

November 03, 2018

To,  
**Board of Directors**  
Linc Pen and Plastics Limited  
Satyam Towers, 3, Alipore Road  
1st Floor, Kolkata - 700 027

Dear Sir,

**Sub: Fairness Opinion on the Valuation Report issued by N S Kumar & Co., Chartered Accountants for the merger of the remaining business of Linc Writing Aids Private Limited with Linc Pen and Plastics Limited**

This is in accordance with the terms of our engagement, wherein Microsec Capital Limited ("Microsec"/ "We"), a SEBI registered Category I Merchant Banker has been appointed by Linc Pen and Plastics Limited ("LPPL") to provide a fairness opinion on the Valuation Report given by N S Kumar & Co., Chartered Accountants on the share exchange ratio for the proposed merger as mentioned above. This report is being issued in terms of SEBI circular CFD/DIL3/CIR/2017/21 dated 10th March, 2017 for the proposed scheme of arrangement and amalgamation pursuant to sections 230 and 232 and other relevant provisions of the Companies Act, 2013. This Report sets out Microsec's opinion on the share exchange ratio as determined in the valuation report for the proposed transaction.

Further, please note that the name of Microsec Capital Limited has been changed to Narnolia Financial Advisors Limited in the records of the Registrar of Companies. However, the application made to SEBI and other authorities is under process.

All the terms mentioned here shall have the meaning as ascribed in the Report.

This letter forms an integral part of the Report.

Yours faithfully,

**For Microsec Capital Limited**



**Manav Goenka**  
Vice President





**Fairness Opinion**

**On the Valuation Report**

**Issued by**

**N S Kumar & Co., Chartered Accountants**

**For the Merger of**

**Remaining Business of Linc Writing Aids Private Limited**

**With**

**Linc Pen and Plastics Limited**

**MERCHANT BANKERS' REPORT**

November 03, 2018

**MICROSEC**  
MICRO FOCUS. MEGA WEALTH  
Microsec Capital Limited  
236B, AJC Bose Road  
2nd Floor, Marble Arch Building  
Kolkata – 700 020

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## 1. INTRODUCTION

Linc Writing Aids Private Limited ("**LWAPL**" or the "**Transferor Company**" or the "**Demerged Company**") is engaged in the business of trading and retailing of stationery and crockery. The Company has two divisions - Trading and showroom (retail). In the trading division, it is engaged in trading of stationeries which it purchases from Linc Pen & Plastic Ltd. and sells to consumers. Showroom business includes outlets opened for sale of stationery and crockery goods. Apart from these, LWAPL also holds investments in the equity shares of Linc Pen & Plastics Limited.

Linc Retail Limited ("**LRL**" or the "**Resulting Company**"), is engaged in sale of writing instruments and stationeries through retail outlets across the State of West Bengal.

Linc Pen & Plastics Limited ("**LPPL**" or the "**Transferee Company**"), is engaged in the manufacturing and distribution of Pens and related products. The Company's writing pens have a national and international presence in over 50 countries. The equity shares of LPPL are currently listed on the Calcutta Stock Exchange Limited, BSE Limited and National Stock Exchange of India Limited.

Linc Writing Aids Private Limited, Linc Retail Limited and Linc Pen & Plastics Limited – all the three Companies are under the same Management. As a part of its corporate restructuring activity, the Board of Directors of Linc Writing Aids Private Limited have decided to demerge the trading and retail business of LWAPL. Further, it is proposed to merge the Showroom division (retail business) with Linc Retail Limited. The remaining business of Linc Writing Aids Private Limited i.e. the trading division and the investments in LPPL is proposed to be merged with Linc Pen & Plastics Limited.

The above mentioned transactions are proposed pursuant to a scheme of Arrangement and Amalgamation under sections 230 and 232 and other relevant provisions of the Companies Act, 2013 ("**the Scheme**"). The proposed restructuring would result in elimination of chain holdings and result in ultimate beneficial owner becoming direct shareholder of the companies.

Further, the proposed arrangement will result in reduction in the number of companies under the common management which will ensure synergies of operations, capital efficiency, improved cash flows and greater business efficiency and avoid duplication of work and efforts and reduce managerial overlaps and towards their common advantage.

The exchange ratio for the proposed merger has been decided based on a valuation report issued by N S Kumar & Co., Chartered Accountants (the "**Valuer**"). The report issued by the valuer provides share exchange ratio for the proposed demerger of the undertaking comprising of the Showroom business of LWAPL into LRL and for the merger of the entire remaining business of LWAPL which primarily comprises of the Trading division and investments in LPPL with Linc Pen and Plastics Limited.

For the purpose of ascertaining the fairness of the valuation with respect to transfer of the remaining business of LWAPL i.e. trading division and investments held by Linc Writing Aids Private Limited in LPPL into Linc Pen & Plastics Limited, Microsec Capital Limited ("**Microsec**") has been appointed as an independent Merchant Banker for furnishing a fairness opinion on the valuation done by the Valuer.

