



To,

**The Board of Directors  
Gretex Industries Limited**  
90, Phears Lane, 5<sup>th</sup> Floor  
Kolkata – 700012

**The Board of Directors  
Apsara Selections Limited**  
Office No. 13, 1<sup>st</sup> Floor,  
Bansilal Mansion,  
9-15 Homi Modi Street,  
Fort Mumbai, Mumbai – 400023

**The Board of Directors  
Sankhu Merchandise Private Limited**  
Office No. 13, 1<sup>st</sup> Floor,  
Bansilal Mansion,  
9-15 Homi Modi Street,  
Fort Mumbai, Mumbai – 400023

**Sub: Fairness Opinion on the Share Exchange Ratio for the Proposed Scheme of Amalgamation of Gretex Industries Limited and Apsara Selections Limited and Sankhu Merchandise Private Limited.**

Dear Sirs,

#### 1. ENGAGEMENT BACKGROUND

We understand that the Board of Directors of the above referred Companies are considering an amalgamation of Apsara Selections Limited and Sankhu Merchandise Private Limited (together referred to as the “**Transferor Companies**”) with Gretex Industries Limited (the “**Transferee Company**”) pursuant to a Scheme of Amalgamation under the applicable provisions of The Companies Act, 2013.

We further understand that pursuant to the above Amalgamation, the shareholders of Transferor Companies will be issued equity shares of Transferee Company as consideration for their respective shareholdings in the Transferor Companies.

We further understand that the Share Exchange ratio in this regard has been arrived based on the Valuation Report dated 05<sup>th</sup> June, 2020 prepared by Mr. Ankush Garg, Registered Valuer having Registration No. IBBI/RV/02/2018/10010 (the “**Valuer**”) who has been independently appointed by the Transferor and Transferee Companies.

In connection with the aforesaid, you have requested our Opinion as to the fairness of the Share Exchange Ratio, as recommended by the Valuer.





## 2. BACKGROUND OF THE COMPANIES

### **Gretex Industries Limited**

Gretex Industries Limited (CIN L17296WB2009PLC136911) is a public company, limited by shares, incorporated under the Companies Act, 1956, having its registered office at 90, Phears Lane, 5<sup>th</sup> Floor Kolkata, WB 700012, India (hereinafter referred to as the “**Transferee Company**”). The equity shares of the Transferee Company are listed on the NSE. The Company is engaged in the business of trading of Musical Instruments and manufacturer of hosiery garments.

### **Apsara Selections Limited**

Apsara Selections Limited (CIN No. U52190MH2011PLC269248) is a Company incorporated under the provisions of The Companies Act, 1956, having its Registered Office at Office No. 13, 1st Floor, Bansilal Mansion, 9-15 Homi Modi Street, Fort Mumbai, Mumbai-400023 (hereinafter referred to as the “**Transferor Company-1**”). The Company is engaged in the business of retailer of Fancy Sarees.

### **Sankhu Merchandise Private Limited**

Sankhu Merchandise Private Limited (CIN No. U52190MH2011PTC269247) is a Company incorporated under the provisions of The Companies Act, 1956 having its Registered Office at Office No. 13, 1st Floor, Bansilal Mansion, 9-15 Homi Modi Street, Fort Mumbai, Mumbai-400023 (hereinafter referred to as the “**Transferor Company-2**”). The Company is engaged in the business of Trading of Sarees.

*(Source: Company)*

## 3. SOURCES OF INFORMATION

We have relied on the following information for forming our opinion on the fairness of the Share Exchange Ratio-

- (a) Annual Report of the Transferor and Transferee Companies for the year ending 31<sup>st</sup> March, 2019;
- (b) Audited Financials of the Transferor Companies and the Transferee Company as on 31<sup>st</sup> December 2019;
- (c) Draft Scheme of Amalgamation between the Transferor and Transferee Companies and their respective shareholders and creditors;
- (c) Latest Shareholding Pattern of all the Transferor and Transferee Companies;





- (d) Valuation report dated 05<sup>th</sup> June, 2020 issued by Mr. Ankush Garg, Registered Valuer having Registration No. IBBI/RV/02/2018/10010 (the “Valuer”) determining the Share Exchange Ratio; and
- (e) Other relevant information and explanation as we required and were provided by the Management of the Transferor and Transferee Companies.

#### 4. RATIONALE OF THE SCHEME OF AMALGAMATION

The Proposed amalgamation:

- (a) Shall enable pooling of resources of the Companies involved in the amalgamation, resulting in a more productive utilization of their resources, cost and operational efficiencies;
- (b) Will result in reduction in overhead and other expenses, administrative and procedural work and elimination of duplication of work which shall enable the Companies to achieve internal economies and optimize their productivity; and
- (d) Will result in the creation of a Company with larger asset base and net worth with strong financials enabling its further growth and development. It shall also strengthen its credibility with the financial institutions, banks and general public at large.

#### 5. SCOPE AND LIMITATIONS/CAVEATS

- (a) Our opinion and analysis are limited to the extent of review of documents as provided to us by the Transferor and Transferee Companies including the Share Exchange Ratio Report prepared by Mr. Ankush Garg, Registered Valuer having Registration No. IBBI/RV/02/2018/10010 dated 05<sup>th</sup> June, 2020 and draft proposed scheme. 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 these Companies. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Transferor and Transferee Companies, if any.
- (b) 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 nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Companies have 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 the Companies 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) No decision should be taken based on this Report by any person intending to provide finance or invest in shares of the Companies and shall do so after seeking their own professional advice and carrying out their own due diligence to ensure that they are making an informed decision.
- (g) 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.
- (h) Reproduction, Copying or otherwise quoting of our Report or any parts thereof, other than in connection with the scheme of amalgamation, can be done only with our prior consent in writing.
- (i) Our report should not be construed as an opinion or certificate certifying the compliance of the Proposed Scheme of amalgamation with the provisions of any law including companies, taxation and capital market related law or as regards any legal implication or issues arising from proposed amalgamation.





## 6. OPINION

Considering above and subject to our caveats, we are of the opinion that the following Share Exchange ratios, as recommended by the Valuer, are fair to the Transferor and Transferee Companies and their respective shareholders: -

- 13 (Thirteen) Equity Shares of Gretex Industries Limited of INR 10 each fully paid up for every 1 Equity Share of Apsara Selections Limited of INR 10 each fully paid up;
- 21 (Twenty-One) Equity Shares of Gretex Industries Limited of INR 10 each fully paid up for every 1 Equity Share of Sankhu Merchandise Private Limited of INR 10 each fully paid up;

As per the scheme of amalgamation-

If any Eligible Member becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the Transferee Company in accordance with this Scheme, and at sole discretion of the Board who will decide proportion to the respective fractional entitlements which is final and binding upon every shareholder.

**For Finshore management Services Limited**  
**SEBI Regd. CAT-I Merchant Banker, Regn No. INM000012185**

  
**S. Ramakrishna Iyengar**  
**Director**



**Place: Kolkata**  
**Date: 06<sup>th</sup> June, 2020**