

**Fairness Opinion Report on 'Valuation Certificate' issued for**

**Proposed Scheme of Arrangement between**

**Vipul Organics Limited**

**And**

**Efferchem Private Limited**

**And**

**Their Respective Shareholders**

**Prepared by**



**Saffron Capital Advisors Private Limited**

*[Company Identification Number: U67120MH2007PTC166711]*

**SEBI Registered Category I Merchant Banker**

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**SEBI Registration No: INM000011211**

**May 02, 2017**

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## Notice to Reader

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This report is prepared by Saffron Capital Advisors Private Limited ("Saffron") solely for the purpose of giving a "Fairness Opinion" on "Valuation Certificate" issued in connection with the proposed "Scheme of Arrangement" (the Scheme) between Vipul Organics Limited ("VOL") and Efferchem Private Limited ("EPL") and their respective shareholders and creditors. The fairness opinion report is required to be submitted to the stock exchanges to facilitate the companies under regulations 11, 37 and 94 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Securities Exchange Board of India ("SEBI") Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March 2017. This report is not to be used, circulated, and quoted otherwise than for the purpose stated herein. This report is subject to the scope of limitations detailed hereinafter. As such the report is to be read in totality and not in parts. This report has been prepared solely for the purpose set out in this report and should not be reproduced (in part or otherwise) in any other document whatsoever without Saffron's written consent.

For the purpose of this assignment, Saffron has relied on the Valuation Certificate dated May 02, 2017 prepared by Mr. R.P.Bhende, Chartered Accountant (Membership No.: 44140), for the proposed "Scheme of Arrangement" of VOL and EPL and their respective shareholders and information and explanation provided to it, the accuracy whereof has not been evaluated by Saffron. Saffron's work does not constitute certification or due diligence of any past working results and Saffron has relied upon the information provided to it as set out in working results of the aforesaid reports.

Saffron has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of VOL and EPL and to the Stock Exchanges and to the Registrar of Companies. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

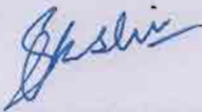
The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients



may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on Valuation Certificate issued for the proposed Scheme of Arrangement between VOL and EPL and their respective shareholders and creditors, and may not be applicable or referred to or quoted in any other context.

Management has been provided with an opportunity to review factual information in our report as part of our standard practice to ensure that factual inaccuracies/omissions/etc. are avoided in our final signed report.

For Saffron Capital Advisors Private Limited



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**Authorised Signatory**



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## Introduction and Scope of Assignment

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### 1. Transferor Company – Efferchem Private Limited (EPL):

EPL is a company incorporated under the provisions of Part I of Chapter XXI of the Companies Act, 2013 by conversion of Zeon Chemical Industries LLP, a Limited Liability Partnership registered under Limited Liability Partnership Act, 2008, to take over the business of the LLP on going concern basis, and has its registered office at Plot No. A/14, M.I.D.C., A.M.P. Road, Ambarnath (West), Thane - 421501.

The EPL was incorporated on 24th October, 2016 with the object to manufacture, process, purchase, resale, export, import and commission agency of all types of Laboratory fine and heavy chemicals whether organic or inorganic and including dyes acid and intermediates and minerals and to refine, purify derivate, crystallize, process, dry and to carry out such other process or processes, activity or activities to carry out this objects.

### 2. Transferee Company– Vipul Organics Limited (VOL):

VOL (formerly known as Vipul Dyechem Limited) is a company incorporated under the provisions of the Companies Act, 1956 having its registered office at 102, Andheri Industrial Estate, Off. Veera Desai Road, Andheri (West), Mumbai - 400053. VOL is listed on the BSE Limited (BSE). VOL is engaged in the business of manufacturing and dealing in Pigment Powder, Pigment Dispersion, Leather Dyes, Naphthols, Fast color bases, Fast color salts & Dyes intermediates.

3. Valuation has been decided based on the Valuation Certificate dated May 02, 2017 prepared by Mr. R.P.Bhende, Chartered Accountant (Membership No.: 44140).

4. EPL has been valued at Rs. 18,86,08,401. VOL will be issuing 18,25,000 shares to EPL in consideration thereof.

5. We, Saffron Capital Advisors Private Limited, a SEBI registered Category-I Merchant Banker, have been engaged by VOL to give a fairness opinion on Valuation Certificate dated 2<sup>nd</sup> May 2017 issued by R. P. Bhende, Chartered Accountant.



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## Exclusions and Limitations

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1. Saffron has been requested by VOL to submit a report by giving a fairness opinion on Valuation Certificate issued for the proposed Scheme of Arrangement between VOL and EPL and their respective shareholders and creditors.
2. We have given the Fairness Opinion on the basis of the following information provided to us by VOL and EPL/ collated by us from publicly available sources, like website of BSE:
  - a) Certified copy of Scheme of Arrangement provided by VOL.
  - b) Certified true copy of the resolutions passed at the meeting of the Board of Directors of VOL and EPL.
  - c) Valuation Certificate date May 02, 2017 issued by Mr. R.P.Bhende, Chartered Accountant (Membership No.: 44140).
  - d) Such other information and explanations as we have required and which have been provided by the management of VOL.
3. Our valuation exercise and conclusions reached by us are dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our report.
4. Our report will not be offered to any section of the public to subscribe for or purchase any securities in or assets or liabilities of any company or business valued by us. This report is prepared with a limited purpose/ scope as identified/ stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.



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**Conclusion and Opinion on Valuation Certificate**

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We have reviewed the valuation certificate and based on the information, material data made available to us, to best of our knowledge and belief, the valuation prepared by the Valuer Mr. R.P.Bhende, Chartered Accountant is **Fair and Reasonable.**

