



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> December, 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.



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**FINSHORE MANAGEMENT SERVICES LIMITED**

(CIN : U74900WB2011PLC169377) ● Website : [www.finshoregroup.com](http://www.finshoregroup.com)

Regd. Office : “Anandlok” 2nd Floor, Block-A, Room No. 207, 227, A. J. C. Bose Road, Kolkata-700 020 West Bengal, India Ph. : 033 2289 5101

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## 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, inter-alia, in the business of distribution of musical instruments and crockeries.

### **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> December, 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.



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#### 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
- (c) Will result in an opportunity to leverage combined assets.

#### 5. THE PROPOSED SCHEME IS CONDITIONAL UPON AND SUBJECT TO:

- a. The Company obtaining the observation letter from the designated Stock Exchange for the implementation of the Scheme.
- b. The Scheme being agreed to by the respective requisite majorities of members of the Company as required under the Act.
- c. The requisite sanctions and approvals under the applicable law including but not limited to approvals, sanctions required under the SEBI Circular (CFD/DII3/CIR/2017/21) dated March 10, 2017 issued by the SEBI read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as may be required by law in respect of this Scheme being obtained.
- d. The Scheme being approved by the National Company Law Tribunal, read with all other applicable provisions if any, of the Act or of such other authority having jurisdiction under applicable law, being obtained.
- e. The certified copy of the above order of the NCLT sanctioning this Scheme being filed with the Registrar of Companies.







## 6. 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> December, 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.
- (j) Our opinion is restricted to the Fairness opinion on the valuation of Shares done by the Independent Chartered Accountant as required under Circular No CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 of SEBI.
- (k) The fairness opinion is based on and is subject to the condition's precedent mentioned under Point 5 "THE PROPOSED SCHEME IS CONDITIONAL UPON AND SUBJECT TO"
- (l) We have no present or planned future interest in Transferor Companies and Transferee Company and the fee payable for this opinion is not contingent upon the opinion reported herein. The company has been provided with an opportunity to review the draft opinion as a part of our standard practice to make sure that factual accuracy / omissions are avoided in our final opinion.
- (m) The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the Management has drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Report.
- (n) This Fairness opinion report is subject to the scope and limitations detailed herein. As such the report is to be read in totality, and not in parts and in conjunction with the relevant documents referred to in this report. This report has been issued only for the purpose of the facilitating the Scheme and should not be used for any other purpose.

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## 7. 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 share-holders.

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

  
S. Ramakrishna Iyengar  
Director



Place: Kolkata  
Date: 07<sup>th</sup> December, 2020