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STRICTLY PRIVATE & CONFIDENTIAL

Date: November 09, 2016

To,

The Board of Directors

Valiant Organics Limited

109, Udyog Kshetra,

1st Floor,

Mulund Goregaon Link Road,

Mulund (W),

Mumbai - 400080

The Board of Directors

Abhilasha Tex-Chem Limited

Plot No M-7,

Village Pamtebhi,

Tarapur - 401506

Re: Recommendation of Fair Share Exchange Ratio for the purpose of proposed amalgamation of Abhilasha Tex-Chem Limited with Valiant Organics Limited.

Dear Sir(s),

As requested by the management of Valiant Organics Limited (hereinafter referred to as "Valiant") and Abhilasha Tex-Chem Limited (hereinafter referred to as the "Abhilasha"), we have carried out fair valuation of equity shares of Valiant and Abhilasha (hereinafter collectively referred to as the "Companies") to recommend fair share exchange ratio for the proposed amalgamation of Abhilasha with Valiant.

1. PURPOSE OF VALUATION

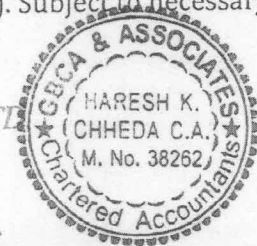
- 1.1 We have been informed that the management of the Companies (hereinafter referred to as the "Management") are considering a proposal for the amalgamation of Abhilasha with Valiant ("Amalgamation") pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013 ("Scheme"). Subject to necessary

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[Signature]

Chairman/Managing Director



approvals, Abhilasha would be amalgamated with Valiant, with effect from Appointed Date of July 01, 2016 ("Appointed Date"). In consideration for the Amalgamation, equity shares of Valiant would be issued to the shareholders of Abhilasha.

- 1.2 In this connection, GBCA & Associates, Chartered Accountants ("GBCA") has been appointed to carry out the relative valuation of equity shares of Abhilasha and Valiant to recommend the fair share exchange ratio.

2. BRIEF BACKGROUND OF THE COMPANIES

2.1 ABHILASHA

- Abhilasha Tex-Chem Limited is a Public Limited Company incorporated on 12th June, 1989 under the Companies Act, 1956.
- Abhilasha is presently having its Registered Office at Plot No.M-7, Village Pamtebhi, Tarapur 401506.
- Abhilasha is mainly engaged in the business of manufacturing Para Nitro Aniline for own sale as well as on job work basis. It has manufacturing facility at Tarapur with installed capacity of 5700MTPA.
- Abhilasha also has certain surplus manufacturing facility which is given on lease basis.

2.2 VALIANT

- Valiant Organics Limited is a Public Limited Company incorporated on 16th February, 2005 under the Companies Act, 1956.
- Valiant's equity shares are listed on SME platform of the BSE Limited.
- Valiant is presently having its Registered Office at 109 Udyog Kshetra 1st Floor Goregaon Link Road Mulund (W) Mumbai 400080.
- Valiant is mainly engaged in business of manufacturing and marketing of different types of Chlorophenol. It has manufacturing facility at Sarigam with installed capacity of 4800MTPA.

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[Signature]
Chairman/Managing Director

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3. SOURCES OF INFORMATION

For the purpose of the valuation exercise, we have relied upon the following sources of information:

- (a) Audited financial Statements of Valiant and Abhilasha for the financial year ended March 31, 2015 and year ended March 31, 2016.
- (b) Auditor reviewed financial Statements of Valiant and Abhilasha for the quarter ended June 30, 2016.
- (c) Draft Scheme of Amalgamation.
- (d) Other relevant details regarding the Companies such as their history, their promoters, past and present activities and other relevant information.
- (e) Such other information and explanations as we required and which have been provided by the management of the Companies.
- (f) Information available in public domain.

4. VALUATION APPROACH

4.1 For the purpose of valuation for amalgamation, generally the following approaches are adopted:

- (a) the "Underlying Asset" approach;
- (b) the "Income" approach; and
- (c) the "Market Price" approach;

5. UNDERLYING ASSET APPROACH

5.1 In case of the "Underlying Asset" approach, the value is determined by dividing the net assets of a company by the number of shares. Since the business is valued on a "going concern" basis and an actual realization of the operating assets is not contemplated, we have considered it appropriate not to determine the realizable or replacement value of the assets. The operating assets have therefore been considered at their book values.

5.2 For non-operating/surplus assets, we have considered realizable values post tax.

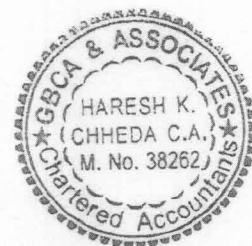
5.3 The value as arrived above is divided by the outstanding number of equity shares to arrive at the value per share.

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Chairman/Managing Director

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6. INCOME APPROACH

- 6.1 Under the "Income" approach, shares of Valiant and Abhilasha have been valued using Comparable Companies Multiple (CCM) method.
- 6.2 Under CCM Method, value of the shares of the company is determined by using multiples derived from valuations 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. In the present case, Enterprise Value (EV) to Earnings before Interest Tax Depreciation and Amortization (EBITDA) multiples of comparable listed companies, after adjusting for differences in circumstances, are used to arrive at Enterprise Value.
- 6.3 To the value so arrived, adjustments have been made for loan funds, cash & cash equivalents and realizable value (post tax) of Non-Operating/surplus assets to arrive at the Equity Value.
- 6.4 The Equity Value so arrived at is divided by the number of equity shares to arrive at the value per share.

7. Market Price Approach

- 7.1 The market price of an equity share as quoted on a stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in.
- 7.2 In the present case, Abhilasha is unlisted entity, hence this approach cannot be considered for valuing its shares.
- 7.3 Shares of Valiant got listed on BSE SME Exchange on 14th October, 2016. Share price of Valiant from the date of listing has been considered for determining the value under the market price approach.

8. RECOMMENDATION OF FAIR EXCHANGE RATIO

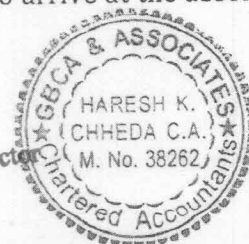
- 8.1 The fair basis of amalgamation of the Companies would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above approaches, for the purposes of recommending a ratio of exchange it is necessary to arrive at a single value for the shares of each company. It is however important to note that in doing so, we are not attempting to arrive at the absolute

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Yashu
Chairman/Managing Director



values of the shares of each company. Our exercise is to work out relative value of shares of the Companies to facilitate the determination of a ratio of exchange. For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach.

We have assigned appropriate weightages to value per equity share of Abhilasha under underlying asset approach and income approach and in case of Valiant value per equity share under underlying asset approach, income approach and market price approach.

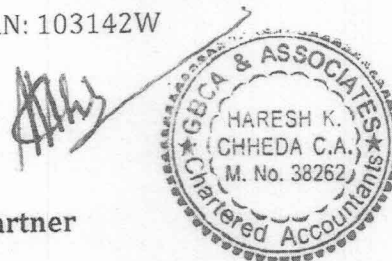
- 8.2 The share exchange ratio has been arrived on the basis of a relative valuation of the shares of the Companies based on the various methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses of the companies, having regard to information base, management representations and perceptions, key underlying assumptions and limitations.
- 8.3 In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share.
- 8.4 In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove referred to earlier in this report, in our opinion, a fair ratio of exchange in the event of amalgamation of Abhilasha into Valiant would be as under:

365 (Three Hundred and Sixty Five) equity shares of VALIANT of INR 10 each fully paid up for every 100 (Hundred) equity shares of ABHILASHA of INR 100 each fully paid up.

Place: Mumbai

Date: 9th November, 2016

For GBCA & Associates,
Chartered Accountants
FRN: 103142W



Partner

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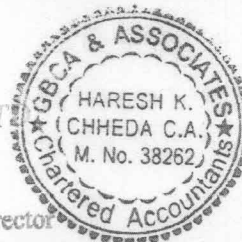
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Chairman/Managing Director

9. EXCLUSIONS AND LIMITATIONS

- 9.1 Our report is subject to the scope 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.
- 9.2 No investigation of the Companies' claim to title of assets has been made for the purpose of this valuation and their 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 accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 9.3 Our work does not constitute an audit or certification of the historical financial statements results including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation mentioned in the report is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 9.4 A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Companies have drawn our 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 our opinion, on the fair value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies, subsequent to the Appointed Date for the proposed amalgamation. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 9.5 In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Public information, estimates, industry and statistical information relied in this report have been obtained from the sources considered to be reliable.

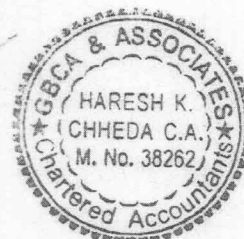


However, we have not independently verified such information and make no representation as to the accuracy or completeness of such information from or provided by such sources. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Companies. We assume no responsibility for any errors in the above information furnished by the Companies and consequential impact on the present exercise.

- 9.6 Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed amalgamation.
- 9.7 This report is prepared only in connection with the proposed amalgamation exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law.
- 9.8 Any person/party intending to provide finance/invest in the shares/businesses of any of the Companies, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 9.9 It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed amalgamation as aforesaid, can be done only with our prior permission in writing.
- 9.10 GBCA, nor its partners, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

**For GBCA & Associates,
Chartered Accountants**

FRN: 103142W

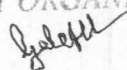
Partner

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Place: Mumbai

Date: 9th November, 2016

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Chairman/Managing Director