

Date: September 25, 2023

To,
**The Board of Directors,
 Fibcorp Polyweave Private Limited
 E-260-261, Mewar Industrial Area,
 Madri, Udaipur, Rajasthan – 313003**

To,
**The Board of Directors,
 SAH Polymers Limited
 E-260-261, Mewar Industrial Area,
 Madri, Udaipur, Rajasthan - 313003**

Dear Sir/Ma'am,

Subject: Fairness opinion on the fair share exchange ratio for the proposed amalgamation of Fibcorp Polyweave Private Limited with and into SAH Polymers Limited

We refer to our discussion undertaken with the Management of SAH Polymers Limited (*hereinafter referred to as "SAH Polymers" or "Transferee Company"*) wherein the Management of SAH Polymers has appointed Kunvarji Finstock Private Limited, a Category I Merchant Banker registered with SEBI having Registration Number – INM000012564 (*hereinafter referred to as "Kunvarji" or "We" or "Us" or "Our"*) vide engagement letter dated September 15, 2023 to provide a fairness opinion on the share exchange ratio for the proposed Amalgamation of Fibcorp Polyweave Private Limited (*hereinafter referred to as "FPPL" or "Transferor Company"*) with and into SAH Polymers with effect from the Appointed Date as defined in the Scheme (*hereinafter referred to as the "Proposed Amalgamation" or "Proposed Transaction"*) recommended by CA Mahesh Mandowara, Registered Valuer – Securities or Financial Assets (*hereinafter referred to as the "Independent Valuer"*) vide report dated September 25, 2023.

Hereinafter the Management including the Board of Directors of SAH Polymers and FPPL shall collectively be referred to as the "Management"; Transferor Company and Transferee Company shall collectively be referred to as "Transacting Companies".

Please find enclosed our deliverables in the form of a report (*the "Report"*). This Report sets out the transaction overview, scope of work, background of the Transacting Companies, sources of information and our opinion on the share exchange ratio for the aforesaid proposed amalgamation recommended by the Independent Valuer.


Kunvarji Finstock Pvt. Ltd.

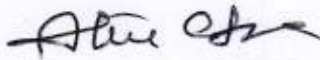
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This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

This Report has been issued only to facilitate the Proposed Amalgamation and should not be used for any other purpose.

For, Kunvarji Finstock Private Limited



Mr. Atul Chokshi
Director (DIN: 00929553)



Place: Ahmedabad

Kunvarji Finstock Pvt. Ltd.

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000861/2023



FAIRNESS OPINION**IN THE MATTER OF SCHEME OF AMALGAMATION****IN THE NATURE OF****PROPOSED AMALGAMATION OF****FIBCORP POLYWEAVE PRIVATE LIMITED****WITH AND INTO SAH POLYMERS LIMITED****STRICTLY PRIVATE AND CONFIDENTIAL****By****KUNVARJI**

SINCE 1960

*Driven By Knowledge***Kunvarji Finstock Private Limited****SEBI Registered Category I Merchant Banker****(Registration Number – INM000012564)**

Kunvarji, B-Wing, Siddhivinayak Towers, Nr. D.A.V. School,

Off. S. G. Road, Makarba, Ahmedabad-380051

**Kunvarji Finstock Pvt. Ltd.**

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000862/2023



1. BACKGROUND OF THE TRANSACTING COMPANIES**❖ Fibcorp Polyweave Private Limited**

Fibcorp Polyweave Private Limited is a private limited company bearing CIN U17309RJ2017PTC058691 and was incorporated on July 31, 2017 under the Companies Act, 2013. The registered office of the Company is at E-260-261, Mewar Industrial Area, Madri, Udaipur, Rajasthan - 313003.

FPPL is engaged in the business of manufacturing of Flexible Intermediate Bulk containers (FIBC), HDPE/PP fabrics and sacks etc.

The equity shareholding pattern of FPPL as on the date of this report is as under:

Sr. No.	Name of the Shareholder	No. of shares held (FV – INR 100 each)	Shareholding (%)
1	Murtaza Ali Moti	28,046	42.22%
2	Fatima Moti	4,500	6.77%
3	SAH Polymers Limited	33,884	51.01%
	Total	66,430	100.00%

SAH Polymers holds 33,884 equity shares of INR 100/- each, fully paid-up, representing about 51.01% of the total paid-up share capital of the Transferor Company.

Note: We understand that upon the Scheme being effective, the equity shares of FPPL held by SAH Polymers shall stand cancelled and no shares shall be issued to that extent.

❖ SAH Polymers Limited

SAH Polymers Limited is a public limited company bearing CIN U24201RJ1992PLC006657 and was incorporated on April 20, 1992 under the Companies Act, 1956. The registered office of the Company is E-260-261, Mewar Industrial Area, Madri, Udaipur, Rajasthan 313003.

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000863/2023



SAH Polymers is engaged in manufacturing and selling of Polypropylene (PP)/ High Density Polyethylene (HDPE) FIBC Bags, Woven Sacks, HDPE/PP woven fabrics, woven polymer based products of different weight, sizes and colours as per customers specification. The Transferee Company offers wide range of bags of different sizes for varied applications. The Transferee Company is a Del Credere Associate cum Consignment Stockist (DCA/ CS) of Indian Oil Corporation Limited and also operates as Dealer Operated Polymer Warehouse (DOPW) of Indian Oil Corporation Limited for their polymer division.business of Machine Tools, Air Engineering and Textile Machinery.

The equity shares of SAH Polymers are listed on the BSE Limited and National Stock Exchange of India Limited.

The summary of the equity shareholding pattern of SAH Polymers as on the date of this report is as under:

Sr. No.	Category of the Shareholder	No. of shares held (FV – INR 10 each)	Shareholding (%)
1	Promoter & Promoter Group	1,55,96,000	60.46%
2	Public	1,02,00,000	39.54%
Total		2,57,96,000	100.00%

2. TRANSACTION OVERVIEW, RATIONALE OF THE SCHEME & SCOPE OF SERVICES

❖ Transaction Overview

We understand that the Management of the Transacting Companies are contemplating a scheme of amalgamation, wherein they intend to merge FPPL with and into SAH Polymers in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with effect from the Appointed Date and in a manner provided in the draft scheme of amalgamation (*hereinafter referred to as 'the Scheme'*).

As consideration for the proposed amalgamation, equity shareholders of FPPL would be issued equity shares of SAH Polymers to be issued for the aforesaid proposed amalgamation will be based on the share exchange ratio as determined by the Board of



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Directors based on the share exchange ratio report prepared by the Independent Valuer appointed by them.

Further, as a part of the Scheme, the entire shareholding of the Transferee Company in the Transferor Company shall stand cancelled.

❖ **Rationale of the Scheme**

The rationale of the proposed amalgamation as mentioned in the scheme and confirmed by the Management is to improve economies of scale of the consolidated entity's operational efficiency, simplification of the shareholding structure and reduction of shareholding tiers and thus the administrative cost, demonstration of promoter group's direct commitment to and engagement with the Transferee Company; greater focus of the management on the business and facilitate in creating enhanced value by allow a focused strategy in operations.

❖ **Scope of Services**

Pursuant to the requirements of SEBI Operational Circular SEBI/HO/DDHS/DDHS DIVI/P/CIR/2022/0000000103 dated July 29, 2022 updated as on December 01, 2022 and SEBI Master Circular SEBI/HO/CFD/DILI/CIR/P/2021/0000000665 dated November 23, 2021 and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time, we have been requested by the Management to issue a fairness opinion in relation to the share exchange ratio for the proposed amalgamation.

In this regard, the Management has appointed Kunvarji Finstock Private Limited, a Category I Merchant Banker registered with SEBI having Registration Number – INM000012564 to provide a fairness opinion on the share exchange ratio for the proposed amalgamation recommended by the Independent Valuer vide report dated September 25, 2023.

Our scope of work only includes forming an opinion on the fairness of the recommendation of the Independent Valuer on the share exchange ratio arrived at for the Scheme and does not involve evaluating or opining on the fairness or economic rationale of the Scheme per se. This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality and not in parts, in conjunction with the relevant documents referred to herein.



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000835/2023



3. SOURCES OF INFORMATION

We have relied on the following information made available to us by the Management / obtained from the public domain for this report:

- Unaudited/Limited Reviewed Financial Statements of the Transacting Companies for the three months period ended June 30, 2023;
- Audited Financial Statements of Transacting Companies for the financial year ended March 31, 2023 and March 31, 2022;
- Shareholding pattern of Transacting Companies as at the report date;
- Financial projections of FPPL comprising of Balance Sheet and Profit & Loss Statement and material assumptions for the period 1st July 2023 to 31st March 2024 and for the financial years 2024-25 to 2027-28;
- Signed share exchange ratio report issued and prepared by CA Mahesh Mandowara, Registered Valuer – Securities or Financial Assets vide report dated September 25, 2023;
- Copy of Draft Scheme of Amalgamation pursuant to which the proposed transaction is to be undertaken;
- Other relevant details of the Companies such as its history, past and present activities, future plans and prospects, and other relevant information; and
- Such other information, representations and explanations as required and provided by the Management.

The Management has been provided with the opportunity to review the draft fairness opinion report (excluding our fairness opinion on the share exchange ratio) as part of our standard practice to make sure that factual inaccuracy/omissions are avoided.

**Kunvarji Finstock Pvt. Ltd.**

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4. PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the opinion:

- Discussion with the Management to understand the business and the fundamental factors that affect its earning generating capability of Transacting Companies including strength, weakness, opportunity and threat analysis and historical financial performance;
- Analysis of information shared by Management;
- Undertook Industry Analysis: Research publicly available market data including economic factors and industry trends that may impact the opinion;
- Requested and received financial and qualitative information and obtained data available in the public domain;
- Reviewed the draft scheme of amalgamation between the Transacting Companies pursuant to which the proposed transaction is to be undertaken;
- Reviewed the signed share exchange ratio report issued and prepared by CA Mahesh Mandowara, Registered Valuer – Securities or Financial Assets vide report dated September 25, 2023;
- Discussion with an Independent Valuer on such matters which we believed were necessary or appropriate for issuing this opinion.

5. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

- The fairness opinion contained herein is not intended to represent a fairness opinion at any time other than the report date.
- We have no obligation to update this report. This Report, its contents and the results herein are specific to (i) the purpose of fairness opinion agreed upon as per the terms of our engagement; (ii) the Report Date; (iii) the draft scheme of amalgamation and (iv) other data detailed in the Section 3 of this report "*Sources of Information*".

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000866/2023



- A fairness opinion of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.
- The fairness opinion rendered in this Report only represents our opinion based upon information furnished by the Transacting Companies and gathered from the public domain (and analysis thereon) and the said opinion shall be considered to be in the nature of non-binding advice. Our fairness opinion should not be used for advising anybody to take a buy or sell decision for which specific opinion needs to be taken from expert advisors.
- We have not independently audited or otherwise verified the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Management, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Transacting Companies and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the information given by/on behalf of the Transacting Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our fairness opinion.
- It is understood that this opinion is solely for the benefit of confidential use by the Board of Directors of the Companies to facilitate Companies to comply with SEBI Operational Circular SEBI/HO/DDHS/DDHS DIVI/P/CIR/2022/000000103 dated July 29, 2022, updated as on December 01, 2022 and SEBI Master Circular SEBI/HO/CFD/DILI/CIR/P/2021/0000000665 dated November 23, 2021 and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 as amended from time; disclosures to be made to relevant regulatory authorities including stock exchanges, SEBI, National Company Law Tribunal or as required under applicable law and it shall not be valid for any other purpose. This opinion is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

**Kunvarji Finstock Pvt. Ltd.**

Page 9 of 12
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- The Report assumes that the Transacting Companies comply fully with relevant laws and regulations applicable in all its areas of operations, and that the Companies will be managed competently and responsibly. Further, this Report has not considered matters of a legal nature, including issues of legal title and compliance with local laws, litigation and other contingent liabilities that are not represented to us by the Management. Our fairness opinion assumes that the assets and liabilities of the companies, reflected in their respective balance sheet remain intact as of the Report date.
- The Report does not address the relative merits of the proposed transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- This fairness opinion is issued on the understanding that each of the Companies has drawn our attention to all the matters which may have an impact on our opinion including any significant changes that have taken place or are likely to take place in the financial position or businesses up to the date of approval of the Scheme by the Board of Directors. We have no responsibility to update this fairness opinion for events and circumstances occurring after this date.
- Certain terms of the proposed transaction are stated in our fairness opinion, however the detailed terms of the proposed transaction shall be more fully described and explained in the Scheme document to be submitted to relevant authorities in relation to the proposed transaction. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the Scheme document.
- The fee for the engagement is not contingent upon the results reported.
- We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Transacting Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on the part of the Companies, their directors, employees or agents.
- This report is not a substitute for the third party's due diligence/ appraisal/inquiries/ independent advice that the third party should undertake for his purpose.

**Kunvarji Finstock Pvt. Ltd.**

Page 10 of 12
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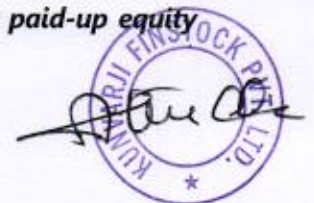
- This Report is subject to the laws of India.
- Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed scheme of amalgamation and filing it with relevant authorities, without our prior written consent.
- In addition, this report does not in any manner address the prices at which equity shares of SAH Polymers will trade following the announcement of the proposed transaction and we express no opinion or recommendation as to how the shareholders of Transacting companies should vote at any shareholders' meeting(s) to be held in connection with the proposed transaction. Our opinion contained herein is not to be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities.
- In the ordinary course of business, Kunvarji Finstock Private Limited and its affiliates are 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 Kunvarji Finstock Private Limited may at any time hold long or short positions, and may trade or otherwise effect transactions, for its account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Scheme.

5. OUR RECOMMENDATION

As stated in the share exchange ratio report dated September 25, 2023 prepared by CA Mahesh Mandowara, Registered Valuer – Securities or Financial Assets, he has recommended the following:

To the equity shareholders of FPPL for the proposed amalgamation of FPPL with and into SAH Polymers:

"494 (Four Hundred Ninety Four) fully paid-up Equity Shares of INR 10 (Ten) each of the Transferee Company shall be issued and allotted for every 10 (Ten) fully paid-up equity share of INR 100 held in the Transferor Company".



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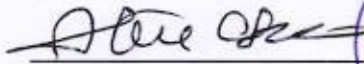
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000869/2023



The aforesaid proposed transaction shall be pursuant to the draft scheme of amalgamation and shall be subject to receipt of approval from the Hon'ble NCLT or such other competent authority as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the proposed transaction are more fully outlined in the draft scheme of amalgamation. Kunvarji has issued the fairness opinion with the understanding that the draft scheme of amalgamation shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final scheme of amalgamation alters the proposed transaction.

Based on the information, and data made available to us, to the best of our knowledge and belief, the share exchange ratio as recommended by CA Mahesh Mandowara, Registered Valuer – Securities or Financial Assets in relation to the proposed draft scheme of amalgamation is **fair** to the equity shareholders of FPPL in our opinion.

For, Kunvarji Finstock Private Limited



Mr. Atul Chokshi
Director (DIN: 00929553)



Date: September 25, 2023

Place: Ahmedabad

Kunvarji Finstock Pvt. Ltd.

Page 12 of 12
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