs Finance Limited (hereinafter referred to as the "First Transferor Company" or "Roselabs") is a public listed company having its registered office at 412, Floor-4, 17G Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai 400001. The main object of the the First Transferor Company is development of residential/commercial premises and related

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For ROSELABS FINANCE LTD



Company Secretary

activities. Currently First Transferor company does not have any business activity. The equity shares of the First Transferor Company are listed on BSE Limited ('BSE'). 74.25% of its equity share capital is held by Macrotech Developers Limited, the Transferee Company as on December 31, 2021.

National Standard (India) Limited (hereinafter referred to as the "**Second Transferor Company**" or "**NSIL**") is a public listed company having its registered office at 412, Floor-4, 17G Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai 400001. The Second Transferor Company is currently engaged in the business of development of residential/commercial premises and related activities. The equity shares of the Second Transferor Company are listed on BSE Limited ('BSE') and Calcutta Stock Exchange (CSE). 73.94% of its equity share capital is held by Anantnath Constructions and Farms Private Limited, which is a wholly owned subsidiary of the Transferee Company, as on December 31, 2021.

Sanathnagar Enterprises Limited (hereinafter referred to as the "**Third Transferor Company**" or "**Sanathnagar**") is a public listed company having its registered office at 412, Floor-4, 17G Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai 400001. The Third Transferor Company is currently engaged in business of development of residential/commercial premises and related activities. The equity shares of the Third Transferor Company are listed on BSE Limited ('BSE'). 72.70% of its equity share capital is held by Macrotech Developers Limited, the Transferee Company as on December 31, 2021.

Macrotech Developers Limited (hereinafter referred to as the "**Transferee Company**" or "**MDL**") is a public listed company having its registered office at 412, Floor-4, 17G Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai 400001. The Transferee Company is currently engaged in business of currently engaged in the business of real estate development. The equity shares of the Transferee Company are listed on BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE').

"**Transferor Companies**" collectively means the First Transferor Company, the Second Transferor Company and the Third Transferor Company.

For the purpose of the proposed merger of the Transferor Companies with the Transferee Company ("**Proposed Scheme**"), the Transferor Companies and the Transferee Company has appointed Valuer to determine the share exchange ratios (as defined below) and has in terms of the LoE the Transferor Companies has requested Fedex Securities Private Limited to examine the Valuation Report issued by the Valuer and other related information provided by the Company and issue our independent opinion as to the fairness of the 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 respective 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.

As per the Valuation Report dated 25 January 2022, the Valuers have recommended the Share Exchange Ratio as under:

For First Transferor Company

1000 (One Thousand) fully paid up equity shares of Rs. 10/- each of Transferee Company for every 8 (Eight) fully paid up equity share of Rs.10/- each held in First Transferor Company ("Share Exchange Ratio 1") And

For Second Transferor Company



100 (One Hundred) fully paid up equity shares of Rs.10/- each of Transferee Company for every 9 (Nine) fully paid up equity share of Rs.10/- each held in Second Transferor Company ("Share Exchange Ratio 2")

And

For Third Transferor Company

1000 (One Thousand) fully paid up equity shares of Rs.10/- each of Transferee Company for every 8 (Eight) fully paid up equity share of Rs.10/- each held in Third Transferor Company ("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**")

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.

Brief Background of the Proposed Scheme

The Transferor Companies and the Transferee Company are part of the Lodha Group. The Transferor Companies and the Transferee Company are engaged in similar line of business and the proposed merger will result in operational synergies resulting in cost optimization, achieve rationalization of costs by simplification of management structure, Rationalization of the group holding structure by way of reduction in the number of entities and streamline the structure of Transferee Company, simplify the financial reporting to all stakeholders, result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by Transferor Companies and maximizing 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

Amalgamation 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 upon the merger of the First Transferor Company with the Transferee Company in terms of Proposed Scheme, the Transferee Company shall issue and allot, on a proportionate basis to each shareholder of the First Transferor Company, other than to the Transferee Company as the shareholder of the First Transferor Company, or to their respective heirs, executors, administrators or other legal representatives or the successors in-title, as the case may be, fully paid-up equity share of INR 10 (Indian Rupees Ten) each of the Transferee Company by virtue of and in the manner provided in Proposed Scheme

Amalgamation of the 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 upon the merger of the Second Transferor Company with the Transferee Company in terms of Proposed Scheme, the Transferee Company shall issue and allot, on a proportionate basis to each shareholder of the First Transferor Company, other than to Anantnath Constructions and Farms Private Limited the wholly owned subsidiary of the Transferee Company, or to their respective heirs, executors, administrators or other legal representatives or the successors in-title, as the case may be, fully paid-up equity share of INR 10 (Indian Rupees Ten) each of the Transferee Company by virtue of and in the manner provided in Proposed Scheme

Amalgamation of the 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 upon the merger of the Third Transferor Company with the Transferee Company in terms of Proposed Scheme, the Transferee Company shall issue and allot, on a proportionate basis to each shareholder of the Third Transferor Company, other than to the Transferee Company as the shareholder of the Third Transferor Company, or to their respective heirs, executors, administrators or other legal representatives or the successors in-title, as the case may be, fully paid-up equity share of INR 10 (Indian Rupees Ten) each of the Transferee Company by virtue of and in the manner provided in Proposed Scheme

As per Proposed Scheme, upon the coming into effect of the Scheme, the Transferor Companies shall stand dissolved without winding-up, without any further act or deed.

Source of Information

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

1. Valuation Report issued by the Valuer;
2. Draft of the Proposed Scheme;
3. Historical financial information for the year ended 31 March 2021 of the Transferor Companies and the Transferee Company;
4. Limited review financial statement for the nine months ended 31 December 2021;
5. Necessary clarifications, explanations and information from the Valuers; and
6. Necessary explanations and information from the representatives of the Transferor Companies and the Transferee Company.

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 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 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 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 effect 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 understand the business projections shared by the Companies have factored in the potential impact of COVID-19 pandemic. Hence, we have not considered any additional impact of COVID-19 pandemic on the cash flows of the Transferor Companies. It should be understood that subsequent developments may affect this Opinion and that we do not have any obligation to update, revise, or reaffirm this Fairness 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 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 and our affiliates maintain relationships with 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, Share Exchange Ratio as recommended by the Valuer, are Fair to the Equity Shareholders of the respective Transferor Companies, from a financial point of view.

Yours truly,

For Fedex Securities Private Limited



Uday Nair
Director

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For ROSELABS FINANCE LTD



Company Secretary