

October 19, 2019

To
The Board of Directors
Ashima Limited
Texcellance Complex,
Khokhara- Mehmedabad,
Ahmedabad- 380021

Dear Sir,

Sub: Fairness Opinion on the recommendation of the fair Share Exchange Ratio for the proposed amalgamation of Ashima Dyecot Private Limited ('ADPL' or the 'Transferor Company') with Ashima Limited ('AL' or the 'Transferee Company' or the 'Company').

We understand that the Board of Directors (the **"Board"**) of Ashima Limited is considering the amalgamation of Ashima Dyecot Private Limited (the **"Transferor Company"**) with Ashima Limited (**"AL"** or the **"Transferee Company"** or the **"Company"**) (both transferor and transferee company together referred to as the **"Transacting Companies"**), through a Scheme of Amalgamation and Arrangement between the Transacting Companies and their respective Shareholders and creditors, under Section 230 to 232 read with Section 66 of the Companies Act, 2013 (the proposed **"Amalgamation"**).

Be advised that while certain provisions of the amalgamation are summarized below, the terms of the amalgamation will be more fully described in the Scheme document to be published in relation to the amalgamation (the **"Scheme Document"**). As a result, the description of the amalgamation and certain other information contained herein is qualified in its entirety by reference to the Scheme Document.

Pursuant to the amalgamation, the Transferee Company will issue and allot to all the Shareholders of the Transferor Company, 348 fully paid up Equity Shares of AL of INR 10 each for every 100 fully paid up Equity Shares of ADPL of INR 10 each. ("Share Exchange Ratio").

The Share Exchange Ratio is based on the valuation reports dated October 19, 2019 prepared by N S KUMAR & CO, Independent Chartered Accountant (the **"Valuer"**), being an independent professional valuer and Niranjana Kumar, Registered Valuer appointed by the Board of the AL for recommending a Share Exchange Ratio for the proposed amalgamation (the **"Valuation Reports"**).



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The Board has appointed Kunvarji Finstock Private Limited ("**KFPL**" or "**Kunvarji**" or "**We**" or "**us**"), to issue a fairness opinion to the AL in relation to the Share Exchange Ratio proposed by it based on the recommendations set out in the Valuation Reports.

This Opinion is subject to the Scope, limitations and disclaimers detailed herein.

SCOPE OF OUR REVIEW:

In arriving at the opinion set out below, we have, among other things:

1. Reviewed the Valuation Reports and discussed the Valuation Reports with the Valuer;
2. Reviewed the draft Scheme document dated October 19, 2019;
3. Reviewed certain publicly available business information on the Transacting Companies;
4. Reviewed the annual reports for the Transacting Companies for the financial years ending 31 March 2017, 31 March 2018 and 31 March 2019 and the standalone unaudited financial results for the Transferee Company for the period ending 30 June 2019 and audited financial results for the Transferor Company for the period ending 31 March 2019;
5. Reviewed the reported price for the Transacting Companies;
6. Reviewed certain analysts' estimates for the Transacting Companies;
7. Used certain valuation methods commonly used for these types of analyses and taken into account such other matters as we deemed appropriate including our assessment of current conditions and prospects for the industry and general economic and market conditions.

ASSUMPTIONS AND LIMITATIONS:

In giving our opinion:

1. We have relied on the assessment of AL's management on the commercial merits of the amalgamation, including that the amalgamation is in the best interests of the Transferee Company and its shareholders as a whole;
2. We have relied without independent verification, upon the accuracy and completeness of all of the information (including, without limitation, the Valuation Reports) that was made available to us or publicly available or was discussed with or reviewed by us (including the information set out above) and have assumed such accuracy and completeness for the purpose of providing this opinion;



3. We have not been provided with any financial forecasts or other internal financial analysis relating to the Transferee Company or the Transferor Company or a copy of the Transferee Company's or the Transferor Company's business plans;
4. We have had limited access to the management of the Transferee Company and have had no access to the management of the Transferor Company. We have therefore not discussed with management the past and current business operations or the financial condition of the Transacting Companies;
5. While we have used various assumptions, judgements and estimates in our inquiry, which we consider reasonable and appropriate under the circumstances, no assurances can be given as to the accuracy of any such assumptions, judgements and estimates;
6. We have assumed that all governmental, regulatory, shareholder and other consents and approvals necessary for the amalgamation will be obtained in a timely manner without any adverse effect on the Transferee Company;
7. We have not made any independent evaluation or appraisal of the assets and liabilities of the Transferee Company and its Subsidiaries or the Transferor Company and we have not been furnished with any such evaluation or appraisal, nor have we evaluated the solvency or fair value of the Transacting Companies under any laws relating to the bankruptcy, insolvency or similar matters;
8. We have made no adjustment to the share price of the Transacting Companies for the purpose of our analysis;
9. We have not conducted any independent legal, tax, accounting, or other analysis of the Transferee Company or of the amalgamation and when appropriate we have relied solely upon the judgements of the Transferee Company's legal, tax, accountants and other professionals advisers who may have given such advice to the Transferee Company without knowledge or acceptance that it would be relied upon by us for the purpose of this opinion. We have not included the legal and tax effects of any reorganization or transaction costs that may arise as a result of the amalgamation in our analysis. In addition, we have not performed any independent analysis of the situation of the individual shareholders of the Transferee Company, including with respect to taxation in relation to the amalgamation and express no opinion thereon;
10. We have not undertaken independent analysis of any potential or actual litigation, regulatory action, possible un-asserted claims, or other contingent liabilities to which the Transferee Company or the Transferor Company is or may be a party or is or may be



subject, or of any government investigation of any possible un-asserted claims or other contingent liabilities to which the Transferee Company or the Transferor Company is or may be a party or is or may be subject;

11. We have not conducted any physical inspection of the properties or facilities of the Transacting Companies;
12. We have assumed that the amalgamation will be consummated on the terms set forth in the Scheme Document and that the final version of Scheme Document will not change in any material respect from the draft version we have reviewed for the purpose of this opinion;
13. We have assumed that the management of the Transferee Company are not aware of any facts or circumstances that would make any information necessary for us to provide this opinion inaccurate or misleading and that the management have not omitted to provide us with any information which may be relevant to the delivery of this opinion;

Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect the opinion and that we do not have any obligation to update, revise or reaffirm this opinion.

We are expressing no opinion herein as to the price at which any securities of either the Transferee Company or of the Transferor Company will trade at any time.

RELATIONSHIP WITH KFPL:

KFPL was not requested to, and did not, provide advice concerning the structure, the Share Exchange Ratio or any other aspects of the amalgamation or to provide services other than the delivery of this Fairness opinion. KFPL did not participate in negotiations with respect to the terms of the amalgamation and any related transactions. Consequently, KFPL has assumed that such terms are the most beneficial terms from the AL's perspective that could under the circumstances be negotiated with the ADPL.

We will receive a fee from the AL for rendering this opinion. In addition, the AL has agreed to indemnify us for claims arising out of our engagement for providing the opinion.

In the past, KFPL and its affiliates have not provided any financing and other services to the Transacting Companies.



OTHER LIMITATIONS:

This opinion is addressed to and provided solely for the Board of Directors of the AL exclusively in connection with and for the purposes of its evaluation of the fairness of the Share Exchange Ratio. This letter shall not confer rights or remedies upon, and may not be used or relied on by, and holder of Securities of the AL, any creditor of the AL or by any other person other than the Board of Directors of the AL and the regulatory authorities involved in connection to the proposed Scheme.

KFPL is acting for the Board of Directors of the AL and no one else in connection with the amalgamation and will not be responsible to any person other than the Board of Directors of the AL for providing this opinion. Neither the existence of this letter nor its contents may be copied in whole or in Part, or discussed with any other parties, or published or made public referred to in any way, without our prior written consent in each instance, except that this opinion may be described in and included in its entirety in the Scheme Document. We take no responsibility or liability for any claims arising out of any such disclosure and we specifically disclaim any responsibility to any third party to whom this opinion may be shown or who may acquire a copy of this opinion.

This report shall be governed by the laws of India.


Specifically, this opinion does not address the Commercial merits of the amalgamation nor the underlying decision by the Transferee Company to proceed with the amalgamation nor does it constitute a recommendation to any shareholder or creditor of the Transferee Company as to how such Shareholder or creditor should vote with respect to the amalgamation or any other matter. The ultimate responsibility for the decision to recommend the amalgamation rests solely with the Board of Directors of the AL.

CONCLUSIONS:

Based upon, and subject to, the foregoing we are of the opinion that, as of the date hereof, we believe that the proposed Share Exchange Ratio as recommended by N S KUMAR & CO, Independent Chartered Accountant and Niranjana Kumar, Registered Valuer for the proposed Scheme of Amalgamation and Arrangement is fair, from financial point of view, to the shareholders of the AL.

Yours faithfully,

For, Kunvarji Finstock Private Limited



Mr. Himanjal Brahmhatt
Director (DIN: 00049679)



Date: October 19, 2019
Place: Ahmedabad