

REPORT ON SHARE EXCHANGE RATIO

FOR AMALGAMATION OF

ADIRISH PROPERTIES PRIVATE
LIMITED

&

LESHA COMMERCIAL PRIVATE
LIMITED

INTO

ACME CHEM LIMITED



AYUSH JAIN

FCA, MBA (ISB), CFA (US), FRM (US), B.Com (H)

Registered Valuer – Securities or Financial Assets

IBBI Registration No. - IBBI/RV/06/2019/12518

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Purpose of Valuation

In order for optimum utilisation of the available resources and yield benefits to the shareholders of the Transferor and Transferee Companies including achieving business synergies, market access, unified platform for growth, access to customer base and cost effectiveness, it is proposed that Adirish Properties Private Limited (hereinafter referred to as "Adirish") & Lesha Commercial Private Limited (hereinafter referred to as "Lesha") will amalgamate into Acme Chem Limited (hereinafter referred to as "Acme") hereinafter altogether referred to as "Amalgamation" in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Scheme").

The aforesaid proposed amalgamation would yield the following benefits:

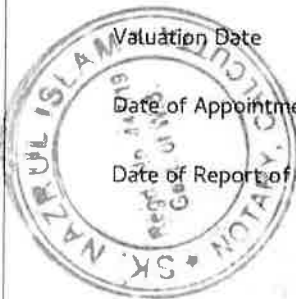
- Consolidation of businesses under single entity and achieve simplified corporate structure;
- Reducing managerial overlaps and enable effective utilization of valuable resources which will enhance the management focus thereby leading to higher operational efficiency; and
- Lesser regulatory and legal compliance obligations including accounting, reporting requirements, statutory and internal audit requirements, tax filings, company law requirements, etc. and therefore reduction in administrative costs.

Subject to the necessary approvals, Adirish and Lesha would be amalgamated into Acme, with effect from April 1, 2020 (i.e. the "Appointed Date" or "Valuation Date").

In this regard I, Ayush Jain - Registered Valuer (SFA) - Regn. No. IBBI/RV/06/2019/12518, have been appointed to carry out the relative valuation (not an absolute valuation) of the equity share of the Companies and to recommend a fair Share Exchange Ratio for the proposed Amalgamation of Adirish & Lesha into Acme on the Appointed/Valuation Date in accordance with internationally accepted valuation standards / ICAI Valuation Standards 2018 issued by the Institute of Chartered Accountant of India.

Key Dates

Valuation Date	: 1 st April, 2020
Date of Appointment of Registered Valuer	: 26 th August, 2020
Date of Report of Registered Valuer	: 31 st August, 2020



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About the Companies

Acme Chem Limited

Acme was incorporated on 21st July, 1992 as a Company limited by Shares having CIN No. U24118WB1992PLC055994 with the Registrar of Companies, Kolkata. The Registered Office Address of the Company is 9A, Saket Building, 2, Ho Chi Minh Sarani, Kolkata - 700071.

The Authorised Capital of the Company is Rs. 6,00,00,000. The Paid-Up Capital of the Company is Rs. 5,86,00,000. The Company is an unlisted company. The Company currently has six active Directors - Mr. Narain Holani, Mrs. Aditi Holani, Mrs. Varsha Holani, Mr. Balakrishnan Unnikrishnan Nair, Mr. Sajjan Kumar Sharma & Mr. Bhadresh Prantlal Kansara.

The Main Objects of the Company as per Memorandum of Association are as under:

To manufacture, process, import, export and deal in all types of chemicals, rubber chemicals, laboratory chemicals, all basic acids and alkalis with their by-products; and all types of gas, ethers, esters and all their derivatives, sulphur compounds, nitro compounds and other chemical compounds, synthetic; polymers, dyes, insecticides, tinctures, oleaginous and saponaceous substances, dye stuff, mineral acids, ammonia paints, varnishes, spirits disinfectants, chemical fertilizers, chemical regents and aromatics.

To acquire, get, win, work, raise, export, import, buy, sell or otherwise deal in all kinds of minerals, stones and refine, manipulate all ores, metals and minerals and to purchase, take on lease or otherwise acquire any mining rights, metal ferrous land or any interest therein and to explore, work, develop and turn to account the same.

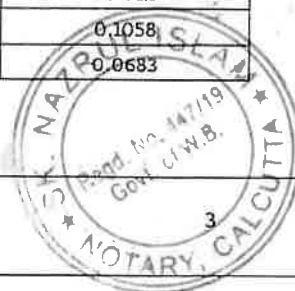
To carry on research and development work in the field of fundamental and applied chemistry and mining and render technical services and consultancy services in development of chemical plants, laboratories and chemical research centres, and mining.

Shareholding structure of Acme as on the Appointed Date:

Particulars	Number of Shares Held	% Holding
Narain Holani	8,97,000	15.31
Varsha Holani	10,68,300	18.23
Narain Holani (HUF)	18,14,500	30.96
Adirish Properties Private Limited	19,75,800	33.72
Lesha Commercials Private Limited	66,100	1.13
Aditi Holani	22,010	0.3756
Vivek Tracom Private Limited	6,200	0.1058
Stardox Vinimay Private Limited	4,000	0.0683

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Divya Electricals Private Limited	3,050	0.0520
Ranbhumi Marketing Private Limited	2,000	0.0341
Prativa Suppliers Private Limited	1,000	0.0171
Paritosh Electricals Private Limited	30	0.0005
Rishabh Holani	10	0.0002

Adirish Properties Private Limited

Adirish was incorporated on 30th April, 2010 as a Company limited by Shares having CIN No. U70102WB2010PTC146365 with the Registrar of Companies, Kolkata. The Registered Office Address of the Company is 9A, Saket Building, 2, Ho Chi Minh Sarani, Kolkata - 700071.

The Authorised Capital of the Company is Rs. 10,00,000. The Paid-Up Capital of the Company is Rs. 8,46,430. The Company is an unlisted company. The Company currently has three active Directors – Mr. Narain Holani, Mrs. Varsha Holani & Mr. Rishabh Holani.

The Main Objects of the Company as per Memorandum of Association are as under:

To carry on the business to acquire, purchase, prepare, exchange, hire, buy, sell, act as civil contractor, construct, reconstruct, build, develop, promote, execute, undertake, contract, maintain, manage, inventories, run, model, remodel, erect, demolish, alter, furnish, improve, enlarge, pulling down, decorate, architect or otherwise deal in lands, buildings, real estate, properties, furniture fittings, machines, to let out, lease, hire, rent, maintain, provision, of amenities, services, commercial & industrial, complexes, residential complexes, multi-purpose housing, office building, houses, flats, apartments, hospitals, shopping mall, hotels, motels, resorts, holiday homes, restaurants, special economic zones, amusement parks, IT Parks, cineplexes, multiplexes, auditorium, highways, bridges, gold course, film, city, clubs, educational institute, place of worships, conference rooms, library dairy farms, agroprojects and all other kinds of movable as well as immovable properties and completion of all sorts of project relating to Civil electric, mechanical electronics & telecommunication engineering, Agriculture, Estate Management, Negotiation, Education, Hospital, Sports etc. and to carry on the business of purchase, sale of building materials, construction, development, creation, expansion, design, modernisation, management and maintenance of infrastructure projects & roads, highways, bridges, fly-overs, airports, ports, railways, environmental engineering and management sanitation, water, waterways, sewerage disposal, industrial estates, townships, industrial parks, food parks, bio-technology parks, nursery business, printing press, advertising agency, clinical laboratories, diagnostic centres, hospitals, nursing homes or any other facility of similar nature and to act as consultant, advisor, agent, maintenance, security services and to mobilize resources and to arrange both private and/or Government sector participations for development of infrastructure projects, either on its own and/or in agreement, arrangement, association, collaboration, and joint venture with any individual, body or bodies corporate, partnership firm, company, or other organizations, Central, State Government, Local authorities and any other statutory authority, foreign collaboration projects etc.

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Shareholding Structure of Adirish as on the Appointed Date:

Particulars	Number of Shares Held	% Holding
Narain Holani	5,000	5.91
Varsha Holani	5,000	5.91
Narain Holani (HUF)	32,000	37.81
Acme Chem Limited	42,643	50.38

Lesha Commercial Private Limited

Lesha was incorporated on 29th November, 1995 as a Company limited by Shares having CIN No. U51909WB1995PTC075669 with the Registrar of Companies, Kolkata. The Registered Office Address of the Company is 9A, Saket Building, 2, Ho Chi Minh Sarani, Kolkata - 700071.

The Authorised Capital of the Company is Rs. 1,31,00,000. The Paid-Up Capital of the Company is Rs. 1,28,10,400. The Company is an unlisted company. The Company currently has two active Directors - Mr. Narain Holani & Mrs. Varsha Holani.

The Main Objects of the Company as per Memorandum of Association are as under:

To carry on all or any of the business of buyers, sellers, traders, merchants, indentors, brokers, agents, assemblers, stockists, distributors and dealers in all kinds of agricultural produces & products, machinery and engineering items and man-made fibre, textiles of all kinds and all types of yarn, cloth, oil and oil seeds, tea, coffee, spices, dry fruits, drugs, leather goods, paper, medicine, cotton, timber, items of micro power system, general order commodities, garments, hosiery, textiles, iron & steel and all iron and steel products, ply-wood and rubber products, jute and jute products, cement, automobile parts and accessories, plastic and plastic products, electrical and electronic parts and devices and all kinds of metals (ferrous & non-ferrous), chemicals, minerals, cosmetics, vegetables, seeds, consumer durables.

Shareholding Structure of Lesha as on the Appointed Date:

Particulars	Number of Shares Held	% Holding
Narain Holani	7,39,020	57.69'
Varsha Holani	3,12,020	24.36
Acme Chem Limited	2,30,000	17.95

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Scope, Limitations, Assumptions, Qualifications & Disclaimers

While my work has involved an analysis of financial information and accounting records, my engagement does not include/represent an audit, accounting, assurance, due diligence, consultancy or tax related service that may otherwise be provided by me. Accordingly, I assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the Management & its Representatives on behalf of the Companies. My report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

The Share Exchange Ratio specified in this Report is valid only for the purpose or purposes specified herein. This Report is valid only for the Valuation Date i.e. Appointed Date specified herein.

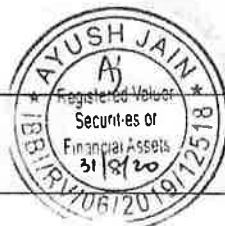
The valuation of companies and businesses is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment of the valuer. There is, therefore, no indisputable single value of the Companies. However, as the proposed Amalgamation requires the expression of a single value for recommendation of a fair Share Exchange Ratio, I have arrived at a relative single value of the equity share of the Companies.

This Report highlights the basis of arriving at the Share Exchange Ratio for the Amalgamation, identifies various factors affecting this ratio, summarizes the best methodology keeping in view the circumstances prevailing at the time and arrives at the opinion on the Share Exchange Ratio for the Amalgamation, considering the facts of the case. Whilst I consider my findings/value to be both reasonable and defensible based on the information available to me, others may place a different value on the Companies. At best it is an expression of opinion or a recommendation based on certain assumptions at a given point in time.

The actual market price achieved may be higher or lower than our estimate of value depending upon the circumstances of the transaction, the nature of the business, the knowledge, the negotiating ability and the motivation of the buyers & sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which any agreement proceeds. The final transaction price is something on which the parties themselves have to agree. We also emphasize that our opinion is not the only factor that should be considered by the parties in agreeing the transaction price.

The relevant information for the purpose of this Report on Share Exchange Ratio has been provided by the Management & its Representatives on behalf of the Companies. The information contained herein is based on the analysis of information available at the time when this Report was prepared. My opinion was based on prevailing market, financial, economic and other conditions in general and industry trends as at the date of this report. These conditions can change over relatively short

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periods of time. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this Report.

I do not provide assurance on the achievability of the results forecast by the Management as events and circumstances do not occur as expected; differences between actual and expected results may be material. I express no opinion as to how closely the actual results will correspond to those projected/forecasted as the achievement of the forecast results is dependent on actions, plans and assumptions of the Management.

I have considered the audited financial information up to March 31, 2020 and made any material adjustment for additional facts that have occurred up to the date of this Report.

Unless stated otherwise, industry and market data used in this report have been obtained from market research, publicly available information and industry publications. The information included in the Report about other listed and unlisted companies is based on their respective annual reports and their respective publicly available information. I have relied on the data from such external sources to conclude the valuation. These sources are believed to be reliable and therefore, I assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where I have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

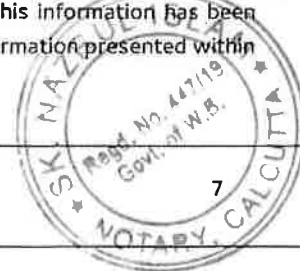
The Company and its representatives warranted to me that the information they supplied was complete, accurate and true and correct to the best of their knowledge and that the financial statement information reflect the Company's results of operations and financial condition, unless otherwise noted. Information supplied by the Management has been accepted as true and correct, and I express no opinion on that information. This Report is issued on the understanding that the companies have drawn my attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on my opinion on the Share Exchange Ratio for the proposed Amalgamation.

I have made certain assumptions in relation to facts, conditions or situations affecting the subject of, or approach to, this exercise that has not been verified as part of the engagement rather, treated as "a supposition taken to be true". If any of these assumptions prove to be incorrect then our estimate on value will need to be reviewed.

I have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the Company has good title to all assets.

I have presented certain information within this report, which was taken from sources including, but not limited to, financial statements, tax returns, and corporate history. This information has been supplied by the Company or its representatives. The historical financial information presented within

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is included solely to assist in the development of the ratio conclusion presented in this report, and it should not be used to obtain credit or for any other purpose. Because of the limited purpose of this report, it may be incomplete and contain departures from generally accepted accounting principles. I have not audited, reviewed, or compiled the financial information and express no assurance on it. Accordingly, this report should not be construed, or referred to, as an audit, examination or review by me. Had I audited or reviewed the financial information, matters may have come to my attention that could have resulted in my use of the amounts that differ from those provided. Accordingly, I take no responsibility for the underlying data presented in this report.

There are no unusual/abnormal events in the Companies, since the last audited date till the date of Report, materially impacting their operating/financial performance and last audited financial statements of all the Companies are available for the year ended March 31, 2020.

This Report is neither an offer to sell, nor a solicitation to buy securities, and/or equity in, or assets of, the Company. My report is not, nor should it be construed as my opinion or certifying the compliance of the proposed Scheme with the provision of any law including Companies and Taxation related laws or as regards any legal implications or issues arising from such proposed scheme.

This Report shall be used by the Companies only for the purpose, as indicated in this Report, for which I have been appointed. The results of our valuation analysis and our Report cannot be used or relied by the Companies for any other purpose or by any other party for any purpose whatsoever. I am not responsible to any other person/party for any decision of such person/party based on this Report.

In no event shall I be liable for any loss, damages, costs or expenses arising in any way from fraudulent acts, misrepresentations or willful default on the part of the Companies, their Directors, Employees or Agents. In no circumstances shall the liability on me relating to services provided in connection with the engagement set out in this Report exceed the amount paid to me in respect of the fee charged for those services.

I have no present or contemplated financial interest in the Company. My fee for this valuation is based upon my normal billing rates and is in no way contingent upon the result of my findings. I have no responsibility to update this Report for events and circumstances occurring subsequent to the date of this Report. This Report is not to be copied or made available to any persons without the express prior written consent of Ayush Jain, Registered Valuer.



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Valuation Standards

My analysis and report are in conformity with the "ICAI Valuation Standards" (IVS) issued by the Institute of Chartered Accountants of India. In addition to the general standards/guidelines of the IVS, my report specifically complies with:

- IVS 102 – Valuation Bases
- IVS 103 – Valuation Approaches and Methods
- IVS 201 – Scope of Work, Analyses and Evaluation
- IVS 202 – Reporting and Documentation
- IVS 301 – Business Valuation

Valuation Base & Premise of Value

Keeping in mind the context and purpose of this report and in accordance with the ICAI Valuation Standard 102, I have considered the Participant Specific Value as the Valuation Base and As-is-where-is basis as the Premise of Value.

Participant Specific Value means the estimated value of an asset or liability considering specific advantages or disadvantages of either of the owner or identified acquirer or identified participants.

As-is-where-is Basis means the value of the asset is determined as per the existing use of the asset which may or may not be its highest and best use.

Sources of Information

My expression of the opinion on the Share Exchange Ratio for the Amalgamation is supported by all procedures that I deem to be relevant. I have obtained sufficient information as made available to me in accordance with IVS 201 – Scope of Work, Analyses and Evaluation and relied on the data, facts, information, documents and explanations as authenticated, and provided to me by the Management and other data available in the public domain.

Information relied upon for the valuation purpose is listed below:

- i. Audited Financial Statements and Shareholding of Acme for the period ended March 31, 2020
- ii. Audited Financial Statements and Shareholding of Adirish for the period ended March 31, 2020
- iii. Audited Financial Statements and Shareholding of Lesha for the period ended March 31, 2020

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- iv. Audited Financial Statements/Financial Projections of Companies & LLPs appearing as Investment in the above Companies, as available with the Management, for the period ended March 31, 2020
- v. Segment-wise Reporting of Acme for the year ended March 31, 2018; March 31, 2019; and March 31, 2020 segregating Chemical Division and Investment & Real Estate Division
- vi. Brief overview of the business of Companies and other relevant informations
- vii. Memorandum and Articles of Association of all the Companies
- viii. Shareholding pattern of the Companies as on April 1, 2020
- ix. Draft Scheme of Amalgamation of Adirish & Lasha into Acme under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013
- x. Fair Valuation Report of Land and Building by Mr. Prodipta Das (IBBI – Registered Valuer for Land & Building, Regn. No. IBBI/RV/02/2019/11349) dated 30th August 2020 for all the properties that were identified during our assignment to arrive at the Share Exchange Ratio
- xi. Such other information and explanations as I required, and which has been provided by the Management of the Companies

Supporting data, copies of source documents and other pertinent information supporting my opinion of share exchange ratio are maintained by me.

Procedures Adopted

In connection with the exercise, I have adopted the following procedures to carry out the valuation:

- i. Requested and received financial and qualitative information relating to the Companies.
- ii. Obtained and analyzed data available in public domain, as considered relevant by us.
- iii. Discussions (physical/over call) with the Management and its Representatives of the respective Companies to understand the business and fundamental factors affecting the business.

iv. Undertook industry analysis and researched publicly available market data including economic factors and industry trends that may impact the valuation.

v. Selection of valuation approach and valuation methodology/(ies), in accordance with IVS, as considered appropriate and relevant by me.

vi. Determination of relative values of the equity share of the Companies.



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Valuation Approaches and Methods

In order to determine the Share Exchange Ratio, I have considered three approaches to valuation for determination of valuation of the Companies, as provided under the IVS 103 – Valuation Approaches and Methods namely Market, Income and Asset Approach.

I have reviewed and analysed the above approaches to determine which approach and method would generate the most reasonable opinion of Share Exchange Ratio for the Amalgamation as on the Appointed Date given the stated premise.

Acme Chem Limited

For the valuation of Acme Chem Ltd I have followed the Sum-of-Parts valuation approach. I have identified two divisions for Acme for valuation purpose - Chemical Division and Investment & Real Estate Division.

Chemical Division:

Market Approach -

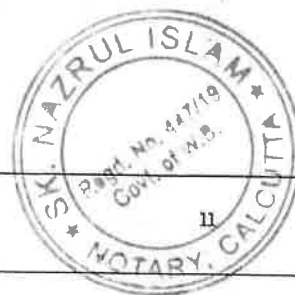
I have applied the Market Approach for valuation of Chemical Division. Under the said approach I have used the Comparable Company Multiple (CCM) Method. The value of Chemical Division is determined using multiples derived from valuation of comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Income Approach -

Under the Discounted Cash Flow (DCF) Method, the projected free cash flows to equity are discounted at the cost of equity to arrive at the equity value of the Company. However, I have not been provided with any financial forecasts of Chemical Division of Acme. Moreover, in view of the current economic scenario impacted by Covid-19, the Management was not able to provide a fair estimate of the projections. Accordingly, I have not considered the Income Approach.

Asset Approach -

Asset Approach is recommended in cases where the asset base dominates the earning capabilities. Chemical Division of Acme is an operating business segment and derives most of its value as a going concern business. Accordingly, I have not considered the Asset Approach.



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Investment & Real Estate Division:

Market Approach -

Market Price Method cannot be used in case of Investment & Real Estate Division of Acme because its equity share is not listed in any stock exchange and accordingly the value under this method cannot be determined. Comparable Company Multiple Method cannot be used because I was unable to find similar companies or transactions to arrive at the equity valuation of Investment & Real Estate Division of Acme. Accordingly, I have not considered the Market Approach.

Income Approach -

Under the Discounted Cash Flow (DCF) Method, the projected free cash flows to equity are discounted at the cost of equity to arrive at the equity value of the Company. However, I have not been provided with any financial forecasts of Investment & Real Estate Division. Moreover, the asset base of this division dominates the earning capabilities of the division. Accordingly, I have not considered the Income Approach.

Asset Approach -

I have applied the Asset Approach for valuation of Investment & Real Estate Division. The asset base of this division dominates the earning capabilities. Under the said approach I have used the Net Asset Value Method. The value of Investment & Real Estate Division is determined by subtracting the fair market values of assets & liabilities and arriving at the Net Asset Value of the Company. This method is most appropriate for Investment & Real Estate Division as the investments and properties made by the Company dominate the balance sheet of the Division. Fair Market Value of the investments is derived by valuing the underlying asset at realizable/fair value. Fair Market Value of the properties have been taken from the Fair Value Report of the IBBI Registered Valuer for Land & Building Asset Class. This valuation method is based on the principle that the fair market value represents the true value of the assets and liabilities of the Division.

Adirish Properties Private Limited

Market Approach -

Market Price Method cannot be used in case of Adirish because its equity share is not listed in any stock exchange and accordingly the value under this method cannot be determined. Comparable Company Multiple Method cannot be used because I was unable to find similar companies or transactions to arrive at the equity valuation of Adirish. Accordingly, I have not considered the Market Approach.

Income Approach -

Under the Discounted Cash Flow (DCF) Method, the projected free cash flows to equity are discounted at the cost of equity to arrive at the equity value of the Company. However, I have not been provided with any financial forecasts of Adirish. Moreover, the asset base of the Company

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dominates the earning capabilities of the Company. Accordingly, I have not considered the Income Approach.

Asset Approach -

For the valuation of Adirish I have applied the Asset Approach. Under the said approach we have used the Net Asset Value Method. The value of Adirish is determined by subtracting the fair market values of assets & liabilities and arriving at the Net Asset Value of the Company. This method is most appropriate for Adirish as the investments and properties made by the Company dominate the balance sheet of the Company. Fair Market Value of the investments is derived by valuing the underlying asset at realizable/fair value. Fair Market Value of the properties have been taken from the Fair Value Report of the IBBI Registered Valuer for Land & Building Asset Class. This valuation method is based on the principle that the fair market value represents the true value of the assets and liabilities of the Company.

Lesha Commercial Private Limited

Market Approach -

Market Price Method cannot be used in case of Lesha because its equity share is not listed in any stock exchange and accordingly the value under this method cannot be determined. Comparable Company Multiple Method cannot be used because I was unable to find similar companies or transactions to arrive at the equity valuation of Lesha. Accordingly, I have not considered the Market Approach.

Income Approach -

Under the Discounted Cash Flow (DCF) Method, the projected free cash flows to equity are discounted at the cost of equity to arrive at the equity value of the Company. However, I have not been provided with any financial forecasts of Lesha. Moreover, the asset base of the Company dominates the earning capabilities of the Company. Accordingly, I have not considered the Income Approach.

Asset Approach -

For the valuation of Lesha I have applied the Asset Approach. Under the said approach we have used the Net Asset Value Method. The value of Lesha is determined by subtracting the fair market values of assets & liabilities and arriving at the Net Asset Value of the Company. This method is most appropriate for Lesha as the investments and properties made by the Company dominate the balance sheet of the Company. Fair Market Value of the investments is derived by valuing the underlying asset at realizable/fair value. Fair Market Value of the properties have been taken from the Fair Value Report of the IBBI Registered Valuer for Land & Building Asset Class. This valuation method is based on the principle that the fair market value represents the true value of the assets and liabilities of the Company.



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Rationale & Basis for Determination of Ratio

The fair basis of proposed Amalgamation would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Value for equity share of the Divisions/Companies for the purpose of recommending a fair Share Exchange Ratio have been arrived under one methodology only due to non-applicability/non-suitability/limitations of other methodologies and hence 100% weightage has been assigned to such methodology only. It is however to be noted that in doing so I am not attempting to arrive at the absolute value of the equity share of the Companies but at their relative values for determination of a fair Share Exchange Ratio.

Acme Chem Limited

For the valuation of Chemical Division, I tried identifying companies that are operating in the same segment as Acme. Acme makes fine and performance chemicals specifically for the rubber industry. The chemicals made by Acme are used in different stages of rubber processing and the range of products include Accelerators, Antioxidants, Peptizers and Process Aids amongst others. I was able to identify one listed company (NOCIL Limited) as a comparable company for application of CCM Method. NOCIL Limited is primarily focused on rubber chemicals and is the largest rubber chemical manufacturer in India. It operates in the same rubber chemical segment as Acme. The other listed chemical companies that are into manufacturing of rubber chemicals have many more product categories in their portfolio which results in different business risk exposure when compared to Acme. I have considered the PAT Multiple of NOCIL Limited to calculate the equity value of the Chemical Division of Acme. To adjust for any macro-economic/market specific factors I have decided to normalize the PAT Multiple of NOCIL Limited by taking a 3-year average. I have also applied an adjustment factor to the 3-year average PAT Multiple to adjust for the factors such as size, liquidity, risk and market amongst others. Also, to normalize the PAT of the Chemical Division I have taken a 3-year average in order to arrive at the Equity Value of Chemical Division.

For the valuation of Investment & Real Estate Division, I have arrived at the net asset value/realizable value for all the quoted and un-quoted investments made by the Company. I have adopted the Fair Value for all the properties appearing in the financial statements of the Companies from the Fair Value Report issued by Mr. Prodipta Das (IBBI Registered Valuer - Land & Building, Regn. No. IBBI/RV/02/2019/11349). Other assets and liabilities appearing in the audited financial statements have been taken at book value as they represent the fair market value/realizable value of the assets and liabilities.

Adirish Properties Private Limited

For the valuation of Adirish, I have arrived at the net asset value/realizable value for all the quoted and un-quoted investments made by the Company. I have adopted the Fair Value for all the properties appearing in the financial statements of the Companies from the Fair Value Report issued by Mr. Prodipta Das (IBBI Registered Valuer - Land & Building, Regn. No. IBBI/RV/02/2019/11349).



REPORT ON SHARE EXCHANGE RATIO

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Other assets and liabilities appearing in the audited financial statements have been taken at book value as they represent the fair market value/realizable value of the assets and liabilities.

Lesha Commercial Private Limited

For the valuation of Lesha, I have arrived at the net asset value/realizable value for all the quoted and un-quoted investments made by the Company. I have adopted the Fair Value for all the properties appearing in the financial statements of the Companies from the Fair Value Report issued by Mr. Prodipta Das (IBBI Registered Valuer – Land & Building, Regn. No. IBBI/RV/02/2019/11349). Other assets and liabilities appearing in the audited financial statements have been taken at book value as they represent the fair market value/realizable value of the assets and liabilities.

Share Exchange Ratio

Particulars		Acme	Adirish	Lesha
Exchange Ratio of Acme & Adirish	No. of Shares	2,43,852	10,000	-
Exchange Ratio of Acme & Lesha	No. of Shares	589	-	10,000



Ayush Jain
Registered Valuer – Securities or Financial Assets

REPORT ON SHARE EXCHANGE RATIO

Share Exchange Ratio

For the purposes of recommending a share exchange ratio it is necessary to arrive at a value for the equity share of the Companies. I am not attempting to arrive at the absolute values of the equity share of each Company. My exercise is to work out the relative value of equity share of each Company to facilitate the determination of an exchange ratio.

Based on above and on consideration of all relevant factors and circumstances for the proposed Amalgamation of Adirish Properties Private Limited and Lesha Commercial Private Limited into Acme Chem Limited, I recommend the following share exchange ratio:

"2,43,852 (Two Lakh Forty-Three Thousand Eight Hundred and Fifty-Two only) fully paid-up Equity Shares of Rs. 10 (Rupees Ten) each of Acme Chem Limited for every 10,000 (Ten Thousand only) fully paid-up Equity Shares of Rs. 10 (Rupees Ten) each held in Adirish Properties Private Limited."

"589 (Five Hundred and Eighty-Nine only) fully paid-up Equity Shares of Rs. 10 (Rupees Ten) each of Acme Chem Limited for every 10,000 (Ten Thousand only) fully paid-up Equity Shares of Rs. 10 (Rupees Ten) each held in Lesha Commercial Private Limited."

Ayush Jain



Ayush Jain
Registered Valuer – Securities or Financial Assets
Registration No. IBBI/RV/06/2019/12518
ICAI Membership No. 305384
UDIN: 20305384AAAARC1574

Place: Kolkata
Date: 31st August 2020

