



VC CORPORATE ADVISORS PVT LTD.

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PRIVATE & CONFIDENTIAL

05 October, 2016

To,

The Board of Directors

Phillips Carbon Black Limited

Duncan House, 31, N. S. Road,

Kolkata – 700 001

Dear Sir,

Sub: Proposed Scheme of Amalgamation of Goodluck Dealcom Private Limited (hereinafter referred to as "Transferor Company" or 'GDPL) with Phillips Carbon Black Limited ('Transferee Company' or 'PCBL) pursuant to Section 391 to 394 of the Companies Act, 1956.

Re: Fairness Opinion

PURPOSE:

We refer to your engagement letter dated 4th October, 2016 and subsequent discussions for providing Fairness Opinion as required in adherence with Securities and Exchange Board of India (SEBI) Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015 read with Regulations 11 and 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We understand that Phillips Carbon Black Limited (PCBL) has proposed a Scheme of Amalgamation under section 391 to 394 of the Companies Act, 1956 whereby its wholly owned subsidiary Goodluck Dealcom Private Limited (GDPL) will be amalgamated into parent PCBL with



SEBI AUTHORISED MERCHANT BANKERS

the consequent dissolution without winding up of GDPL with effect from 1st April 2016 or any other date as may be considered by the court of competent jurisdiction.

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:

Phillips Carbon Black limited ("PCBL") (herein after referred to as "Transferee Company") is a public limited company incorporated under the Companies Act of 1956 having its registered office at Duncan House, 31, Netaji Subhas Road, Kolkata- 700 001. PCBL was incorporated on March 31, 1960. There has not been any change in the name of PCBL since incorporation. The equity shares of the Transferee Company are listed on the BSE Limited (BSE), the National Stock Exchange of India Limited (NSE) and the Calcutta Stock Exchange Limited (CSE).

PCBL is presently engaged in the business of producing Carbon Black. Its manufacturing facilities are located at Durgapur, Palej, Cochin and Mundra.

Goodluck Dealcom Private Limited (GDPL) (hereinafter referred to as the "Transferor Company") is a company incorporated under provisions of the Companies Act, 1956 having its registered office at Duncan House, 31, Netaji Subhas Road, Kolkata- 700 001. The Transferor Company was incorporated on May 22, 2010. There has not been any change in the name of GDPL since incorporation.

GDPL is presently engaged in the business of investment and trading in shares and properties.

The Transferor Company is a wholly owned subsidiary of the Transferee Company.



CAPITAL STRUCTURE

The Capital structure of the Transferee Company i.e., PCBL is as under:

Particulars	Amount Rs.
Authorized Share Capital:	
5,00,00,000 equity shares of Rs. 10/- each	50,00,00,000
Issued, Subscribed and Paid Up Share Capital:	
3,44,67,572 Equity shares of Rs. 10 each fully paid up	34,46,75,720
Allotment money receivable	42,000
Total	34,46,73,720

The Capital structure of the Transferor Company i.e., GDPL is as under:

Particulars	Amount Rs.
Authorized Share Capital	
1,20,00,000 Equity shares of Rs. 10 each	12,00,00,000
Issued, Subscribed and Paid up Share Capital	
83,90,000 Equity shares of Rs. 10 each fully paid up	8,39,00,000

OBJECTS OF THE SCHEME

1. The Transferor Company is the wholly owned subsidiary of the Transferee Company. The registered offices of both, the Transferor Company and the Transferee Company are situated at the same place.
2. The amalgamation would result in more effective utilization of resources of both the Transferor Company and the Transferee Company, including pooling of financial resources of the Transferor Company with the Transferee Company, leading to more effective and centralised management of funds, greater economies of scale and reduction of administrative and manpower expenses and overheads, which are presently being multiplied, being separate entities.
3. For the better and more economic and efficient management, control and running of the businesses of the companies concerned and for the reasons as above, it is considered desirable and expedient to amalgamate the Transferor Company with the



Transferee Company in the manner and on the terms and conditions stated in this Scheme of Amalgamation.

SOURCES OF INFORMATION:-

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

- (i) Draft Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956;
- (ii) Certificate issued by M/s. S. Jaykishan, Chartered Accountants dated October 5, 2016.
- (iii) Such other information and explanations that have been provided to us by the management of the Transferee 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.

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: -

With reference to above and based on the information and explanation provided by the management representatives of PCBL and after analyzing the Scheme of Arrangement, we understand that since GDPL is a wholly owned subsidiary of PCBL, there shall be no issuance of shares or payment of consideration by PCBL to the shareholders of the Transferor Company and the shares of GDPL held by PCBL will stand cancelled. As, the shareholders and the shareholding pattern of PCBL will remain the same, it is treated as 'no change in shareholding pattern' and accordingly no valuation process is applicable to the transactions contemplated by the captioned scheme.

On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the proposed amalgamation of Transferor Company with the Transferee company is fair and reasonable.

Yours Faithfully,

For **VC CORPORATE ADVISORS PRIVATE LIMITED**

Anup Kumar Sharma.

ANUP KUMAR SHARMA

(VICE PRESIDENT)



SEBI REGN No. INM0000011096