



Tip Sons

To
The Board of Directors
BODAL CHEMICALS LIMITED
 Plot No123/124, Phase I, GIDC,
 Vatva, Ahmedabad
 Gujarat – 382 445

Sub: Fairness opinion on the scheme of amalgamation of Bodal Agrotech Limited (BAL) (WOS) with Bodal Chemicals Limited (BCL)

Dear Sir,

We refer to our engagement letter dated April 5, 2016 with Bodal Chemicals Limited, wherein BCL has requested us to provide fairness opinion the scheme of amalgamation of Bodal Agrotech Limited (BAL) (WOS) with Bodal Chemicals Limited (BCL) (Holding Company).

1. BACKGROUND OF THE COMPANIES

Bodal Chemicals Limited

Bodal Chemicals Limited (CIN NO: L24110GJ1986PLC009003) (hereinafter referred to as BCL or Transferee), a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Plot No123/124, Phase I, GIDC, Vatva, Ahmedabad, Gujarat, 382445 was incorporated on September 24, 1986 under Companies Act, 1956 as Private limited companies with the name Dintex Dyechem Private Limited. The Transferee Company is widely held Public Limited Company and the shares of the company are listed at Bombay Stock Exchange (BSE) vide stock code 524370 and at National Stock Exchange (NSE) vide Symbol BODALCHEM.

Bodal Agrotech Limited

Bodal Agrotech Limited, (CIN NO: U01403GJ2010PLC062043) (hereinafter referred to as BAL or Transferor), a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Plot No.123 & 124, Phase-I, G.I.D.C., Vatva, Ahmedabad was incorporated on August 20, 2010 under Companies Act, 1956 as Public Limited Company. BAL is wholly owned subsidiary company of the BCL.

2. SCOPE AND PURPOSE OF THIS REPORT

1. BCL has appointed us to issue a fairness opinion on the scheme of amalgamation of Bodal Agrotech Limited (BAL) (WOS) with Bodal Chemicals Limited (BCL) (Holding Company).
2. In this connection, the management of BCL has engaged Tipsons to submit a fairness opinion on the Scheme of amalgamation as per requirements of Securities and Exchange Board of India Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. Our scope of work includes commenting only on the fairness of the Scheme of amalgamation.
3. This report has been issued only for the purpose of facilitating the Scheme amalgamation of Bodal Agrotech Limited with Bodal Chemicals Limited and should not be used for any other purpose.

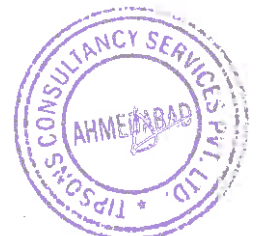
Tipsons Consultancy Services Pvt. Ltd.

(CIN - U74140GJ2010PTC062799)

(MERCHANT BANKER, SEBI Regn. No. INM000011849)

Regd. Office : 401, Sheraton House, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad - 380015.

Website : www.tipsons.com Phone : 079 - 3000 2004, 3042 7790, 3048 0295 Fax : 079 - 3048 0298





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 for last three financial years of transferor and transferee companies for year ended on 2012-13, 2013-14 and 2014-15.
- C. Latest share holding pattern of transferee company
- D. Other relevant information and explanation.

4. RATIONALE AND KEY FEATURES OF THE SCHEME OF AMALGAMATION

It has been realized by the Board of Directors of both the companies that the amalgamation of both these companies shall be helpful to achieve the following objectives:-

- (a) simplify management structure, leading to better administration and a reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;
- (b) simplify shareholding structure and reduce shareholding tiers; and
- (c) direct and indirect tax efficiencies.

5. SCOPE AND LIMITATIONS

1. Our Opinion and analysis is limited to the extent of review of documents as provided to us by BAL and BCL. 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 BAL and BCL.
2. We do not express any opinion as to the price at which shares of BAL and BCL 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 or third party approvals for the Scheme of amalgamation, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on scheme.
3. We do not express any opinion as to any tax or other consequences that might arise from the Scheme of Amalgamation of BAL and BCL, 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.
4. 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 Arrangement provided to us and is not valid for any other purpose.

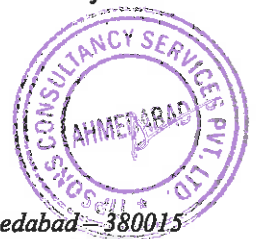
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5. Our engagement and the opinion expressed herein are for the use of the Board of Directors of BCL in connection with the consideration of the Scheme of amalgamation and for none other. Neither Tipsons, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes 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.
6. 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 our Scope and Limitations mentioned in this report and after analyzing the Scheme of Amalgamation, we understand that, BAL is a wholly owned subsidiary of BCL and no shares will be issued by BAL as consideration for the proposed scheme of amalgamation. Accordingly, no valuation is applicable for exchange of shares as certified by BCL. Thus in our opinion, we state that draft scheme of amalgamation is fair and reasonable to equity share holder of BCL.

For, Tipsons Consultancy Services Pvt. Ltd.


Avinash Kothari
Sr. Vice President – Merchant Banking



Place: Ahmedabad
Date: 7-4-2016

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