

**FAIRNESS OPINION REPORT ON VALUATION FOR THE
PROPOSED SCHEME OF MERGER BY ABSORPTION**

OF

PRATIK PANELS LIMITED

AND

SANGEETA TEX.DYES PRIVATE LIMITED

AND

KRISHNA FANCYFAB PRIVATE LIMITED

WITH

HARIT INDUSTRIES PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS (IF ANY)

By



Navigant

Navigant Corporate Advisors Limited

423, A Wing, Bonanza, Sahar Plaza Complex,

J.B. Nagar, Andheri Kurla Road,

Andheri East, Mumbai-400 059

Email Id- navigant@navigantcorp.com

Web: www.navigantcorp.com

SEBI Registered Category I Merchant Banker

SEBI Registration No. INM000012243



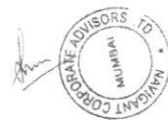
Notice to Reader

Navigant Corporate Advisors Limited (“Navigant” / “NCAL” or “Authors of the Report”) is a SEBI registered ‘Category I’ Merchant banker in India and was engaged by Board of Directors of Harit Industries Private Limited (“Harit” or “Transferee Company”) to prepare an Independent Fairness Opinion Report (“Report”) with respect to providing an independent opinion and assessment as to fairness of Valuation Report and Swap ratio determined by Ramesh Chand Kumawat, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2020/13084 (referred to as ‘Valuer’) an Independent Valuers for the purpose of intended proposed Merger of Pratik Panels Limited (“First Transferor Company”/ “Pratik”) and Sangeeta Tex.Dyes Private Limited (“Second Transferor Company” / “Sangeeta”) and Krishna Fancyfab Private Limited (“Third Transferor Company” / “Krishna”) With Harit Industries Private Limited (“Transferee Company” / “Harit”) pursuant to a Scheme of Amalgamation under section 230 to 232 and other applicable clauses of the Companies Act, 2013 (“Scheme”). Pratik, Sangeeta, Krishna and Harit are collectively referred as “Companies”.

The Fairness Opinion Report (“Report”) has been prepared on the basis of the review of information provided to Navigant and specifically the Report on Swap ratio (hereinafter referred as Valuation Report) prepared by Valuer on an independent basis. This report is limited to provide its fairness opinion on the Valuation Report.

The information contained in this Report is selective and is subject to updations, expansions, revisions and amendment. 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.

This Report is based on data and explanations provided by the management and certain other data culled out from various websites believed to be reliable. Neither the Company nor Navigant, nor affiliated bodies corporate, nor the directors, shareholders, 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 contained in the Report. All such parties and entities expressly disclaim any and all liability for or based on or relating to any such information contained in, or errors in or omissions from, this Report or based on or relating to the Recipients’ use of this Report.



Date: June 09, 2023

**To,
The Audit Committee & Board,
HARIT INDUSTRIES PRIVATE LIMITED**

Unit No. 209, Emerald Plaza, Block-IV,
Hiranandani Meadows, Gladys Alwares Road,
Off Pokharan Road No.2
Thane West Thane 400610

**To,
The Audit Committee & Board,
PRATIK PANELS LIMITED**

Gala No. C-2 (H. No. 366/8-2), Gr. Floor,
Gurudev Complex, Behind Deep Hotel,
Sonale Village Bhiwandi 421302

**To,
The Audit Committee & Board,
SANGEETA TEX.DYES PRIVATE LIMITED**

PLOT: 4/7, H. NO. 742, Saravali,
MIDC, Near Remco Silk Mills,
Kalyan Road, Bhiwandi Thane MH 421311

**To,
The Audit Committee & Board,
KRISHNA FANCYFAB PRIVATE LIMITED**

Gala No. D-10, Gurdev Compound
Plot No 35, Sonale Village
Bhiwandi Thane 421302

Dear Members of the board,

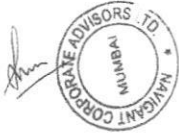
Engagement Background

We understand that the Board of Directors of Pratik Panels Limited ("Pratik" / "First Transferor Company") and Sangeeta Tex.Dyes Private Limited ("Sangeeta" / "Second Transferor Company") and Krishna Fancyfab Private Limited ("Krishna" / "Third Transferor Company") and Harit Industries Private Limited ("Harit" / "Transferee Company") are considering a scheme of Amalgamation under sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 of Pratik Panels Limited ("Pratik" / "First Transferor Company") and Sangeeta Tex.Dyes Private Limited ("Sangeeta" / "Second Transferor Company") and Krishna Fancyfab Private Limited ("Krishna" / "Third Transferor Company") and Harit Industries Private Limited ("Harit" / "Transferee Company") and their respective shareholders and creditors (if any) ("the Scheme") for merger under the provisions of Sections 230 to 232 read with Section 52 and 66 and other relevant provisions of the Companies Act, 2013, as may be applicable, and also read with Section 2(1B) and other relevant provisions of the Income-tax Act, 1961, as may be applicable, for Merger of Pratik, Sangeeta, Krishna and vesting of the same in Harit on a going concern basis.



We understand that the Valuation as well as the swap ratio thereof is based on the Valuation Certificate dated June 02, 2023 issued by Ramesh Chand Kumawat, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2020/13084 (referred to as 'Valuer').

We, Navigant Corporate Advisors Limited, a SEBI registered Category-I Merchant Banker, have been engaged by Harit to give a fairness opinion ("Opinion") on Valuation Certificate dated June 02, 2023 issued by Ramesh Chand Kumawat, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2020/13084 (referred to as 'Valuer').



Background of the Companies

Harit Industries Private Limited (“Harit” or the “Transferee Company”):

- Harit (CIN: U17299MH2019PTC332459) is a public limited company incorporated on 01st November, 2019 and having its registered office at Unit No. 209, Emerald Plaza, Block-IV, Hiranandani Meadows, Gladys Alwares Road, Off Pokharan Road No.2 Thane West Thane 400610
- Harit Industries Private Limited is primarily engaged in the business of Manufacturers, producers, processors, importers, exporters, buyers, sellers of and dealers in all kinds of Textiles, fibers, fabrics and yarns and hosiery goods prepared or manufactured from cotton, wool, worsted, shoddy, silk, jute, ramie, hemp, linen, viscose, rayon, artificial, silk, nylon, polyester, acrylic, polypropylene, polynosic or any other synthetic, artificial and natural yarn, fibre and converters of synthetics, artificial and natural fibres including fibre-glass or their wastes or waste products into materials like cloth, readymade garments, made ups, ropes, tapes, yarn, hosiery goods, dress makers, furriers, clother and outfitter.
- Harit is not listed on any stock exchanges.
- The shareholding pattern of Harit as on valuation date is as under:

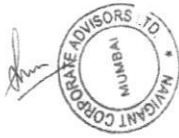
Name of Shareholders	No. of shares	% shareholding
Pankaj Chaandrakant Mishra	48,99,000	48.99%
Devyani Pankaj Mishra	51,01,000	51.01%
Total	1,00,00,000	100.00%



Pratik Panels Limited (“Pratik” or the “First Transferor Company”):

- Pratik is incorporated in India under the Companies Act, 1956 on 27th February, 1989 with CIN L17100MH1989PLC317374. The registered office of the Company is located at Gala No. C-2 (H. No. 366/8-2), Gr. Floor, Gurudev Complex, Behind Deep Hotel, Sonale Village Bhiwandi 421302.
- Pratik Panels Ltd, are primarily involved in the manufacturing of MDF wave Boards, MDF Grills and Designer Membrane Doors. These are easy to install and maintain. Pratik Panels Ltd is primarily engaged in the business of Manufacturers, producers, processors, importers, exporters, buyers, sellers of and dealers in all kinds of textiles, fibers, fabrics and yarns and hosiery goods prepared or manufactured from cotton, wool, worsted, shoddy, silk, jute, ramie, hemp, linen, viscose, rayon, artificial, silk, nylon, polyester, acrylic, polypropylene, polynosic or any other synthetic, artificial and natural yarn, fibre and converters of synthetics, artificial and natural fibres including fibre-glass or their wastes or waste products into materials like cloth, readymade garments, made ups, ropes, tapes, yarn, hosiery goods, dress makers, furriers, clothes and outfitter.
- Equity shares of Pratik is listed on Bombay Stock Exchange (“BSE”).
- The shareholding pattern of Pratik as on valuation date is as under:

Sr.no	Particulars	No of Shares	% of Shareholding
1	Promoter & Promoter Group	15,31,313	2.40%
2	Public	6,23,67,187	97.60%
Total		6,38,98,500	100.00



Sangeeta Tex.Dyes Private Limited (“Sangeeta” or the “Second Transferor Company”):

- Sangeeta (CIN: U17120MH2009PTC196784) is a public limited company incorporated on 30th October, 2009 and having its registered office at Plot: 4/7, H. No. 742, Saravali, MIDC, Near Remco Silk Mills, Kalyan Road, Bhiwandi Thane MH 421311.
- Sangeeta Tex.Dyes Private Limited is Primarily engaged in the business of manufacturing, purchasing, selling, exporting and importing and dealing, making, spinning, printing, dyeing and bleaching, coloring designing, fashion settlers, tailoring of Textiles, Textile Processor, yarns, material, fabrics whether cotton, silken, synthetic, woolen, jute, leather, hosiery rubber or water proof material or combination thereof and readymade garments, apparels, accessories in India or abroad. Sangeeta is a Wholly-owned Subsidiary of Harit.
- Sangeeta is not listed on any stock exchanges.
- The shareholding pattern of Sangeeta as on valuation date is as under:

Name of Shareholders	No. of shares	% shareholding
Harit Industries Private Limited	99,99,990	100.00%
Pankaj Chaandrakant Mishra	10	0.00%
Total	1,00,00,000	100.00%



Krishna Fancyfab Private Limited (“Krishna” or the “Third Transferor Company”):

- Krishna is incorporated in India under the Companies Act, 1956 on 06th February, 2013 with CIN UI7291MH2013PTC240227. The registered office of the Company is located at Gala No. D-10, Gurdev Compound, Plot No 35, Sonale Village, Bhiwandi Thane 421302.
- Krishna Fancyfab Private Limited is Primarily engaged in the business of import, export, buy, sell, trade, deal in, convert, manufacture, produce, process, alter textiles, manmade handlooms, cotton, silk, wool, jute, artificial silk, terelene, and any other type of yarn, trend fabrics and to make, process alter convert the yarn, fabrics into readymade garments, made ups, bed sheets, pillow covers, duvets, upholstery, tapestry, needlework, neckwear, ties, collars, scarves, tinsol, fabrics, threads, furnishing fabrics, hosiery, tapestry, linen curtains and mattresses by the process of spinners, doublers, combers, scourers, weavers, jacquards weavers, knitters, finishers, bleachers, dyers and printers and to act as manufacturers, products, processors, fabricators, ginners, doublers, pressers, spinners, weavers, knitters, dyers, printers, bleachers, assemblers, balers, carders, seizers, finishers, worsted spinners, wool-combers, woollen spinners, converters, crimpers, texturisers, twister, packers, reelers, refiners, distributors, traders, commission agents, brokers, buyers, sellers, importers and exporters, of and dealers, in all types of yarn, clothes, threads, silk, linen, woolen goods and fibre, synthetic, viscose, rayon, jute, hemp, flexwool, linen nylon, terylene and synthetics waste or any fibrous materials and to carry on the business of cotton spinners and doublers, linen manufactures, threads, cotton, flex, hemp, jute wool, yarn and cloth merchants, printers, dyers and bleachers, makers of vitrial, bleaching and dyeing materials. Krishna is a Wholly-owned Subsidiary of Harit.
- Krishna is not listed on any stock exchanges.
- The shareholding pattern of Krishna as on valuation date is as under:

Sr.no	Name of Shareholders	No of Shares	% of Shareholding
1	Harit Industries Private Limited	3,24,33,990	2.40%
2	Pankaj Chaandrakant Mishra	10	97.60%
Total		3,24,34,000	100.00



Transaction Overview and Rational

The management of the Transferor Companies and the Transferee Company believe that the business existing in the Transferor Companies should be consolidated with the Transferee Company

The amalgamation of the Transferor Companies with and into the Transferee Company will enable consolidation of the business and operations of the Transferor Companies into the Transferee Company, which complement the business of the Transferee Company and which will provide substantial impetus to growth, enable synergies, reduce operational costs, increase operational efficiencies, manage working capital and enable optimal utilization of various resources as a result of pooling of financial, managerial and technical resources, and technologies of both the Transferor Companies and the Transferee Company, thereby significantly contributing to business efficiency, future growth and maximizing shareholder value;

The combined managerial resources of Transferor Companies would enhance the capability of the Transferee Company to invest in larger and sophisticated projects to ensure rapid growth and would consolidate the strategic strength of the Amalgamated Company/ Transferee Company.

In view of the aforesaid, the Board of Directors of the Transferor Companies and the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of both the companies. Accordingly, the Board of Directors of the Transferor Companies and the Transferee Company have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 230 to Section 232 and other relevant provisions of the Companies Act, 2013.



Information relied upon:

We have prepared the fairness opinion report on the basis of the information provided to us and inter alia the following:

- Share Exchange ratio joint valuation report dated June 02, 2023 issued by Ramesh Chand Kumawat, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2020/13084 (referred to as 'Valuer');
- Other information and explanations as provided by the management.

Further, we had discussions on such matters which we believe are necessary or appropriate for the purpose of issuing the valuation report.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. We understand that the Company has carried independent valuation of the asset of the Company Title to all subject business assets is assumed to be good and marketable and we would urge the company to carry out the independent assessment of the same.

We have been informed that all information relevant for the purpose of issuing the Fairness Opinion report has been disclosed to us and we are not aware of any material information that has been omitted or that remains undisclosed.



Valuation Summary:

Some of the methods considered by the valuer for arriving at fair value of shares of a company are as under:

Valuation methods are broadly classified into –

Cost Approach – Net Asset Value (NAV) method

The value under cost approach is determined based on the underlying value of the assets which could be on book value basis, replacement cost basis or on the basis of realizable value. Under NAV method, total value of the business is based on the Net Assets Value either on book value or realizable value or replacement cost basis. NAV methodology is most applicable for the business where the value lies in the underlying assets and not the ongoing operations of the business. NAV method does not capture the future earning capacity of the business.

Income Approach – Discounted Cash Flows (DCF) method

- Under the Income Approach, business is valued by converting maintainable or future amount of cash flows to a single current amount either through discounting or capitalization. DCF Method seeks to arrive at the value of the business based on its future cash flows generating capability and the risks associated with the said cash flows. FCFF or free cash flows to the firm (“FCFF”) represents the cash available for distribution to both the owners and the creditors of the business. Risk-adjusted discount rate or Weighted Average Cost of Capital (“WACC”) is applied to free cash flows in the explicit period and that in perpetuity. Adjustments pertaining to debt, surplus/non-operating assets including investments, cash & bank balance and contingent assets/liabilities and other liabilities, as relevant, are required to be made in order to arrive at the value for equity shareholders. The total value for the equity shareholders so arrived is then to be divided by the number of equity shares to arrive at the value per equity share of the company.

Market Approach – Market Price method

- Under the Market Price method, the market price of an equity share as quoted on a recognized Stock Exchange is normally considered as the value of the equity shares of that company, where such quotations are arising from the shares being regularly and frequently traded. Generally, market value is reflective of the investors' perception about the actual worth of the company. However, in certain situations, the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further in case of amalgamation, where the value of shares of one company is required to be evaluated against the value of shares of another company, the volume of shares traded and available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.



Market Approach – Comparable Companies' Multiple (CCM) method

- Under CCM Method, the value of shares of the subject company is determined on the basis of multiples derived from valuations of comparable companies. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. The Comparable Companies' Multiple Method arrives at the value of the company by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences, such as growth potential, past track record, size, company dynamics, etc.

Basis of Valuation and Assumptions made by the valuer:

The valuation is based, on the aforesaid methods as described below:

VALUATION OF HARIT, SANGEETA AND KRISHNA:

- To Value of a business entity using cost approach is estimated using either net book value or replacement value or realizable value.
- Un-audited financials of the companies are available as at 31st March, 2023; thus we have used net asset value method for the companies and have adjusted them from changes in fair value of assets. The calculation of net assets value of the share of the companies are as at 31st March, 2023.

VALUATION OF PRATIK:

- Since, Pratik Panels Limited is a listed company and equity shares of Pratik Panels Limited are traded on BSE Limited over a reasonable period but are infrequently traded therefore we have considered net Asset Value method to determine the value of equity shares of Pratik Panels Limited, we have been informed by the Management that the report date as per the SEBI ICDR regulations for the purpose of calculation of the price per shares of Pratik Panels Limited is 31st March, 2023,
- Since the latest Un-audited financial data available till march 31, 2023. Therefore, we have considered the same for our valuation purposes.

Conclusion ratio:-

"1 equity share fully paid-up of Harit Industries Private Limited for every 17.5469 equity shares of Pratik Panels Limited".

5.699 Equity share fully paid-up of Harit Industries Private Limited for every 100 equity shares of Pratik Panels Limited".



Exclusions and Limitations

Our opinion and analysis is limited to the extent of review of the valuation report by the valuer and the Draft scheme document. In connection with the opinion, we have

- A) Reviewed the Draft Scheme Document and the valuation report by the valuer dated June 02, 2023.
- B) Audited financials of Harit, Pratik, Sangeeta and Krishna for the year ended March 31, 2023.
- C) Held discussions with the valuer, in relation to the approach taken to valuation and the details of various methodologies utilized by them in preparing the valuation report and recommendations;
- D) Sought various clarifications with the respective senior management teams of Harit, Pratik, Sangeeta and Krishna;
- E) Reviewed historical stock prices and trading volumes of Pratik at BSE Limited;
- F) Reviewed such other information and explanations as we have required and which have been provided by the management of Harit, Pratik, Sangeeta and Krishna.

This opinion is intended only for the sole use and information of Harit, Pratik, Sangeeta and Krishna in connection with the Scheme, including for the purpose of obtaining judicial and regulatory approvals, and for no other purpose. We are not responsible in any way to any person/party/statutory authority for any decision of such person or party or authority based on this opinion. Any person/party intending to provide finance or invest in the shares/business of either Harit, Pratik, Sangeeta and Krishna or their subsidiaries /joint ventures/associates 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.

For the purpose of this assignment, Navigant has relied on the Valuation Certificate for the proposed "Scheme of Amalgamation" of Harit, Pratik, Sangeeta and Krishna their respective shareholders and information and explanation provided to it, the accuracy whereof has not been evaluated by Navigant. Navigant's work does not constitute certification or due diligence of any past working results and Navigant has relied upon the information provided to it as set out in working results of the aforesaid reports.

Navigant 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 Harit, Pratik, Sangeeta and Krishna to the Stock Exchanges 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 between Harit, Pratik, Sangeeta and Krishna their respective shareholders, and may not be applicable or referred to or quoted in any other context.

Our opinion is 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 this date.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Moreover, in this case where the shares of the company are being issued as consideration to the shareholders of Harit, Pratik, Sangeeta and Krishna. It is not the absolute valuation that is important for framing an opinion but the relative valuation of the company vis-a-vis shares of Pratik, Sangeeta and Krishna.

We have assumed that the Final Scheme will not differ in any material respect from the Draft Scheme Document shared with us.

We do not express any opinion as to any tax or other consequences that might arise from the Scheme on Harit, Pratik, Sangeeta and Krishna and their respective shareholders, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, government investigation or other contingent liabilities to which Harit, Pratik, Sangeeta and Krishna and/or their associates/ subsidiaries, are or may be party.

The company has been provided with an opportunity to review the Draft Opinion as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Final Opinion. Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter thereto.



Our Fairness Opinion:

Based upon valuation work carried out by Ramesh Chand Kumawat, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2020/13084 (referred to as 'Valuer') we are of the opinion that the purpose of the proposed merger by absorption of Harit, Pratik, Sangeeta and Krishna are fair, from a financial point of view.

The fairness of the Proposed Merger is tested by:

- (1) Considering whether the Valuation methods adopted by Ramesh Chand Kumawat, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2020/13084 (referred to as 'Valuer') depict a correct picture on the value of shares of all companies;
- (2) Calculating the fair market value of companies;
- (3) Considering qualitative factors such as economies of scale of operations, synergy benefits that may result from the proposed Merger of Harit, Pratik, Sangeeta and Krishna.

The rationale for Share Exchange ratio as explained above, will be issued as assumed by Ramesh Chand Kumawat, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2020/13084 (referred to as 'Valuer') is justified.

We are in opinion that, Ramesh Chand Kumawat, Registered Valuer (Securities or Financial Assets) with IBBI Registration No.: IBBI/RV/06/2020/13084 (referred to as 'Valuer') is justified by taking the Fair Value of Companies, and covers each aspect of valuation.

This being of our best of professional understanding, we hereby sign the Fairness Opinion report on valuation.

For Navigant Corporate Advisors Limited



Sarthak Vijlani
Managing Director

Place: Mumbai

