



FMSL/WPIL/2016-17/0027

12/08/2016

To
The Board of Directors
WPIL Limited
Trinity Plaza, 3rd Floor,
84/1A, Topsia Road (South),
Kolkata – 700046

SUB: FAIRNESS OPINION ON THE SCHEME OF AMALGAMATION OF MODY INDUSTRIES (F.C.) PRIVATE LIMITED (MODY INDUSTRIES) WITH WPIL LIMITED (WPIL)

Dear Sirs,

We refer to our discussions with WPIL, wherein WPIL has requested us to provide a Fairness Opinion on the Scheme of Amalgamation of Mody Industries (a Wholly Owned Subsidiary) with WPIL (the Holding Company).

1. BACKGROUND OF THE COMPANIES

WPIL Limited

WPIL Limited (CIN No. L36900WB1952PLC020274) is a Company incorporated under the provisions of The Indian Companies Act, 1913 with its Registered Office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. The Company is listed with BSE Limited and the Calcutta Stock Exchange Limited.

Mody Industries (F.C.) Private Limited

Mody Industries (F.C.) Private Limited (CIN No. L29120WB1957PTC195643) is a Private Limited Company, incorporated under the provisions of The Companies Act, 1956 with its Registered Office at Trinity Plaza, 3rd Floor, 84/1A, Topsia Road (South), Kolkata – 700046. It is the Wholly Owned Subsidiary of WPIL.

Both WPIL and Mody Industries are engaged in the business of manufacture and sale of Pumps.

2. SCOPE AND PURPOSE OF THIS REPORT

- (a) WPIL has engaged us to submit a Fairness Opinion on the Scheme of Amalgamation of Mody Industries with WPIL in terms of SEBI Circular No.

Finshore Management Services Ltd.

(CIN : U74900WB2011PLC169377)

Regd. Office : Anandlok

2nd Floor, Block-A, Room No. 207,

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CIR/CFD/CMD/16/2015 dated November 30, 2015. Our scope of work includes commenting only on the fairness of the Scheme of Amalgamation.

- (b) This Report has been issued only for the purpose of facilitating the Scheme of Amalgamation of Mody Industries with WPIL and should not be used for any other purpose.

3. SOURCES OF INFORMATION

We have relied on the following information for framing our opinion on the fairness of the Scheme of Amalgamation.

- (a) Draft Scheme of Amalgamation
(b) Annual Report of WPIL and Mody Industries for FY 2016
(c) Latest Shareholding Pattern of both Companies
(d) Other relevant information and explanation as we required and were provided by the Companies

4. RATIONALE OF THE SCHEME OF AMALGAMATION

- (a) Will enable consolidation of the activities of both the Companies with pooling and more effective utilization of resources and reduction of overheads and other expenses
(b) Formation of a larger and stronger company with a larger capital, asset and financial base having greater capacity of conducting its operations
(c) Effective utilization of resources including pooling of their financial resources leading to centralised management of funds, greater economies of scale and reduction of administrative and manpower expenses and overheads

5. SCOPE AND LIMITATIONS

- (a) Our opinion and analysis is limited to the extent of review of documents as provided to us by WPIL and Mody Industries. We have relied upon the accuracy and completeness of all information and documents provided to us, without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not reviewed any financial forecasts relating to WPIL or Mody Industries.

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- (b) We do not express any opinion as to the price at which shares of WPIL may trade at any time including subsequent to the date of this opinion. In rendering our opinion, we have assumed that the Scheme of Amalgamation will be implemented on the terms described therein without any waiver or modification of any material terms or conditions and that in the course of obtaining the necessary regulatory approvals to the Scheme of Amalgamation, no delay, limitation, restriction or conditions will be imposed that would have an adverse effect on the Scheme.
- (c) We do not express an opinion as to any tax or other consequences that might arise from the Scheme of Amalgamation of Mody Industries with WPIL nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Company has obtained such advice as it deemed necessary from qualified professionals.
- (d) We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. Our opinion is specific to the arrangement as contemplated in the Scheme of Amalgamation provided to us and is not valid for any other purpose.
- (e) Our engagement and opinion expressed herein are for the use of Board of Directors of WPIL in connection with the Scheme of Amalgamation and for no other purpose. Neither we nor any of our affiliates, partners, directors, shareholders, managers, employees or agents or any of them make any representation or warranty, express or implied, as to the information and documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for or based on or relating to any such information contained therein.
- (f) Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme of Amalgamation, if required or any matter related thereto.

6. OPINION

On the basis of above and after analyzing the Scheme of Amalgamation, we understand that Mody Industries is a Wholly Owned Subsidiary of WPIL and no shares shall be issued by WPIL as consideration for the proposed Scheme of Amalgamation and thus there will be no change in its shareholding pattern. Hence, fair valuation of shares of WPIL and Mody Industries has not been undertaken to determine Swap Ratio and accordingly no Valuation Report has been obtained from an Independent Chartered Accountant in terms of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

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On the basis of foregoing and based on the information and explanation provided to us, we are of the opinion that the Draft Scheme of Amalgamation is fair and reasonable to the Equity Shareholders of WPIL.

Thanking You,

Yours' faithfully
For Finshore Management Services Limited

-SEBI Regd. Category-I Merchant Banker
Regn. No. : INM000012185


Director



Finshore Management Services Ltd.

(CIN : U74900WB2011PLC169377)

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