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STRICTLY PRIVATE & CONFIDENTIAL

May 07, 2018

The Audit Committee
Manugraph India Limited
Sidhwa House, 1st Floor,
N.A. Sawant Marg,
Colaba – 400 005

The Board of Directors
Manu Enterprises Limited
Sidhwa House, 1st Floor,
N.A. Sawant Marg,
Colaba – 400 005

The Board of Directors
Santsu Finance & Investment Private Limited
Sidhwa House, 1st Floor,
N.A. Sawant Marg,
Colaba – 400 005

The Board of Directors
Constrad Agencies (Bombay) Private Limited
Sidhwa House, 1st Floor,
N.A. Sawant Marg,
Colaba – 400 005

Re: Proposed amalgamation of Manu Enterprises Limited, Santsu Finance & Investment Private Limited and Constrad Agencies (Bombay) Private Limited into Manugraph India Limited

Dear Sirs,

We have been requested by the management of Manugraph India Limited (hereinafter referred to as "MIL"), Manu Enterprises Limited (hereinafter referred to as "MEL"), Santsu Finance & Investment Private Limited (hereinafter referred to as "SFIPL") and Constrad Agencies (Bombay) Private Limited (hereinafter referred to as "Constrad"), (collectively referred to as "Companies") to issue a report containing recommendation of fair equity share exchange ratio for the proposed amalgamation of MEL, SFIPL and Constrad into MIL.

1. SCOPE AND PURPOSE OF THIS REPORT

1.1 We have been given to understand that in order to *inter alia* simplify the shareholding structure of MIL, reduce shareholding tiers for the promoters of MIL, it is proposed that MEL and SFIPL will amalgamate into MIL in accordance with the provisions of Sections 230 to 232 and other applicable provisions of Companies Act 2013 (hereinafter referred to as "Scheme of Merger by Absorption"). Subject to necessary approvals, MEL and SFIPL

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would be merged with MIL, with effect from appointed date of March 31, 2018 or such other date as may be approved by National Company Law Tribunal ('NCLT'). Further, we have been informed that, as part of the Scheme, Constrad, a 100% subsidiary of MIL, will also be amalgamated with MIL for which no shares would be issued.

1.2 In this regard, we have been requested to issue a report containing recommendation of fair equity share exchange ratio for the proposed amalgamation of MEL and SFIPL into MIL.

2. BACKGROUND OF MANUGRAPH INDIA LIMITED

2.1 MIL, was incorporated on April 25, 1972. The company is the one of the largest manufacturer of web-offset printing presses in India and has a significant share of the world market for its products. The manufacturing facilities are located at Kolhapur in India.

2.2 MIL has significant presence in the international market too. Leading publishers from South America, Europe, Middle East, Asia & the CIS countries have all invested in MIL presses.

2.3 The company has its in-house R&D facilities with a combined strength of over 50 engineers. The R&D facilities are recognized by Department of Scientific and Industrial Research – Ministry of Science and Technology, Government of India.

2.4 The equity shares of MIL are listed on BSE Limited and The National Stock Exchange of India Limited.

3. BACKGROUND OF CONSTRAD AGENCIES (BOMBAY) PRIVATE LIMITED

3.1 Constrad was incorporated on March 25, 1986 and is a 100% subsidiary of MIL. The company holds part of 2nd floor of Sidhwa House, located at Colaba. Constrad does not have any business operations.

4. BACKGROUND OF SANTSU FINANCE & INVESTMENT PRIVATE LIMITED

4.1 SFIPL was incorporated on August 20, 1993. SFIPL was registered as a Non-Banking Finance Company ('NBFC') by way of Certificate of Registration issued by Reserve Bank of India ('RBI') dated March 11, 1998. SFIPL has applied to RBI to surrender the NBFC license.

4.2 The company is involved in the business of Investments in shares and securities. The company does not carry out any other business activity as on date.

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4.3 Based on the latest audited financial statements as on March 31, 2018, SFIPL currently holds 25,37,000 representing 8.34% equity shares of MIL.

4.4 The shareholding pattern of SFIPL as on March 31, 2018 is as follows:

Name of the Shareholder	No. of Shares	% of Holding
Sanjay Sanat Shah	2,08,000	42.45%
Pradeep Sanat Shah	2,08,000	42.45%
Manu Enterprises Limited	74,000	15.10%
Total	**4,90,000**	**100.00%**

5. BACKGROUND OF MANU ENTERPRISES LIMITED

5.1 MEL was incorporated on January 3, 1977. MEL was engaged in the business of distribution of printing machine and spare parts, consultancy to graphic art industry and service agency, but currently, does not carry out any business activity.

5.2 Based on the latest audited financial statements as on March 31, 2018, MEL currently holds 23,16,500 representing 7.62% equity shares of MIL.

5.3 The shareholding pattern of MEL as on March 31, 2018 is as follows:

Name of the Shareholder	No. of Shares	% of Holding
Sanjay Sanat Shah	19,470	48.68%
Pradeep Sanat Shah	19,470	48.68%
Multigraph Machinery Co. Ltd.	1,000	2.50%
Ameeta Shah	10	0.03%
Rupali Shah	10	0.03%
Kushal Shah	10	0.03%
Aditya Shah	10	0.03%
Others	20	0.05%
Total	**40,000**	**100.00%**

6. SOURCES OF INFORMATION

For the purposes of this exercise, we have relied upon the following sources of information:

(a) Annual Report of MEL and SFIPL for the financial year (FY) 2016-17.

(b) Audited financials of MEL and SFIPL for financial year 2017-18.

(c) Draft Scheme of Merger by Absorption under sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

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(d) Such other information and explanations as required and which have been provided by the management of MIL, MEL and SFIPL.

7. CAVEATS / LIMITATIONS / DISCLAIMERS

7.1 Our recommendation is dependent upon the information furnished to us being complete in all material respects.

7.2 This report has been prepared for the Board of Directors of MIL, MEL and SFIPL solely for the purpose of recommending a fair equity share exchange ratio for the proposed amalgamation of MEL and SFIPL into MIL.

7.3 No investigation on MEL and SFIPL's claim to title of assets has been made for the purpose of this report and their claim to such rights has been assumed to be valid. Therefore, no responsibility is assumed for matters of a legal nature.

7.4 The information contained herein and our report is absolutely confidential. It is intended only for the sole use and information of the Companies, and only in connection with the proposed Amalgamation as aforesaid including for the purpose of obtaining regulatory/statutory approvals as may be required under any law. 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.

7.5 For the purpose of this report, we were provided with both written and verbal information. We assume no responsibility for any errors in the above information furnished by the Companies and consequential impact on the present exercise.

7.6 Our work does not constitute an audit or certification of the historical financial statements/provisional results of the Company 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.

7.7 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.

7.8 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

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out their own due diligence procedures to ensure that they are making an informed decision.

7.9 SSPA, 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 this report was issued. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in this report.

8. BASIS FOR DETERMINATION OF RATIO

8.1 MEL and SFIPL as on the date of this report hold 23,16,500 and 25,37,000 equity shares respectively in MIL. Upon Amalgamation of MEL and SFIPL into MIL, the shareholders of MEL and SFIPL would be entitled to the same number of shares of MIL which they own on the effective date of the proposed amalgamation indirectly through their holding in MEL and SFIPL. Pursuant to the amalgamation, there would be no change in the paid-up capital of MIL. As mentioned above, the shareholders of MEL and SFIPL will hold the same number of shares as MEL and SFIPL hold in MIL, post merger and consequently there is no impact on the shareholding pattern of other shareholders, therefore no valuation is required.

8.2 The cash balance prior to effective date will be utilised to meet the costs, fees and expenses including stamp duties payable on issue of new shares in relation to the proposed amalgamation. Further we understand in the event MEL and SFIPL are unable to bear any such expenses due to lack of available funds, the shareholders of MEL and SFIPL will bear such expenses

8.3 Further, we understand that the shareholders of MEL and SFIPL shall indemnify and hold harmless MIL for losses, liabilities, costs, charges, expenses (whether or not resulting from third party claims), including those paid or suffered pursuant to any actions, proceedings, claims and including interests and penalties discharged by MIL which may devolve on MIL on account of amalgamation of MEL and SFIPL with MIL but would not have been payable by MIL otherwise, in the form and manner as may be agreed amongst MIL and the shareholders of MEL and SFIPL. Thus, MIL will not bear any expenses pursuant to the amalgamation.

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9. RECOMMENDED RATIO

9.1 Based on above, we recommend a fair equity share exchange ratio as follows:

a) **23,16,500 fully paid-up equity shares (face value of INR 2 each) of MIL to be issued and allotted to shareholders of MEL (face value of INR 100 each) in the proportion of the number of equity shares held by the shareholders of MEL in the event of Amalgamation of MEL into MIL.**

b) **25,37,000 fully paid-up equity shares (face value of INR 2 each) of MIL to be issued and allotted to shareholders of SFIPL (face value of INR 10 each) in the proportion of the number of equity shares held by the shareholders of SFIPL in the event of Amalgamation of SFIPL into MIL.; and**

9.2 We believe that the above ratio is fair and equitable considering that all the shareholders of MEL and SFIPL are and will, upon amalgamation, remain ultimate beneficial owners of MIL in the same ratio (inter-se) as they hold shares prior to the amalgamation and that the interest of other shareholders in MIL remains unaffected.

Thanking you,
Yours faithfully,

SSPA & CO.
MUMBAI
CHARTERED ACCOUNTANTS

SSPA & CO.
Chartered Accountants
Firm registration number: 128851W

Signed by **Parag Ved, Partner**
Membership No. 102432

Place: Mumbai