



**SUMEDHA**  
adding values to value

September 21, 2022

The Board of Directors  
N.B.I. Industrial Finance Company Limited  
21, Strand Road,  
Kolkata 700 001

The Board of Directors  
Western India Commercial Company Limited  
21, Strand Road,  
Kolkata 700 001

**Members of the Board:**

**Subject: "Fairness Opinion" on the Equity Share Exchange Ratio for the proposed amalgamation of Western India Commercial Company Limited ("WICCL") into N.B.I. Industrial Finance Company Limited ("NBIIFCL").**

**Purpose**

We, Sumedha Fiscal Services Limited ("SFSL"), refer to the engagement letter dated August 5, 2022, towards issuance of "Fairness Opinion" report as required under SEBI Master Circular Ref. No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, whereby N.B.I. Industrial Finance Company Limited ("NBIIFCL") and Western India Commercial Company Limited ("WICCL") (hereby referred to as "Companies") have jointly appointed us, inter alia, to provide the fairness opinion to the Board of Directors of NBIIFCL and WICCL on the respective Equity Share Exchange Ratio recommended in the valuation report dated September 21, 2022 ("Valuation Report") issued by RBSA Valuation Advisors LLP ("RBSA" or "Valuer") for the proposed amalgamation of WICCL into NBIIFCL as a going concern ("Proposed Transaction"), pursuant to the proposed amalgamation between WICCL and NBIIFCL and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "Scheme").

**Sumedha Fiscal Services Limited ("SFSL")**

SFSL is a Category 1 Merchant Banker bearing SEBI Registration Number INM000008753. The registered office is situated at 6A Geetanjali, 6th Floor, 8B Middleton Street, Kolkata – 700 071, West Bengal, India.

**Sumedha Fiscal Services Ltd.**

CIN: L70101WB1989PLC047465

Registered & Corporate Office:

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## Proposed Transaction Background

NBIIFCL and WICCL have proposed to enter into the scheme of amalgamation, which envisages the merger of WICCL into NBIIFCL. Pursuant to the Merger, NBIIFCL will issue and allot to the shareholders of WICCL, 94 fully paid-up equity shares of face value INR 5.00 each of NBIIFCL for every 3 fully paid-up equity shares of face value INR 100.00 each of WICCL held by such shareholders ("Share Exchange Ratio").

NBIIFCL and WICCL, in terms of the Appointment Letter, have requested us to issue our independent opinion on the fairness of the Equity Share Exchange Ratio recommended by the Valuer ("Fairness Opinion") in relation to the proposed transaction. Our scope is restricted to providing an Opinion on the Equity Share Exchange Ratio towards the merger of WICCL into NBIIFCL.

## Sources of Information

In arriving at our Opinion, we have reviewed the following information:

- Valuation report by RBSA Valuation Advisors LLP, dated September 21, 2022 recommending the Equity Share Exchange Ratio for the Proposed Transaction.
- Draft Scheme of Arrangement towards the proposed transaction between WICCL and NBIIFCL and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.
- Audited Financial Statements of NBIIFCL and WICCL for Financial Year ended on March 31, 2020, March 31, 2021, and March 31, 2022 as well as provisional Financial Statements for the three months period ended June 30, 2022.
- Financial Statements of companies where both NBIIFCL and WICCL have investments.
- Further, we have discussions with RBSA Valuation Advisors LLP on such matters which we believed were necessary or appropriate for the purpose of issuing the Opinion.
- Such other information, documents, data, reports, discussions, and explanations received verbally and in writing from the Management of NBIIFCL and WICCL.
- Moreover, we have taken into consideration certain publicly available information, and have taken into account such other matters as we deemed necessary including our assessment of general economic, market and monetary conditions.

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### **Brief Profile of the Companies Under Reference**

**NBIIFCL:** Incorporated on December 21, 1936, N.B.I. Industrial Finance Company Limited ("NBIIFCL") is a Non-Banking Finance Company (NBFC) registered with the Reserve Bank of India vide Registration Number 5.00252. NBIIFCL is presently engaged in the business of investment in shares and securities and financial activity. The equity shares of NBIIFCL are listed on the National Stock Exchange of India Limited ("NSE") (Symbol: NBIFIN) (ISIN: INE365I01020).

**WICCL:** Incorporated on August 13, 1928, Western India Commercial Company Limited ("WICCL") is a Non-Banking Finance Company (NBFC) registered with the Reserve Bank of India vide Registration Number B-05.06730. WICCL is presently engaged in the business of investment in shares and securities and financial activity. The equity shares of WICCL are listed on the Calcutta Stock Exchange ("CSE") (Scrip Code: 033036) (ISIN: INE925M01015).

### **Exclusions and Limitations**

The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the management of both NBIIFCL and WICCL for the purposes of the Fairness Opinion. We express no opinion, and accordingly, accept no responsibility with respect to or for such information on an "as is" basis, and have not verified the accuracy and/or the completeness of the same from our end.

Our opinion is necessarily based on financial, economic, market and other conditions as in effect on the date of the issue of Fairness Opinion, and the information made available to us as of, the date hereof, including the capital structure of NBIIFCL and WICCL. Our opinion does not address matters such as corporate governance or shareholder rights. We have assumed the Proposed Transaction is legally enforceable.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. We have further assumed that the Transaction would be carried out in compliance with applicable laws rules and regulations. Our opinion is not, nor should it be construed as our opinion or certifying the compliance of the proposed transfer with the provisions of any law including companies, taxation and capital market-related laws or as regards any legal implications or issues arising thereon.

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Our work does not constitute an audit, due diligence or verification of historical financials including the working results of the companies or their business 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 have not assumed an obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of NBIIFCL or WICCL, nor have we been furnished with any such appraisals. No investigation of the companies' claim to the title of assets or property owned by the companies has been made for the purpose of this Fairness Opinion.

We have not received any internal management information statements or any non-public reports, and instead, have relied upon information that was publicly available or provided or otherwise made available to us by NBIIFCL and WICCL on an "as is" basis for the purpose of this Fairness Opinion.

We are not experts in the evaluation of litigation or other actual or threatened claims. We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or the financial prospects of NBIIFCL or WICCL.

We understand that the management of NBIIFCL and WICCL, during our discussion with them, would have drawn our attention to all information and matters which may have an impact on our analysis and opinion.

We have assumed that in the course of obtaining necessary regulatory or other consent, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this Fairness Opinion, we do not have an obligation to update, revise or reaffirm this opinion.

In the ordinary course of business, the SFSL Group is engaged in auditing, assurance, insolvency practice, merchant banking, debt restructuring, and loan syndication. In the ordinary course of its trading, investing and financing activities, any member of the SFSL Group may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account, in debt or equity securities or senior loans of any company that may be involved in the proposed amalgamation.

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We express no opinion whatsoever and make no recommendation at all as to NBIIFCL's and WICCL's underlying decision to effect the proposed amalgamation. We also do not provide any recommendation to the holders of equity shares of NBIIFCL and WICCL with respect to the proposed amalgamation.

We hereby declare that we do not have any direct or indirect material pecuniary relationship with NBIIFCL and WICCL, except to the extent of professional fees agreed upon amongst us for this assignment of Fairness Opinion.

This report is issued on the understanding that it is solely for the use of the persons to whom it is addressed and for the purpose described above. We will not accept any liability or responsibility to any person other than those to whom it is addressed. The report must not be made available or copied in whole or in part to any other person without our express written permission.

### **Conclusion**

**Valuer's Recommendation:** As stated in the Valuation Report by RBSA Valuation Advisors LLP, they have recommended the following Share Exchange Ratio for the amalgamation of WICCL into NBIIFCL:

*94 fully paid-up Equity Shares of the face value of INR 5 each of N.B.I. Industrial Finance Company Limited for every 3 fully paid-up Equity Shares of face value INR 100 each held in Western India Commercial Company Limited.*

**Our Opinion on the Valuer's Report:** Based on the information, and data made available to us, including the Valuation Report by RBSA Valuation Advisors LLP, our examination and analysis of factors that we deemed relevant and subject to the scope, limitations as mentioned herein above, we are of the opinion that the proposed Equity Share Exchange Ratio as suggested by RBSA Valuation Advisors LLP in relation to the proposed amalgamation of WICCL into NBIIFCL is fair from a financial point of view to the shareholders.

### **Distribution of the Fairness Opinion**

The Fairness Opinion is addressed only to the Board of Directors of NBIIFCL and WICCL. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any third party without SFSL's prior consent.

However, NBIIFCL and WICCL may provide a copy of the Fairness Opinion if requested/called upon by any regulatory authorities of India subject to promptly

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intimating SFSL in writing about the receipt of such request. 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 other than the purpose mentioned hereinabove. 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 and shall not take any responsibility for the same. Neither this Fairness Opinion nor its contents may be referred to or quoted to/by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties. In no circumstances, however, will SFSL or its management, directors, officers, employees, agents, advisors, representatives and controlling persons of SFSL accept any responsibility or liability including the pecuniary or financial liability to any third party.

For **Sumedha Fiscal Services Limited**



**Bijay Murmuria**  
Director



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