

Date: 29 January 2022

To,
The Board of Directors,
Fermenta Biotech Limited,
A-1501, Thane One, Dil Complex,
Ghodbunder Road, Majiwade,
Thane (West) - 400610

To,
The Board of Directors,
DVK Investments Private Limited,
A-1601, Thane One, Dil Complex,
Ghodbunder Road, Majiwade,
Thane (West) – 400610

To,
The Board of Directors,
Aegean Properties Limited,
A-1401, Thane One, Dil Complex,
Ghodbunder Road, Majiwade,
Thane (West) – 400610

Subject: Fairness opinion on the share exchange ratio recommended by Mr. Niranjn Kumar, Registered Valuer- Securities or Financial Assets for the proposed amalgamation of DVK Investments Private Limited and Aegean Properties Limited with Fermenta Biotech Limited.

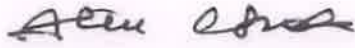
We refer to the engagement letter and discussions undertaken with the Management of Fermenta Biotech Limited ("FBL" or "Transferee Company"), DVK Investments Private Limited ("DVK" or "Transferor Company 1") and Aegean Properties Limited ("APL" or "Transferor Company 2") (hereinafter all of them together referred to as "the Management"), wherein the Management has requested Kunvarji Finstock Private Limited ("Kunvarji" or "We" or "us") to provide a fairness opinion on the share exchange ratio recommended by Mr. Niranjn Kumar, Registered Valuer - Securities or Financial Assets ("Independent Valuer") vide report dated 29 January 2022 ("Valuation Date") in connection with the proposed amalgamation of DVK and APL with FBL (together FBL, DVK and APL are referred to as "Transacting Companies") (hereinafter referred to as "Proposed amalgamation" or "Proposed Transaction").

Please find enclosed our deliverables in the form of report ("the Report"). This Report sets out the background of the companies, transaction overview, scope of work, sources of information, procedures adopted and our opinion on the share exchange ratio recommended by Independent Valuer for the aforesaid Proposed amalgamation. This Report is subject to the scope, assumptions, exclusions, limitation and disclaimers detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.



This report has been issued only for the purpose of facilitating the Proposed Transaction and should not be used for any other purpose.

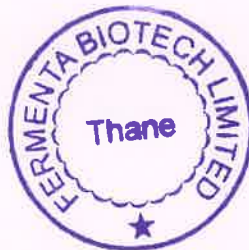
For, Kunvarji Finstock Private Limited



Mr. Atul Chokshi
Director (DIN: 00929553)



Place: Ahmedabad



FAIRNESS OPINION
IN THE MATTER OF SCHEME OF AMALGAMATION IN THE NATURE OF
PROPOSED AMALGAMATION OF
DVK INVESTMENTS PRIVATE LIMITED (TRANSFEROR COMPANY 1) &
AEGEAN PROPERTIES LIMITED (TRANSFEROR COMPANY 2)
WITH
FERMENTA BIOTECH LIMITED (TRANSFeree COMPANY)
STRICTLY PRIVATE AND CONFIDENTIAL

Prepared By:



Kunvarji Finstock Private Limited
(SEBI Category I Merchant Banking Registration Number – INM000012564)

Kunvarji, B-Wing,
Siddhivinayak Towers,
Nr. D.A.V. School, Off. S. G. Road,
Makarba,
Ahmedabad-380051



TABLE OF CONTENTS

Particulars	Page No.
Companies Background	5-6
Transaction Overview and Scope of Services	7
Sources of Information	8
Procedures Adopted	9
Statement Of Limiting Conditions	10-12
Independent Valuer's Recommendation and Our Comment	13



COMPANIES BACKGROUND

Fermenta Biotech Limited

Fermenta Biotech Limited ('FBL' or 'Transferee company') (formerly known as "DIL Limited") was incorporated on 01 May 1951 and is engaged in the business of manufacturing and marketing of chemicals, active pharmaceutical ingredients (API), enzymes, pharmaceutical formulations and environmental solution products; and is also engaged in the business of renting of immovable properties. The equity shares of FBL are listed on BSE.

The Equity Shareholding Pattern of Fermenta Biotech Limited as on 31 December 2021 is as follows:

Category of shareholder	Number of Shares (Face value of INR 5 each)	% Shareholding
Promoter and Promoter Group #	1,75,36,392	59.58%
Public	1,13,10,930	38.43%
Non promoter non public	5,83,665	1.98%
Total	2,94,30,987	100.0%

Includes 1,50,75,318 equity shares held by DVK. We understand that upon the Scheme being effective, the equity shares of FBL held by DVK shall stand automatically cancelled.

DVK Investments Private Limited

DVK Investments Private Limited ('DVK' or 'Transferor Company 1') (formerly known as 'Vasant Kumar Investment Services Private Limited') was incorporated on 11 August 2003 and is non-systematically important, non-deposit taking, non-banking finance company, which currently does not carry out any business operations. DVK is the promoter holding company of FBL and holds 1,50,75,318 (51.2% equity stake) equity shares of FBL as at the report date.

The Equity Shareholding Pattern as on report date of DVK Investments Private Limited is as follows:

Category of shareholder	Number of Shares (Face value of INR 10 each)	% Shareholding
Krishna Datla	32,65,804	50.08%
Satish Varma	14,83,908	22.75%
Preeti Thakkar	8,86,205	13.59%
Anupama Desai	8,85,748	13.58%
Total	65,21,665	100.0%



Aegean Properties Limited

Aegean Properties Limited ('APL' or 'Transferor Company 2') was incorporated on 19 January, 1995 and is engaged in the business of renting of immovable properties. It is a wholly owned subsidiary of FBL.

The Equity Shareholding Pattern as on report date of APL is as follows:

Category of shareholder	Number of Shares (Face value of INR 100 each)	% Shareholding
Fermenta Biotech Limited & its Nominees	30,000	100.0%
Total	30,000	100.0%



TRANSACTION OVERVIEW AND SCOPE OF SERVICES

Transaction Overview:

We understand that the Management of the Companies are contemplating a composite scheme of amalgamation and arrangement, wherein they intend to amalgamate DVK Investments Private Limited ("DVK" or "Transferor Company 1") and Aegean Properties Limited ("APL" or "Transferor Company 2") with Fermenta Biotech Limited ("FBL" or "Transferee Company") ("Proposed Amalgamation") in accordance with the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and in a manner provided in the Draft Composite Scheme of Amalgamation and Arrangement.

Further, as a part of the Scheme, the entire shareholding of the Transferor Company 1 in Transferee Company and the entire shareholding of Transferor Company 2 held by Transferee Company shall stand cancelled on Part II of Scheme becoming effective. As a consideration for this proposed amalgamation, equity shares of Transferee Company would be issued to equity shareholders of Transferor Company 1 and equity shares held by Transferee Company in Transferor Company 2 shall stand cancelled and no equity shares of Transferee Company shall be issued.

The equity shares to be issued for the aforesaid proposed amalgamation will be based on the share exchange ratio as determined by the Board of Directors based on the Share Exchange Ratio report prepared by Independent Valuer appointed by them.

Scope of Services:

Pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 or SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, as amended from time to time, we have been requested by the Management of Transacting Companies to issue a fairness opinion in relation to the share exchange ratio recommended by Independent Valuer vide report dated 29 January 2022 for the proposed amalgamation of the Transferor Companies 1 & 2 with the Transferee Company.

In this regard, the Management has appointed Kunvarji Finstock Private Limited ("Kunvarji" or "We" or "us"), SEBI Registered (Category I) to provide fairness opinion on the equity share exchange ratio recommended by an Independent Valuer as at Valuation Date for the Proposed Amalgamation.

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



SOURCES OF INFORMATION

In connection with this exercise, we have relied on the following information from the Management of Transacting Companies/ obtained from public domain:

- Signed share exchange ratio report issued and prepared by Mr. Niranjana Kumar, Registered Valuer- Securities or Financial Assets dated 29 January 2022.
- Draft Composite Scheme of Amalgamation and Arrangement between the Transacting Companies pursuant to which the Proposed Amalgamation is to be undertaken.
- Limited reviewed unaudited financial statements for six months period ended 30 September 2021 of FBL and for nine months period ended 31 December 2021 of APL.
- Management certified unaudited financial statement for the nine months period ended 31 December 2021 of DVK.
- Shareholding pattern as on 31 December 2021 for FBL.
- Shareholding pattern as on report date for DVK and APL.
- Publicly available information.
- We have also relied on the various representations, information and explanations given by the Management.

The Management has been provided with the opportunity to review the draft fairness opinion report (excluding our fairness opinion on the share exchange ratio) as part of our standard practice to make sure that factual inaccuracy/ omissions are avoided.



PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to issue a fairness opinion in relation to the share exchange ratio recommended by Independent Valuer:

- Requested and received financial and qualitative information.
- Obtained data available in public domain.
- Reviewed the draft composite scheme of amalgamation and arrangement between the Transacting Companies.
- Reviewed the limited reviewed unaudited standalone financial statements of FBL and APL for six months period ended 30 September 2021 and for nine months period ended 31 December 2021 respectively.
- Reviewed the Management certified unaudited financial statements of DVK for nine months period ended 31 December 2021.
- Reviewed the shareholding pattern of Transferee Company as at 31 December 2021.
- Reviewed the shareholding pattern of DVK and APL as at the report date and confirmation from the Management that there would be no change in the shareholding pattern of Transferor Company 2 between the report date and Scheme implementation date. Further, confirmation from the Management that the shareholding of the Transferor Company 1 in Transferee Company would not change till the Scheme implementation date;
- Reviewed signed share exchange ratio report issued and prepared by Mr. Niranjana Kumar Registered Valuer- Securities or Financial Assets dated 29 January, 2022.
- We have had discussions with Independent Valuer, on such matters we believed were necessary or appropriate for the purpose of issuing this opinion.



STATEMENT OF LIMITING CONDITIONS

The fairness opinion contained herein is not intended to represent fairness opinion at any time other than report date. We have no obligation to update this report.

This Report, its contents and the results herein are specific to (i) the purpose of fairness opinion agreed as per the terms of our engagement; (ii) the Report Date (iii) are based on the limited reviewed unaudited financial statements of FBL for six months period ended 30 September 2021 and of APL for nine months period ended 31 December 2021 (iv) the Management certified unaudited financial statements of DVK for nine months period ended 31 December 2021 and (v) draft composite scheme of amalgamation and arrangement.

A fairness opinion of this nature is necessarily based on the information made available to us as of the date of this report, events occurring after that date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The fairness opinion rendered in this Report only represent our opinion based upon information furnished by the Companies and gathered from public domain (and analysis thereon) and the said opinion shall be considered to be in the nature of non-binding advice. Our fairness opinion should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors.

Providing fairness opinion is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. In the ultimate analysis, our opinion will have to be tempered by the exercise of judicious discretion and judgment taking into accounts all the relevant factors. There is, therefore, no indisputable single equity share exchange ratio. While we have provided our fairness opinion on the equity share exchange ratio recommended by the Independent Valuer based on the information available to us and within the scope and constraints of our engagement. The final responsibility for the determination of the equity share exchange ratio at which the proposed amalgamation shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the proposed amalgamation and input of other advisors.

We have not independently audited or otherwise verified the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Management, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Transacting Companies and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the



information given by/on behalf of the Transacting Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our fairness opinion.

It is understood that this opinion is solely for the benefit of confidential use by the Board of Directors of the Transacting Companies for the purpose of facilitating companies to comply with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 or SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, as amended from time to time; disclosures to be made to relevant regulatory authorities including stock exchanges, SEBI, National Company Law Tribunal or as required under applicable law and it shall not be valid for any other purpose. This opinion is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations, and that the Companies will be managed in a competent and responsible manner. Further, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not represented to us by the Management.

The report does not address the relative merits of the proposed amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies. 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 Companies, their directors, employees or agents.



This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Scheme, without our prior written consent.



In addition, this report does not in any manner address the prices at which equity shares of the Transferee Company will trade following announcement of the proposed amalgamation and we express no opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the proposed amalgamation.

INDEPENDENT VALUER'S RECOMMENDATION AND OUR COMMENT

As stated in the Share Exchange Ratio Report dated 29 January 2022 prepared by Mr. Niranjan Kumar, Registered Valuer- Securities or Financial Assets, they have recommended the following:

To the equity shareholders of DVK

1,50,75,318 (One Crore Fifty Lakhs Seventy-Five Thousand Three Hundred and Eighteen) fully paid up equity shares of the face value of INR 5 each of FBL shall be issued and allotted as fully paid up equity shares to the equity shareholders of DVK, in proportion to their holding of 65,21,665 (Sixty Five Lakhs Twenty One Thousand Six Hundred and Sixty Five) fully paid up equity shares of the face value of INR 10 each in DVK.


To the equity shareholders of APL

"As APL is a wholly owned subsidiary of FBL. Upon part II of the scheme becoming effective the shares held by FBL in APL would get cancelled and no equity shares would be required to be issued to the equity shareholders of APL for the proposed amalgamation as defined under part II of the scheme."

The aforesaid amalgamation shall be pursuant to the draft scheme of amalgamation and shall be subject to receipt of approval from the National Company Law Tribunal or such other competent authority as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the amalgamation are more fully set forth in the draft composite scheme of amalgamation and arrangement. Kunvarji has issued the fairness opinion with the understanding that draft scheme of amalgamation and arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final scheme of amalgamation and arrangement alters the Proposed Transaction.

Based on the information, data made available to us and to the best of our knowledge and belief, the Share exchange ratio as recommended by Mr. Niranjan Kumar, Registered Valuer- Securities or Financial Assets in relation to the proposed draft composite scheme of amalgamation and arrangement is fair to the equity shareholders of DVK, APL and FBL in our opinion.

For, Kunvarji Finstock Private Limited



Mr. Atul Chokshi
Director (DIN: 00929553)
Date: 29 January 2022
Place: Ahmedabad



for Fermenta Biotech Limited
Srikant Sharma
Company Secretary

