VIVRO

Vivro Financial Services Private Limited
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January 23, 2021

To,
The Board of Directors
Gopi Synthetics Private Limited
Survey No. 302,
Ishanpur Gopi Compound,
Narol, Ahmedabad—382405
Gujarat, India.

To,
The Board of Directors
Aarnav Synthetics Private Limited
Survey No. 6/1 & 6/2,
Gopi Compound,
Narol, Ahmedabad—382405
Gujarat, India.

To,
The Board of Directors
Aarnav Textiles Mills Private Limited
Survey No. 305,
Ishanpur Gopi Compound,
Narol, Ahmedabad—382405
Gujarat, India.

To,
The Board of Directors
Symbolic Finance and Investment Private Limited
1, M Floor, New Cloth Market,
O/s Raipur Gate, Raipur,
Ahmedabad—380002
Gujarat, India.

To,
The Board of Directors
Ankush Motors & General Finance Company Private Limited
1, New Cloth Market, M Floor,
O/s Raipur Gate, Raipur,
Ahmedabad—380002
Gujarat, India.

To,
The Board of Directors
Aarnav Fashions Limited
1, New Cloth Market,
O/s Raipur Gate, Raipur,
Ahmedabad—380002
Gujarat, India.

Subject: Fairness Opinion on the recommendation of Share Exchange Ratio issued by CA Hitendra Ranka, Registered Valuer, for the proposed amalgamation of Gopi Synthetics Private Limited, Aarnav Synthetics Private Limited., Aarnav Textiles Mills Private Limited, Symbolic Finance and Investment Private Limited and Ankush Motors & General Finance Company Private Limited (together "Transferor Companies") into Aarnav Fashions Limited ("Transferee Company") as per the Scheme of Arrangement ("Scheme") in terms of SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended ("SEBI Circular") issued under regulations 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI LODR Regulations").

Aarnav Fashions Limited ("**AFL**" / "**Transferee Company**") has appointed Vivro Financial Services Private Limited, Category I Merchant Banker registered with SEBI having its Registration No. INM000010122 (hereinafter referred to as 'Vivro', 'we', 'us', 'our'), vide an Engagement Letter dated January 20, 2021 to issue a Fairness Opinion Report on the Share Exchange Ratio recommended by CA Hitendra Ranka, Registered Valuer, registered with Insolvency and Bankruptcy Board of India (IBBI Registration: IBBI/RV/06/2019/11695) vide his valuation report dated January 23, 2021 ("**Valuation Report**").

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CIN - U67120GJ1996PTC029182, Merchant Banker Sebi. Reg. No. INM000010122, AIBI Reg. No. AIBI/086

The Valuation for the Share Exchange Ratio has been carried out in respect of amalgamation of the Transferor Companies into the Transferee Company on a going concern basis in accordance with the Scheme to be presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

In connection with the same, we are attaching herewith our Fairness Opinion Report in terms of the SEBI Circular.

For, Vivro Financial Services Private Limited

Jayesh Vithlani
SVP – Capital Market

Place: Ahmedabad

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FAIRNESS OPINION

SCHEME OF ARRANGEMENT IN THE NATURE OF AMALGAMATION
(BY WAY OF MERGER BY ABSORPTION)
OF
GOPI SYNTHETICS PRIVATE LIMITED
AND
AARNAV SYNTHETICS PRIVATE LIMITED
AND
AARNAV TEXTILE MILLS PRIVATE LIMITED
AND
SYMBOLIC FINANCE AND INVESTMENT PRIVATE LIMITED
AND
ANKUSH MOTOR AND GENERAL FINANCE COMPANY PRIVATE LIMITED
WITH
AARNAV FASHIONS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
(Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder)

STRICTLY PRIVATE AND CONFIDENTIAL

Prepared and Submitted By:

VIVRO

Vivro Financial Services Private Limited

Vivro House,
11, Shashi Colony,
Opp. Suvidha Shopping Center, Paldi,
Ahmedabad-380007

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1. SCOPE AND PURPOSE OF THIS REPORT

1.1 The Board of Directors of the Transferor Companies and the Transferee Companies are considering a scheme of arrangement providing for amalgamation of Gopi Synthetics Private Limited ("**Transferor Company No. 1**"), Aarnav Synthetics Private Limited ("**Transferor Company No. 2**"), Aarnav Textile Mills Private Limited ("**Transferor Company No. 3**"), Symbolic Finance and Investment Private Limited ("**Transferor Company No. 4**") and Ankush Motor and General Finance Company Private Limited ("**Transferor Company No. 5**") (collectively referred as "**Transferor Companies**") with Aarnav Fashions Limited ("**AFL**" / "**Transferee Company**") (hereinafter referred to as "**Scheme**") in accordance with Section 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder and in compliance with the provisions of the Income Tax Act, 1961.

1.2 We understand that the appointed date of the Scheme is October 1, 2020.

1.3 For the aforesaid purpose, the Companies have appointed CA Hitendra Ranka, Registered Valuer, to submit a report recommending the Share Exchange Ratio for the Scheme, to be placed before the Board of Directors of the respective companies.

1.4 The scope of our services is to issue a Fairness Opinion Report on the Valuation Report issued by the Valuer recommending the Share Exchange Ratio for the Scheme, in accordance with generally acceptable professional standards.

1.5 This Fairness Opinion Report is our deliverable on this engagement. This Fairness Opinion Report may be used for the purpose of complying with the requirements of the regulations 11, 37 and 94 of the SEBI LODR Regulations and the SEBI Circular and for submission to regulatory and statutory authorities in connection with the Scheme.

1.6 Our scope of work only includes forming an opinion on the fairness of the recommendation of the Valuer on the Share Exchange Ratio arrived at for the purpose of Scheme and does not involve evaluating or opining on the fairness or economic rationale of the Scheme per se.

1.7 Our Fairness Opinion Report is prepared solely for the purpose outlined hereinabove. The distribution of this Fairness Opinion Report shall hence be restricted to the Companies, Shareholders, SEBI, Stock Exchange and such other regulatory bodies required to give effect to the Scheme, including but not limited to Registrar of Companies and National Company Law Tribunal. This Fairness Opinion Report shall not be relied upon by any other person for any other purpose whatsoever and the Companies agree to this fact.

1.8 This Fairness Opinion Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Fairness Opinion Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

2. SOURCES OF INFORMATION

We have relied on the following information made available to us by the management of the Companies for the purpose of this Fairness Opinion Report:

2.1 Proposed Draft Scheme of Arrangement between Transferor Companies and Transferee Company and their respective shareholders & creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act 2013 as may be submitted to the Stock Exchange;

2.2 Valuation Report of Mr. Hitendra Ranka, Registered Valuer, dated January 23, 2021;

2.3 Memorandum and Articles of Association of Transferor Companies and Transferee Company;

2.4 Brief History, Present Activities, Business Profile, Shareholding Patterns of Transferor Companies and Transferee Company;

2.5 Independent Valuation reports determining the fair market value of freehold land and factory building for GSPL and ATMPL from Registered Valuer enrolled with Insolvency and Bankruptcy Board of India ('IBBI') for asset class – Land & Building.

2.6 Audited financial statements of Transferor Companies and Transferee Company for the half year ended on September 30, 2020 and for the year ended March 31, 2020;

2.7 Provisional financial statements of Alphine Spinweave Private Limited, Aarnav Industries Private Limited, Aarnav Fabrics Private Limited and Kayal Syntex Limited for the half year ended on September 30, 2020.

2.8 Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for the purpose of Fairness Opinion Report.

The Companies have been provided with the opportunity to review the draft fairness opinion report (excluding our opinion on the Share Exchange Ratio) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided.

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3. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

3.1 This Fairness Opinion Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. This Fairness Opinion Report is restricted for the purpose indicated in the Engagement Letter. This restriction does not preclude the Company from providing a copy of the Fairness Opinion Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for the unauthorized use of this Fairness Opinion Report.

3.2 In the course of the Fairness Opinion Report, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company 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. Our conclusions are based on the assumptions, forecasts and other information given by / on behalf of the Company.

3.3 In preparing this Fairness Opinion Report, we have relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by the Company. We have therefore relied upon all specific information as received. As informed by the management of the Company, all transactions with related parties are on arm's length basis and for the projected period these are expected to continue as the same. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the companies, their directors, employee or agents.

3.4 This Fairness Opinion Report, its contents and the results herein (i) are specific to the purpose agreed as per the terms of our engagement; (ii) are specific to the date of this Fairness Opinion Report and other conditions in general and the written and oral information made available to us by the management of the Company as on date of this Fairness Opinion Report. The events occurring after this date may affect this Fairness Opinion Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Fairness Opinion Report.

3.5 We owe responsibility only under the terms of the Engagement Letter. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Company or their directors, employees or agents.

3.6 We have relied on data from external sources also to conclude the Fairness Opinion Report. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this

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analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and / or reproduced in its proper form and context.

3.7 While our work has involved an analysis of financial information, our engagement does not include an audit in accordance with generally accepted auditing standards of the existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the Company. Our Fairness Opinion Report is subject to the scope and limitations detailed hereinafter. As such the Fairness Opinion Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

3.8 We have not provided any accounting, tax or legal advice to the Company or any of its affiliates neither are we required to in terms of the Engagement Letter.

3.9 We have not examined the tax implication of present transaction neither are we required to in terms of the Engagement Letter.

3.10 We have not revalued any asset, nor physically verified any assets of the Company neither are we required to in terms of the Engagement Letter.

3.11 This Fairness Opinion Report assumes that the Company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the Company will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this Fairness Opinion Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded / reflected in the financials provided to us.

3.12 We are independent of the Company and hold no specific interest in the Company or its assets, nor do we have any conflict of interest with the Company.

3.13 The fee for this engagement is not contingent upon the results reported and the conclusion arrived at by us.

3.14 This Fairness Opinion Report is furnished on strictly confidential basis. Neither this Fairness Opinion Report nor the information contained herein may be reproduced or passed to any person or used for any purpose other than stated above.

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4. BACKGROUND OF THE COMPANIES

4.1 GOPI SYNTHETICS PRIVATE LIMITED ("GSPL" or "Transferor Company No. 1")

GSPL (CIN - U17119GJ1981PTC004187) was originally incorporated under the provisions of the Companies Act, 1956 as a private limited company under the name of 'Gopi Fabric Mills Private Limited' on March 16, 1981 is having its Registered Office at Survey No. 302, Isanpur Gopi Compound, Narol-Vatva Road, Narol, Ahmedabad – 382 405, Gujarat. GSPL is engaged in the processing of fabrics like shirting, ladies and kids wear. It undertakes various processing activities such as mercerizing, calendaring, desizing, bleaching, dyeing, printing, finishing, etc. on the textile grey cloth. The shareholding pattern of GSPL (Face value: Rs. 10) as on date, is as follows:

Particulars	Type A Equity Shares	% holding	Type B Equity Shares	% holding
Promoter & Promoter Group	3,64,81,000	98.60%	1,50,000	100.00%
Public	5,19,000	1.40%	-	-
Total	**3,70,00,000**	**100.00%**	**1,50,000**	**100.00%**

4.2 AARNAV SYNTHETICS PRIVATE LIMITED ("ASPL" or "Transferor Company No. 2")

ASPL (CIN - U17110GJ1973PTC002397) was originally incorporated under the provisions of the Companies Act, 1956 as a private limited company under the name of 'Ajanta Mills Gujarat Private Limited' on October 4, 1973 is having its Registered Office at Survey No. 6/1 & 6/2, Gopi Compound, Near Narol Village, Narol, Ahmedabad – 382 405, Gujarat. ASPL is engaged in the business of Manufacturing and trading of textiles. It also deals in the variety of textile cloths like Cloth, Dyed Cloths, Printed Cloths, etc. The shareholding pattern of ASPL (Face value: Rs. 10) as on date, is as follows:

Particulars	Number of Equity Shares	% holding
Promoter & Promoter Group	17,20,990	97.91%
Public	36,700	2.09%
Total	**17,57,690**	**100.00%**

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4.3 **AARNAV TEXTILE MILLS PRIVATE LIMITED ("ATMPL" or "Transferor Company No. 3")**

ATMPL (CIN - U17110GJ1983PTC006036) was originally incorporated under the provisions of the Companies Act, 1956 as a private limited company under the name of 'Alok Synthetics Private Limited' on March 19, 1983 is having its Registered Office at Survey No. 305, Isanpur Gopi Compound, Narol-Vatva Road, Narol, Ahmedabad – 382 405, Gujarat. ATMPL is engaged in the business of trading of textiles. It also engaged in variety of textile cloths like Cloth, Dyed Cloths, Printed Cloths, etc. The shareholding pattern of ATMPL (Face value: Rs. 10) as on date, is as follows:

Particulars	Type A Equity Shares	% holding	Type B Equity Shares	% holding
Promoter & Promoter Group	65,10,500	95.74%	1,00,000	100.00%
Public	2,89,500	4.26%	-	-
Total	**68,00,000**	**100.00%**	**1,00,000**	**100.00%**

4.4 **SYMBOLIC FINANCE AND INVESTMENT PRIVATE LIMITED ("SFIPL" or "Transferor Company No. 4")**

SFIPL (CIN - U74110GJ1996PTC107790) was originally incorporated under the provisions of the Companies Act, 1956 as a private limited company on August 27, 1996 is having its Registered Office at 1, Mezzanine Floor, New Cloth Market, Outside Raipur Gate, Raipur, Ahmedabad – 380 002, Gujarat. SFIPL is engaged trading of textiles. It is also engaged in variety of textile cloths like Cloth, Dyed Cloths, Printed Cloths, etc. It is a subsidiary company of Ankush Motor And General Finance Company Private Limited, the Transferor Company No. 5. The shareholding pattern of SFIPL (Face value: Rs. 10) as on date, is as follows:

Particulars	Number of Equity Shares	% holding
Promoter & Promoter Group	20,00,000	100.00%
Public	-	-
Total	**20,00,000**	**100.00%**

4.5 **ANKUSH MOTOR AND GENERAL FINANCE COMPANY PRIVATE LIMITED ("AMGFCPL" or "Transferor Company No. 5")**

AMGFCPL (CIN - U74110GJ1987PTC119132) was originally incorporated under the provisions of the Companies Act, 1956 as a private limited company on February 23, 1987 is having its Registered Office at 1, New Cloth Market, Mezzanine Floor, Outside Raipur Gate, Raipur, Ahmedabad – 380 002, Gujarat. It is engaged in the trading of textiles. It is also engaged in variety of textile cloths like Cloth, Dyed Cloths, Printed Cloths, etc. It is a holding company of

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Symbolic Finance and Investment Private Limited, the Transferor Company No. 4.The shareholding pattern of AMGFCPL (Face value: Rs. 10) as on date, is as follows:

Particulars	Number of Equity Shares	% holding
Promoter & Promoter Group	1,49,000	100.00%
Public	-	-
Total	**1,49,000**	**100.00%**

4.6 **AARNAV FASHIONS LIMITED ("AFL" or "Transferee Company")**

AFL (CIN: L17100GJ1983PLC028990) was originally incorporated under the provisions of the Companies Act, 1956 as a public limited company under the name of 'Kamal Chand Jain & Company Limited' on February 26, 1983 is having its Registered Office at 1, New Cloth Market, Outside Raipur Gate, Raipur, Ahmedabad – 380 002, Gujarat. The Equity Shares of the AFL are listed on BSE Limited ("**BSE**"). AFL is engaged in business of trading of various kinds of textiles. The shareholding pattern of AFL (Face value: Rs. 10) as on date, is as follows:

Particulars	Number of Equity Shares	% holding
Promoter & Promoter Group	40,82,745	27.21%
Public	1,09,22,255	72.79%
Total	**1,50,05,000**	**100.00%**

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5. SALIENT FEATURES OF SCHEME

5.1 The Scheme provides for amalgamation of Gopi Synthetics Private Limited ("Transferor Company No. 1"), Aarnav Synthetics Private Limited ("Transferor Company No. 2"), Aarnav Textile Mills Private Limited ("Transferor Company No. 3"), Symbolic Finance and Investment Private Limited ("Transferor Company No. 4") and Ankush Motor and General Finance Company Private Limited ("Transferor Company No. 5") (collectively referred as "Transferor Companies") with our Company, i.e., Aarnav Fashions Limited ("AFL" / "Transferee Company") (hereinafter referred to as "Scheme") in accordance with Section 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder and in compliance with the provisions of the Income Tax Act, 1961;

5.2 The Scheme shall be effective from the Appointed Date (i.e., October 1, 2020) but shall be operative from the Effective Date.

5.3 Upon the Scheme becoming effective, all the Transferor Companies shall stand merged with the Transferee Company and the entire business and Undertakings of all the Transferor Companies shall stand transferred to and vested in the Transferee Company;

5.4 Upon the Scheme becoming effective, the Transferee Company shall issue and allot its fully paid up equity shares ("**New Shares**") to the respective shareholders of the Transferor Companies as per the Share Exchange Ratio.

5.5 The New Shares to be issued and allotted by the Transferee Company to the shareholders of Transferor Companies pursuant to the Scheme shall be listed and admitted for trading on BSE in terms of the Scheme.

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6. VALUER'S RECOMMENDATION

6.1 The fair basis of Scheme of Arrangement has been determined after taking into consideration all the factors and methodologies as mentioned by the Valuer in its Valuation Report, dated January 23, 2021. Their scope of work was, inter alia, to carry out the valuation of equity shares of Transferor Companies and Transferee Company to determine the Share Exchange Ratio for the proposed Scheme of Arrangement.

6.2 The Share Exchange Ratio has been arrived at on the basis of relative valuation of the equity shares of the Companies based on methodology as explained in the Valuation Report of Valuer, dated January 23, 2021 and various qualitative factors relevant to each Company and the business dynamics as well as growth potential of the businesses of the companies, and also having regard to information base, management representations and perceptions, key underlying assumptions and limitations.

6.3 In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined in the Valuation Report, dated January 23, 2021 issued by CA Hitendra Ranka, Registered Valuer, it has been recommended by the Valuer that the Share Exchange Ratio for the Scheme shall be as follows:

Amalgamation of Transferor Companies with AFL

"56" (Fifty Six) Equity Shares of Rs.10/- each fully paid up of AFL for every 100 (Hundred) Type A Equity Shares of Rs.10/- each fully paid up of GSPL and for every 100 (Hundred) Type B Equity Shares of Rs.10/- each fully paid up of GSPL."

"58" (Fifty Eight) Equity Shares of Rs.10/- each fully paid up of AFL every 100 (Hundred) Equity Shares of Rs.10/- each fully paid up of ASPL."

"136" (One Hundred and Thirty Six) Equity Shares of Rs.10/- each fully paid up of AFL for every 100 (Hundred) Type A Equity Shares of Rs.10/- each fully paid up of ATMPL and for every 100 (Hundred) Type B Equity Shares of Rs.10/- each fully paid up of ATMPL."

"363" (Three Hundred and Sixty Three) Equity Shares of Rs.10/- each fully paid up of AFL for every 100 (Hundred) Equity Shares of Rs.10/- each fully paid up of SFIPL."

"3,834" (Three Thousand Eight Hundred and Thirty Four) Equity Shares of Rs.10/- each fully paid up of AFL for every 100 (Hundred) Equity Shares of Rs.10/- each fully paid up of AMGFCPL."

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7. CONCLUSION

Pursuant to and subject to the foregoing, we believe that the proposed Share Exchange Ratio as is recommended by CA Hitendra Ranka, Registered Valuer, for the proposed Scheme of Arrangement is fair.

For, Vivro Financial Services Private Limited

Jayesh Vithlani
SVP – Capital Market

Date: January 23, 2021

Place: Ahmedabad

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