ANNEXURE 5

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**STRICTLY PRIVATE & CONFIDENTIAL**

March 25, 2018
The Board of Directors

**Valiant Organics Limited**
109, Udyog Kshetra
Mulund Goregaon Link Road
Mulund (West), Mumbai 400 080.

Dear Sirs,

**Sub.: Fairness Opinion Certificate on the report on recommendation of Share Exchange Ratioby N. M. Raiji & Co. (Chartered Accountants).**

**Re.: Scheme of Merger by absorption of Amarjyot Chemical Limited ("Amarjyot" or the "Transferor Company") with Valiant Organics Limited ("Valiant" or the "Transferee Company") and their respective shareholders and creditors ("Scheme").**

This has reference to the request made by the management of Valiant Organics Limited in connection with fairness opinion on the report on recommendation of Share Exchange Ratioby N. M. & Co. (Chartered Accountants) (hereinafter referred to as **"the Valuer"**) for Issue of Equity Shares and Optionally Convertible Preference Shares (**"OCPS"**) of the Valiant to the equity shareholders of Amarjyot, in connection with proposed merger of Amarjyot with Valiant.

## 1. PURPOSE OF SHARE EXCHANGE REPORT BY THE VALUER

1.1 The Board of Directors of Valiant has considered and approved the Scheme of Amalgamation at their meeting held on March 25, 2018 providing for merger of Amarjyot with Valiant. As consideration for the merger, Valiant would issue Equity Shares and OCPS to the equity shareholders of Amarjyot. The appointed date for the purpose of merger is October 1, 2017. Valiant holds 15,393 equity shares representing 0.18% of the total equity share capital of Amarjyot. The existing share capital of Amarjyot held by Valiant is proposed to be cancelled as part of the proposed merger.

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1.2 In this regard, N. M. Raiji & Co. (Chartered Accountants) was appointed by the Company to recommend a Share Exchange Ratio for the proposed merger.

1.3 The information contained herein and our report is confidential. It is intended only for the sole use of captioned purpose including for the purpose of obtaining requisite approvals as per regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI (LODR) Regulations 2015**") read with SEBI Circular CFD/DIL3/CIR/2017/21, dated March 10, 2017 and SEBI Circular CFD/DIL3/CIR/2018/2, dated January 2, 2018 ("**SEBI Circular**").

## 2. BRIEF BACKGROUND OF COMPANIES

### 2.1 Valiant Organics Limited

2.1.1 Valiant Organics Limited (hereinafter referred to as "Valiant") is a chemical manufacturing company, with a focus on manufacturing of Chlorophenol and Para Nitro Aniline, chemicals which has several applications, mainly in the agro-chemical industry, pharmaceutical industry, dyes industry, manufacturing of cosmetics and veterinary drugs.

2.1.2 Valiant operates a single location manufacturing facility at Sarigam Industrial Estate.

2.1.3 This business was originally begun in the year 1984 as a partnership concern in the name of Valiant Chemical Corporation and was converted into a private limited company, i.e. Valiant Organics Limited in the year 2005. In 2015, Valiant was further converted into a public limited company.

2.1.4 Equity shares of Valiant are listed on the SME platform of BSE Limited

2.1.5 The Shareholding pattern of Valiant as on March 23, 2018 is as under:

| Shareholders | No.of Shares | % |
|---|---|---|
| Promoters | 27,92,250 | 47.61 |
| Public | 30,72,100 | 52.39 |
| **Total** | **58,64,350** | **100.00** |

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2.2 **Amarjyot Chemical Limited**

2.2.1 Amarjyot Chemical Limited (hereinafter referred to as "Amarjyot")was incorporated in the year 1978. It is one of the leading manufacturers and suppliers of Specialty Chemicals. Amarjyot is headed by first generation technocrats, having a vast experience in the Industry. Amarjyot's plants are located at Vapi, Jhagadia and Ahmedabad in Gujarat.

2.2.2 Amarjyot is manufacturing and carries out Ammonolysis, Hydrogenation, Nitration, Sulphonation, Acetylation reactions at its units.

2.2.3 Amarjyot's products find use across multiple Industries.

2.2.4 Some of the Products of the company are as follows:

- Dye Intermediates: Para Nitro Aniline, Ortho Chloro Para Nitro Aniline, 6 Acetyl OAPSA, Ortho Anisidine, Para Anisidine and OT5SA.
- Intermediates for Pigments: 2 B Acid, 4 B Acid, 6 B Acid, ONAPSA.
- Agro Intermediates: N-IsoPropyl Para Chloro Aniline (IPPCA), Meta Chloro Aniline,Para Fluoro Aniline, 4-Fluoro-N-isoPropylAniline (F.I.Aniline).
- Dyes: Acid Dyes, Reactive Dyes, Direct Dyes

2.2.5 The Shareholding pattern of ACL as on March 23, 2018 is as under:

- Equity Shares

| Shareholders | No.of Shares | % |
|---|---|---|
| Promoters | 44,20,832 | 50.56 |
| Non Promoters | 43,23,548 | 49.44 |
| **Total** | **87,44,380** | **100.00** |

- Preference Shares

| Shareholders | No.of Shares | % |
|---|---|---|
| Promoters | 21,055 | 53.44 |
| Non Promoters | 18,345 | 46.56 |
| **Total** | **39,400** | **100.00** |

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## 3. SOURCES OF INFORMATION

For the purposes of fairness opinion, we have relied upon the following sources of information:

(a) Draft Scheme of Merger by absorption u/s. 230 to 232 of the Companies Act, 2013

(b) Certified Report on Recommendation of Share Exchange Ratio for the Merger of Amarjyot with Valiant dated March 25, 2018, issued by N. M. Raiji & Co (Chartered Accountants)

(c) Certified Copy of Certificate of Incorporation and Memorandum and Articles of Association of Valiant and Amarjyot

(d) Audited Financial Statements of Valiant and Amarjyot for the financial year ("FY") ended March 31, 2017.

(e) Management certified Provisional Financial Statements of Amarjyot and Valiant for the 6 months period ended September 30, 2017 ('6ME Sep 17').

(f) Financial Projections of Amarjyot and Valiant comprising of Balance Sheet and Statement of Profit and Loss for FY 2017-18 to FY 2022-23 as provided by the Management.

(g) Discussions with the Management of Valiant and Amarjyot on various issues relevant for the valuation including the prospects and outlook for the industry, expected growth rate and other relevant information relating to future expected profitability of the business, etc.

(h) Other relevant details regarding the Companies such as their history, their promoters, past and present activities, future plans and prospects, existing shareholding pattern and other relevant information and data as provided by the Management of Valiant and Amarjyot.

(i) Other such information and explanations as were required and which have been provided by N. M. Raiji& Co (Chartered Accountants).

(j) Information available in the public domain.

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## 4. EXCLUSIONS AND LIMITATIONS

4.1 Conclusions reached by us are dependent on the information provided to us being complete & 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 did not involve us 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. 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 certificate.

4.2 No investigation of the Companies' claim to title of assets has been made by us for the purpose of this exercise and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the account. Therefore, no responsibility is assumed for matters of a legal nature.

4.3 This certificate 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.

4.4 Our opinion is not, nor should it be construed as our opining or certifying the compliance of proposed merger with the provision of any law including Companies, Taxation and other regulatory provisions or as regards any legal implications or issues arising thereon. Our opinion also does not address any matters otherwise than as expressly stated herein, including but not limited to matters such as corporate governance matters, shareholder rights or any other equitable considerations. We have also not opined on the fairness of

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any terms and conditions of the scheme other than the fairness, from financial point of view, of the Share Exchange Ratio.

4.5 We do not express any opinion as to the price at which shares of the Company may trade at any time, including subsequent to the date of this opinion. In rendering our opinion, we have assumed, that the scheme 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 or third-party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Companies.

4.6 The Fairness Opinion is addressed only to the Board of Directors of Companies and is for the purpose of submission to the Stock Exchanges under the SEBI Circular. Further, the Fairness Opinion may be disclosed on the website of Companies and the Stock Exchanges and also be made part of the explanatory statement to be circulated the shareholders and/or creditors of the Company. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Master Capital's prior written consent. The Fairness Opinion should be read in totality and not in parts.

4.7 In no circumstances however, will Master Capital Services Limited or its directors, officers, employees and controlling persons of Master Capital accept any responsibility or liability including any pecuniary or financial liability to any third party.

4.8 Further, this Fairness Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

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## 5. CONCLUSION

5.1 We have reviewed the approach used by the Valuer for recommending of Share Exchange Ratio for the merger.

5.2 On the basis of the foregoing points read with regulation 37 of the SEBI (LODR) Regulations, 2015 and in terms of SEBI Circular CFD/DIL3/CIR/2017/21, dated March 10, 2017 and SEBI Circular CFD/DIL3/CIR/2018/2, dated January 2, 2018 (**"SEBI Circular"**), we are of the opinion that the recommendationmade by N. M. Raiji & Co. (Chartered Accountants) is fair & reasonable with regards to Exchange Ratio for merger of Amarjyot with Valiant which is as under:

- **For Equity Shareholders:**

**72 (seventy two) Equity Shares of Valiant of face value INR 10/- each and 21 OCPS of face value INR 10/- each, for every 100 equity shares of Amarjyot of INR 10/- each. Shareholders holding less than 100 equity shares of Amarjyot will be issued proportionate shares of Valiant based on above mentioned share exchange ratio.**

- **For Preference Shareholders:**

**1 (One) Redeemable Preference Share of Valiant of face value INR 100/- each, for every 1 (One) Redeemable Preference Share of Amarjyot of face value INR 100/- each.**

Thanking you,

Yours faithfully,

**For Master Capital Services Limited**

Master Capital Services Ltd. Chandigarh

**Name: Jagmohan Singh**
**Designation: Manager**
Place: Chandigarh

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