



Investment Banking

Date: August 7, 2019

The Board of Directors

The Phoenix Mills Limited
462, Senapati Bapat Marg,
Lower Parel, Mumbai,
Maharashtra, 400013

Dear Sir,

Sub: Proposed amalgamation of Phoenix Hospitality Company Private Limited ("PHCPL") into The Phoenix Mills Limited ("PML")

PML has requested us to issue a fairness opinion ("Opinion") from a financial point of view of the Share Exchange Ratio (as defined below) in relation to the Proposed Transaction.

Proposed Transaction: PML and PHCPL are proposing to enter a scheme of amalgamation ('Scheme of Amalgamation'), which envisages the amalgamation of PHCPL into PML and dissolution of PHCPL.

Our scope is restricted to providing an Opinion on the Share Exchange Ratio for the amalgamation of PHCPL into PML.

In arriving at our Opinion, we have reviewed historical financials and future financial and limited business projections and listed stock price data. We have also reviewed 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. We have also reviewed the report jointly issued to the management of PML and PHCPL by BSR & Associates LLP and Bansil S. Mehta & Co. dated August 7, 2019 for the share exchange ratio recommended as 627 (Six Hundred and Twenty Seven only) fully paid up equity shares of PML of face value INR 2 each in exchange of every 100 (One Hundred only) fully paid up equity shares of PHCPL of face value INR 10 each (the "Share Exchange Ratio"). The shareholding of PML in PHCPL as on the record date will get cancelled in accordance with the Scheme of Amalgamation.

We have also assumed that the final Scheme of Amalgamation will be substantially the same as the scheme discussed with and reviewed by us.

We have had discussions with members of the management of PHCPL and PML on the past and current business operations of the concerned businesses, their future prospects and operations, and have received management representation letter from PML and PHCPL dated August 7, 2019 ("Management Representation Letters").

Kotak Mahindra Capital Company Limited

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Further, we have had discussions with BSR & Associates LLP and Bansi S. Mehta & Co., the valuation advisors, on such matters which we believed were necessary or appropriate for the purpose of issuing this Opinion.

Based on our examination and according to the information and explanation provided to us, we note that the Proposed Transaction entails amalgamation of PHCPL into PML and dissolution of PHCPL.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed good and marketable and we would urge PML and PHCPL to carry out an independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment. We have further assumed that the Proposed Transaction would be carried out in compliance with applicable laws, rules and regulations.

In giving our Opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in verbal or written form, discussed with or reviewed by or for us, or publicly available. We have been given to understand that all information required by us that was relevant for the purpose of our exercise was disclosed to us. We have not conducted any evaluation or appraisal of any assets or liabilities of PML or PHCPL nor have we evaluated the solvency or fair value of PML or PHCPL, under any laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or facilities of PML or PHCPL.

Our Opinion does not factor overall economic environment risk, material adverse change and other risks and is purely based on the information and representations provided to us.

We express no view as to, and our Opinion does not address, the underlying business decision of PML and PHCPL to effect the Proposed Transaction or the merits of the Proposed Transaction. Our Opinion does not constitute a recommendation to any shareholder or creditor of PML and PHCPL as to how such shareholder or creditor should vote on the Proposed Transaction or any matter related thereto. We are not expressing any opinion herein as to the prices at which the shares of PML will trade following the announcement or consummation of the proposed transaction or as to the prices at which the shares of PML may be transacted.

Our Opinion is necessarily based on financial, economic, market and other conditions as in effect on the date of this issuing the Opinion, and the information made available to us as of, the date hereof, including the capital structure of PHCPL and PML.

We will receive a fee for our services in connection with the delivery of this Opinion from PML. In addition, PML has agreed to indemnify us in relation to our engagement in providing the Opinion.

We and our affiliates in the past five years have provided, and currently provide, services to PML and their affiliates unrelated to the Proposed Transaction for which services we and such affiliates have



received and expect to receive compensation, including, without limitation as creditors and as financial advisors for the purchase/sale of assets/businesses/securities by/to PML (as the case may be).

In the ordinary course of business, we and our affiliates may actively trade or hold securities of companies that may be the subject matter of this transaction for our own account or for the account of our customers and, accordingly, may at any time hold long or short position in such securities and may vote at any general meeting as they deem fit. In addition, we and our affiliates maintain relationships with PML and their respective affiliates.

This Opinion is provided solely for the benefit of the Board of Directors of PML, and shall not confer rights or remedies upon, any shareholder of PML or PHCPL, or any other person other than the members of the Board of Directors of PML, or be used for any other purpose. This Opinion may not be used or relied upon by nor is it issued for the benefit of any third party for any purpose whatsoever or disclosed, referred to or communicated by you (in whole or in part) except with our prior written consent in each instance. Provided however, this opinion may only be disclosed to PHCPL or as may be required under any applicable law in India and may be kept open for inspection by shareholders of PML, but we take no responsibility or liability for or arising out of any such disclosure. We specifically disclaim any responsibility to any third party to whom this Letter may be shown or who may acquire a copy of this Letter.

The laws of India govern all matters arising out of or relating to this Opinion (including, without limitation, its interpretation, construction, performance, and enforcement).

With respect to any suit, action or any other proceedings relating to this Opinion the courts of competent jurisdiction in India shall have exclusive jurisdiction.

On the basis of and subject to the foregoing, it is our view that, as of the date hereof, the proposed Share Exchange Ratio is Fair from a financial point of view.

Yours faithfully,

For,
Kotak Mahindra Capital Company Limited



Authorised Signatory:

Designation: JOINT MANAGING DIRECTOR

Date: AUGUST 7, 2019