STRICTLY PRIVATE &CONFIDENTIAL

March 22, 2018

To,

The Board of Directors
RAAJ MEDISAFE INDIA LTD.
CIN - L33112MP1985PLC003039
PITHAMPUR

The Board of Directors
Padma Polytex India Pvt. Ltd.
75/2-3, Industrial Area, Maxi Road,
UJJAIN

Re: Recommendation of Swap Equity Exchange Ratio for the purpose of proposed amalgamation of PADMA POLYTEX INDIA PVT.LTD. WITH RAAJ MEDISAFE INDIA LTD.

Dear Sir(s),

As requested by the management of Raaj Medisafe India Limited (hereinafter referred to as "RMI") and Padma Polytex India Private Limited (hereinafter referred to as "PPI"), we have undertaken the valuation exercise of the equity shares of RML and PPL to recommend fair swap exchange ratio of equity shares for the proposed amalgamation of PPI with RMI (hereinafter collectively referred as the "Companies").

1. PURPOSE OF VALUATION

1.1 We have been informed that the management of RMI&PPI (hereinafter collectively referred to as "the Management") are considering a proposal for the amalgamation of PPI into RMI (hereinafter referred to as "amalgamation") through a Scheme (of Amalgamation (hereinafter referred to as the "Scheme") pursuant to the provisions of Sections 233 of the Companies Act, 2013. Subject to necessary approval PPI would be merged with RMI, with effect from the approval date as decided by the National Company Law Tribunal. This Valuation is required for submitting a petition before the National Company Law Tribunal to approve the amalgamation.

Accordingly, the valuation date for calculation of the fair share exchange ratio has been taken as December,31, 2017 ('Valuation Date').

1.2 In this connection, A.K. Mantri & Associates, Chartered Accountants (AKM) has been appointed to carry out the relative valuation of equity shares of RMI and PPI to recommend the share swap ratio.

CERTIFIED TO BE TRUE
FOR RAAJ MEDISAFE INDIA LTD.

DIRECTOR

A.K. MANTRI & ASSOCIATES
Chartered Accountants
1st Floor, Sunrise Plaza
39, Kamala Nehru Marg, Freeganj
UJJAIN-456010 (MP)
0734-4012150, 2524196
+91-734-4012150
mantriak@rediffmail.com, www.mantriak.in

2. EXCLUSIONS AND LIMITATIONS

2.1 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 document referred to herein.

2.2 No investigation of the Companies' claim to title of assets has been made for 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 off legal nature.

2.3 Our work does not constitute certification of the historical financial statements including the working results of the Companies referred to in this report. According, 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 and the valuation date mentioned in the report is as per agreed terms of our engagement. It may not be valid or used for any other purpose oras at any other date. Also, it may not be valid if done on behalf of any other entity.

2.4 A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends This report is issued on the understanding that the Companies have drawn our attention to all material information, 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 air value of shares of the Companies for the purpose of the proposed amalgamation, including any significant changes that have taken place or are likely to take place in the financial position of the Companies, subsequent to the report date. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

2.5 In the course of the valuation, we were provided with both written and verbal information. We have evaluated the information provided to us by Companies through

broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for this engagement. We assume no responsibility for any errors in the above information furnished by the Companies and consequential impact on the present exercise.

2.6 Our report is not, nor should it be construed as our opinion or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, income tax, any other taxation and capital market related laws or about any legal implications or issues arising from such proposed amalgamation.

2.7 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.

2.8AKM, 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 all liability for or based on or relating to any such information contained in the valuation.

2.9 The information contained herein and our report iş confidential. Any person/part; 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. 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.

3. BRIEF BACKGROUND OF THE COMPANIES

3.1 RAAJ MEDISAFE INDIA LIMITED

3.1.1RMI is a listed Company on BSE (Code 524502) and engaged in the business of

(i) manufacturing of non-woven hygiene products mainly used in hospitals

(ii) HDPE containers and PP closures of all specifications, molded plastic goods of all kinds and for all purpose including for industrial and domestic use,

(iii) Pilfer proof caps, crown caps, threaded metal caps, tin container caps made from aluminum and other materials and aluminum seals.

3.1.2 RAAJMEDISAFEINDIA 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.

3.1.3 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%**

3.2 PADMA POLYTEX INDIA PRIVATE LIMITED (CIN:U17122MP1993PTC008006)

3.2.1PADMA 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.

3.2.2 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.

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

L.F. No.	Name of Shareholder	No. of Shares	Percentage to total equity
42	Bangur Anand	194920	19.50
68	Jajoo Vishnu	81000	8.10
59	Jajoo Krishna	4575	0.46
65	BangurAnand (Karta)	359095	35.92
66	Jajoo Braham Swaroop	33000	3.30
67	JajooShweta	81345	8.14
48	Swati Commercial Pvt.Ltd.	95000	9.50
49	Arpit Packaging Pvt.Ltd.	84000	8.40
53	Sushen Remedies Pvt.Ltd.	45530	4.55
61	Betar Step Trading Pvt.Ltd.	20000	2.00
63	Jhanwar R.N.	1130	0.11
	Total	**999595**	**100**

4. SOURCES OF INFORMATION,

For the valuation exercise, we have relied upon the following sources of information provided by the management.

(a) Audited financial statements of the Companies for the financial year ended March 31, 2017.

(b) Management certified provisional standalone financial statements of the Companies for nine months ended December 31, 2017.

(c) Other relevant details regarding the Companies such as their history, their Promoters,

A.K. MANTHI & ASSOCIATES
Chartered Accountants
1st Floor, Sunrise Plaza
39, Kamala Nehru Marg, Freeganj
UJJAIN-456010 (MP)
0734-4017159, 2374106
+91-734-4012259
mantriak@rediffmail.com, www.mantriak.in

past and present activities, other relevant information and data including information in the public domain.

(d) Such other information and explanations as we required and which have been provided by the management of the Companies.

5. VALUATION APPROACH

For the purposes of our valuation we have adopted the following approaches, *viz.*

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

5.1 UNDERLYING ASSET APPROACH

5.1.1 In case of the "Underlying Asset" approach, the value is determined by dividing the net assets of the company by the number of shares. The Underlying Asset approach represents the value with reference to the historical cost of the assets owned by the Company and attached liabilities as at the valuation date. Such value usually represents *the support value of a going concern.*

5.1.2 Since the shares are valued on a "going concern" basis and an actual realization value of the immovable assets have been obtained from the qualified engineer which has been considered for deriving the valuation of shares. Regarding assets other than immovable assets, it is not contemplated, therefore, we have considered it appropriate not to determine the realizable or replacement value of the movable assets and therefore been considered at their book values post depreciation.

5.1.3 We have computed the net asset value of the equity shares by adjusting, wherever necessary, the value of the net assets attributable to equity holders as appearing in the books of accounts as at December, 31st, 2017.

5.1.4 The underlying value for equity shareholders as arrived above is divided by the diluted number of equity shares to arrive at the value per share.

5.2 INCOME APPROACH

5.2.1 Under the "income" approach, we have used "Price Earning Capitalisation Value Method"(PECV) method.

5.2.2 Under PECV method, value of the shares of a company is arrived at by capitalising its maintainable profits. Such maintainable profits are calculated based on the estimated working results of a company. These earnings, considered on a post -tax basis, are then

A.K. MANTHI & ASSOCIATES
Chartered Accountants
1st Floor, Sunrise Plaza
39, Kamala Nehru Marg, Freeganj
UJJAIN-456010 (M.P.)
0734-4012150, 2324106
+91-734-4012150
mantriak@rediffmail.com, www.mantriak.in

capitalized at a rate, which in the opinion of the valuer, combines an adequate expectation of reward from enterprise and risk, to arrive at the business value.

5.2.3 To the value so arrived, adjustments are made for deferred tax liability (net), value of investments, loans and advances to related parties, inter-corporate deposits, contingent liabilities adjusted for probability of devolvement, inflow on account of Employee Stock Grant Scheme, etc. after making adjustment of tax wherever applicable.

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

5.2.5 The Company is engaged in manufacturing and sale Polythene Sheets of DMF grade which are mainly used by Pharma Companies. Since, the management of RMI and PPI have not provided future business plan therefore, we have thought fit not to apply PECV method in case of both the Companies.

5.3 MARKET PRICE APPROACH

5.3.1 The market price of equity shares 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, subject to the element of speculative support that may be inbuilt in the value of the shares.

5.3.2 As stated earlier, shares of RMI are listed on the recognised stock exchanges. Thus, under the Market Price method, the weighted average market price of RMI quoted on BSE Limited for the period of 6 months have been obtained.

5.3.3 It has been observed that the transaction in the previous preceding six months were found to be very negligible i.e. total 14,700 shares out of total public holding of 27,08,120 deriving only 0.54%. Keeping in view such negligible volume, we are of the opinion not to consider the market data of RMI for valuation.

A.K. MANTRI & ASSOCIATES
Chartered Accountants
1st Floor, Sunrise Plaza
39, Kamala Nehru Marg, Freeganj
UJJAIN-456010 (MP)
0734-4012150, 2524106
+91-734-4012150
mantriak@rediffmail.com, www.mantriak.in

5.3.3Since, PPI is a Private Limited Company, hence, this method is not applicable to it.

6. RECOMMENDATION OF FAIR EXCHANGE RATIO

6.1 The fair basis of amalgamation of the Companies would have to be determined after taking into consideration all the factors and methodologies mentioned herein above 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 values of the shares of each Company Our exercise is to work out relative value of shares of the Companies to facilitate this determination of a ratio of exchange. For this purpose, it is necessary to give appropriate weight age to the values arrived at under each approach.

6.2 Considering the fact that, after the amalgamation, the business of the Companies its intended to be continued on a "going concern" basis and that there is no intention to dispose-off the assets, to arrive at fair value of RMI, we have considered it appropriate to give weightage of "1.00" to the value determined under the "underlying assets approach" and same weightage of "1.00" provided to PPI for value determined under the "underlying asset approach". We have also given appropriate adjustment under Net Asset Value of RMI for 71,200 numbers of partly paid-up shares in which Rs. 5/- calls are in arrears.

6.3 The share exchange ratio has been arrived based on 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.

6.4 In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment considering 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. This concept is also recognized in judicial decisions. For example, ***Viscount Simon BD in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords)*** and quoted with approval by the Supreme Court of India in the case reported in ***176 ITR 417*** as under:

"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible."

6.5 FAIR EXCHANGE RATIO FOR AMALGAMATION OF PPI INTO RMI

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 PPI into RMI would be:

5.90(Five point Nine Zero) equity share of RMI of Rs. 10/- each fully paid up for every 1 (One) equity shares of PPI of Rs. 10/- each fully paid up.

For A.K. Mantri & Associates
Chartered Accountants

Arvind Mantri
(Partner)
Reg. No.003697C
Membership No. 072768

A.K. MANTRI & ASSOCIATES
Chartered Accountants
1st Floor, Sharma Plaza
39, Kamala Nehru Marg, Freeganj
UJJAIN-456010 (M.P.)
0734-4012150, 2524106
+91-734-4012150
mantrisk@rediffmail.com, www.mantrisk.in

RAAJ MEDISAFE INDIA LIMITED (RMI)
VALUATION FOR AMALGAMATION

NET ASSET VALUE METHOD	
PARTICULARS	**RS. IN LAKHS**
NET ASSET VALUE	824.91
ADD/(LESS):	
CONTINGENT LIABILITY (NET OF TAXES)	0.00
APPRECIATION OF VALUE OF INVESTMENTS	0.00
OTHER ADJUSTMENTS (for partly paid-up shares calls in arrear)	3.56
ADJUSTED VALUE OF NET ASSETS	828.47
DILUTED NOS. OF EQUITY SHARES	50,40,000.00
AVERAGE VALUE PER SHARE (FACE VALUE Rs. 10/-) IN RS.	16.44

CALCULATION OF NET ASSET VALUE RMIL		
HEAD OF ASSETS AND LIABILITIES	**AMOUNT**	**AMOUNT**
1. FIXED ASSETS		
WDV OF FIXED ASSETS AS PER AUDITED BS-17	3,62,10,185.40	
LESS: VALUE OF LAND	10,43,819.00	
LESS: VALUE OF BUILDING	1,48,92,705.95	
VALUE OF MOVABLE ASSETS	2,02,73,660.45	
ADD: MARKET VALUE OF IMMOVABLE ASSETS	15,62,20,000.00	
TOTAL VALUE OF FIXED ASSETS		17,64,93,660.45
2. NON CURRENT ASSETS		1,05,300.00
3. NET CURRENT ASSETS		
TOTAL CURRENT ASSETS AS PER BS-17	1,94,01,719.02	
LESS: TOTAL CURRENT LIABILITIES	3,36,30,698.23	
NET CURRENT ASSETS		-1,42,28,979.21
4. GROSS VALUE OF ASSETS		16,23,69,981.24
5. LONG TERM LIABILITIES		7,98,79,463.00
6. NET ASSET VALUE (for fully paid-up)		8,24,90,518.24
7. Adjustment for Partly paid-up		
8. Add: Calls in Arrears @ Rs. 5/- for 71,200 Shares		3,56,000.00
9. Adjusted NAV	**(6 + 8)**	8,28,46,518.24
10. Value of issued shares		16.44

A.K. MANTRI & ASSOCIATES
Chartered Accountants
1st Floor, Sunrise Plaza
39, Kamala Nehru Marg, Freeganj
UJJAIN-456010 (MP)
0734-4012150, 2324106
+91-734-4012150
mantriak@rediffmail.com, www.mantriak.in

CALCULATION OF NET ASSET VALUE RMIL		
HEAD OF ASSETS AND LIABILITIES	AMOUNT	AMOUNT
1. FIXED ASSETS		
WDV OF FIXED ASSETS AS PER AUDITED BS-17	3,62,10,185.40	
LESS: VALUE OF LAND	10,43,819.00	
LESS: VALUE OF BUILDING	1,48,92,705.95	
VALUE OF MOVABLE ASSETS	2,02,73,660.45	
ADD: MARKET VALUE OF IMMOVABLE ASSETS	15,62,20,000.00	
TOTAL VALUE OF FIXED ASSETS		17,64,93,660.45
2. NON CURRENT ASSETS		1,05,300.00
3. NET CURRENT ASSETS		
TOTAL CURRENT ASSETS AS PER BS-17	1,94,01,719.02	
LESS: TOTAL CURRENT LIABILITIES	3,36,30,698.23	
NET CURRENT ASSETS		-1,42,28,979.21
4. GROSS VALUE OF ASSETS		16,23,69,981.24
5. LONG TERM LIABILITIES		7,98,79,463.00
6. NET ASSET VALUE (for fully paid-up)		8,24,90,518.24
7. Adjustment for Partly paid-up		
8. Add: Calls in Arrears @ Rs. 5/- for 71,200 Shares		3,56,000.00
9. Adjusted NAV	(6 + 8)	8,28,46,518.24
10. Value of issued shares		16.44

PADMA POLYTEX INDIA PRIVATE LIMITED
VALUATION FOR AMALGAMATION

NET ASSET VALUE METHOD	
PARTICULARS	RS. IN LAKHS
NET ASSET VALUE	969.50
ADD/(LESS):	
CONTINGENT LIABILITY (NET OF TAXES)	-
APPRECIATION OF VALUE OF INVESTMENTS	-
OTHER ADJUSTMENTS (NET OF TAXES)	-
ADJUSTED VALUE OF NET ASSETS	969.50
DILUTED NOS. OF EQUITY SHARES	9,99,595
VALUE PER SHARE (FACE VALUE Rs. 10/-) IN RS.	96.99

A.K. MANTRI & ASSOCIATES
Chartered Accountants
1st Floor, Sunrise Plaza
39, Kamala Nehru Marg, Ujjain
UJJAIN-456010 (MP)
0734-4012150, 2524105
+91-734-4012150
mantriak@rediffmail.com, www.mantriak.in

CALCULATION OF NET ASSET VALUE PPI		
HEAD OF ASSETS AND LIABILITIES	AMOUNT	AMOUNT
1. FIXED ASSETS		
WDV OF FIXED ASSETS AS PER AUDITED BS-17	2,62,25,128.00	
LESS: VALUE OF LAND	14,226.00	
LESS: VALUE OF BUILDING	1,31,29,937.00	
VALUE OF MOVABLE ASSETS	1,30,80,965.00	
ADD: MARKET VALUE OF IMMOVABLE ASSETS	4,99,97,000.00	
TOTAL VALUE OF FIXED ASSETS		6,30,77,965.00
2. NON CURRENT ASSETS		
LONG TERM LOANS & ADVANCES		3,43,52,117.00
3. NET CURRENT ASSETS		
TOTAL CURRENT ASSETS AS PER BS-17	3,42,67,591.00	
LESS: TOTAL CURRENT LIABILITIES	3,21,48,099.00	
NET CURRENT ASSETS		21,19,492.00
4. GROSS VALUE OF ASSETS		**9,95,49,574.00**
5. LONG TERM LIABILITIES		25,99,314.00
6. NET ASSET VALUE		**9,69,50,260.00**

CERTIFIED TO BE TRUE
FOR RAAJ MEDISAFE INDIA LTD.

DIRECTOR

A.K. MANTHI & ASSOCIATES
Chartered Accountants
1st Floor, Sunrise Plaza
39, Kamala Nehru Nagar, Ujjain
(UJJAIN-456010 (M.P.))
0734-4012150, 2324106
+91-734-4012150
manthiak@rediffmail.com, www.manthiak.in