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**Fairness Opinion on Report recommending a share exchange ratio ("Valuation Certificate") issued for**

**Proposed Scheme of Amalgamation of**

**Padma Polytex India Private Limited**

**with**

**Raaj Medisafe India Limited**

**Prepared by**

**Chartered Capital And Investment Limited**

[Company identification Number: L45201GJ1986PLC008577]

711, Mahakant, Opp V.S. Hospital, Ellisbridge, Ahmedabad-380 006

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[SEBI Registration No: INM000004018]

**March 26, 2018**

CERTIFIED TO BE TRUE
FOR RAAJ MEDISAFE INDIA LTD.
DIRECTOR

**Notice to Reader**

This report is prepared by Chartered Capital And Investment Limited ("CCIL") solely for the purpose of giving a "Fairness Opinion" on "Valuation Certificate" issued in connection with the proposed "Scheme of Amalgamation" (the Scheme) of Padma Polytex India Private Limited ("PPIPL") with Raaj Medisafe India Limited ("RMIL"). The fairness opinion report is required to be submitted to the stock exchange 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 10th 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 CCIL's written consent.

For the purpose of this assignment, CCIL has relied on the Valuation Certificate dated March 22, 2018 prepared by A. K. Mantri & Associates, Chartered Accountants (FRN No.: 003697C), for the proposed "Scheme of Amalgamation" of PPIPL with RMIL and their respective shareholders and information and explanation provided to it, the accuracy whereof has not been evaluated by CCIL. CCIL work does not constitute certification or due diligence of any past working results and CCIL has relied upon the information provided to it as set out in working results of the aforesaid reports. Market value of the immovable properties has been considered in the valuation prepared by A. K. Mantri & Associates, Chartered Accountants (FRN No.: 003697C) based on the valuation reports dated 28.08.2017 prepared by Nitin Upadhyay & Associates, Architect & Engineers, Govt. Approved Valuer (Rg. No. CAT-I/V-148, 2006) and we are not giving any opinion on the valuation of immovable properties and we have relied without independent verification on the valuation reports provided by the said valuer.

CCIL 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 PPIPL and RMIL and to the Stock Exchange 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 Amalgamation 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 Amalgamation of PPIPL with RMIL, 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 Chartered Capital And Investment Limited

Authorised Signatory

## Introduction and Scope of Assignment

**Background of the Transaction :** We understand that the respective Board of Companies are proposing Amalgamation of Padma Polytex India Private Limited ("PPIPL") with Raaj Medisafe India Limited ("RMIL") with effect from the Appointed Date by implementing a Scheme of compromises, arrangement and amalgamation and under section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("This Scheme"). As part of the proposed scheme, equity share of 'Raaj Medisafe India Limited' would be issued to the equity shareholders of 'Padma Polytex India Private Limited' in consideration.

1. **PADMA POLYTEX INDIA PRIVATE LIMITED (CIN:U17122MP1993PTC008006):**

PADMA POLYTEX INDIA PRIVATE LIMITED, ("Transferor Company"/ "Applicant Company") was originally incorporated as Puma Polytex Private Limited on December 16, 1993 and registered with the Registrar of Companies, Madhya Pradesh under the provisions of the Companies Act, 1956. The Company changed its name to Padma Polytex India Private Limited with effect from October 10, 2010 and having its registered office at 75/2 & 3, INDUSTRIAL AREA, MAXI ROAD, UJJAIN M.P. 456001 IN. The company is a private limited company limited by shares.

PPI is engaged in the business of manufacturing packaging products for pharmaceutical manufacturers for India and abroad.

We have been informed that pursuant to the Scheme, as per the swap ratio, equity shares of RMI would be allotted to the Shareholders of PPI of Rs. 10/- each.

Present Status of Shareholding of PPI as informed by the management is given in the below table:

| Sr. No. | Name of Shareholder | No. of Shares | Percentage to total equity |
|---|---|---|---|
| 1. | Bangur Anand | 194920 | 19.50 |
| 2. | Jajoo Vishnu | 81000 | 8.10 |
| 3. | Jajoo Krishna | 4575 | 0.46 |
| 4. | Bangur Anand (Karta) | 359095 | 35.92 |
| 5. | Jajoo Braham Swaroop | 33000 | 3.30 |
| 6. | Jajoo Shweta | 81345 | 8.14 |
| 7. | Swati Commercial Pvt.Ltd. | 95000 | 9.50 |
| 8. | Arpit Packaging Pvt.Ltd. | 84000 | 8.40 |
| 9. | Sushen Remedies Pvt.Ltd. | 45530 | 4.55 |
| 10. | Betar Step Trading Pvt.Ltd. | 20000 | 2.00 |
| 11. | Jhanwar R.N. | 1130 | 0.11 |
| | **Total** | **999595** | **100** |

## 2. RAAJ MEDISAFE INDIA LIMITED (RMIL):

RAAJ MEDISAFE INDIA LIMITED (CIN:L33112MP1985PLC003039) ("Transferee Company") is a limited company originally incorporated as Manoj Surgical Industries Private Limited on 12th September, 1985 and converted into Public Limited Company on 4thJune 1992 and its name was changed to Raaj Medisafe India Limited on September 01, 2008 registered with the Registrar of Companies, Madhya Pradesh under the provisions of the Companies Act, 1956, having its registered office at 106, Sector III, Industrial Area Pithampur Dhar (M P) 454774.

RMI is a listed Company on BSE (Code 524502) and engaged in the following business

1. Manufacturing of non-woven hygiene products mainly used in hospitals

2. HDPE containers and PP closures of all specifications, moulded plastic goods of all kinds and for all purpose including for industrial and domestic use,

3. Pilfer proof caps, crown caps, threaded metal caps, tin container caps made out of aluminum and other materials and aluminum seals.

The shareholding pattern of RMI as available with the stock exchange is as under on 31-12-2017:

| S.No. | Particulars | Number of Shares | Percentage of Holding |
|---|---|---|---|
| 01 | Promoters and Promoter Group Companies | 22,60,680 | 44.85% |
| 02 | Public (From which 71,200 Number of Shares are partly paid-up, calls of Rs. 5/- per share is in arrear) | 27,79,320 | 55.15% |
| | **Total** | **50,40,000** | **100%** |

3. Valuation has been decided based on the Valuation Certificate dated March 22, 2018 prepared by prepared by A. K. Mantri & Associates, Chartered Accountants (FRN No.: 003697C).

4. PPIPL has been valued as per Underlying Asset Approach Method and the price per share is arrived at INR 96.99 per share. RMIL has been valued as per Underlying Asset Approach Method and the price per share is arrived at INR 16.44 per share. Accordingly, exchange ratio of transaction between RMIL and PPIPL is recommended as:

   *'Five point Ninety (5.90) equity shares of face value INR 10 (rupees ten only) of Raaj Medisafe India Limited for every One (1) equity share of Padma Polytex India Private Limited of face value of INR 10/- (rupees ten only)'*

5. We, Chartered Capital And Investment Limited, a SEBI registered Category-I Merchant Banker, have been engaged by RMIL to give a fairness opinion on

Valuation Certificate dated March 22, 2018 prepared by prepared by A. K. Mantri & Associates, Chartered Accountants (FRN No.: 003697C).

## Exclusions and Limitations

1. CCIL has been requested by RMIL to submit a report by giving a fairness opinion on Valuation Certificate issued for the proposed Scheme of Amalgamation of PPIPL with RMIL.

2. We have given the Fairness Opinion on the basis of the following information provided to us by RMIL and PPIPL/ collated by us from publicly available sources, like website of BSE:

   a) Certified copy of Scheme of Amalgamation provided by RMIL
   b) Certified true copy of the resolutions passed at the meeting of the Board of Directors of RMIL and PPIPL.
   c) Valuation Certificate dated March 22, 2018 prepared by prepared by A. K. Mantri & Associates, Chartered Accountants (FRN No.: 003697C).
   d) Such other information and explanations as we have required and which have been provided by the management of RMIL and PPIPL.

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 is also subject to the limitations referred to in the Valuation report issued by A. K. Mantri & Associates, Chartered Accountants (FRN No.:

003697C). Market value of the immovable properties has been considered in the valuation prepared by A. K. Mantri & Associates, Chartered Accountants (FRN No.: 003697C) based on the valuation reports dated 28.08.2017 prepared by Nitin Upadhyay & Associates, Architect & Engineers, Govt. Approved Valuer (Rg. No. CAT-I/V-148, 2006) and we are not giving any opinion on the valuation of immovable properties and we have relied without independent verification on the valuation reports provided by the said valuer.

5. 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.

**Conclusion and Opinion on Valuation Certificate**

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, A. K. Mantri & Associates, Chartered Accountants (FRN No.: 003697C) is **Fair and Reasonable.**

CERTIFIED TO BE TRUE
FOR RAAJ MEDISAFE INDIA LTD.
DIRECTOR