

# KUNVARJI

SINCE 1960

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**Date: June 28, 2023**

**To,**

**The Board of Directors,  
Umang Dairies Limited**  
Gajraula Hasanpur Road,  
Gajraula Jyotiba Phule Nagar,  
Amroha, Uttar Pradesh 244235.

**To,**

**The Board of Directors,  
Bengal & Assam Company Limited**  
7, Council House Street Kolkata,  
West Bengal 700001.

**To,**

**The Board of Directors,  
Panchmahal Properties Limited,**  
Nehru House 4, Bahadur Shah Zafar Marg,  
New Delhi 110002

**Subject: Fairness opinion on the share entitlement ratio for the proposed demerger of the 'Dairy Business' of Umang Dairies Limited ('UDL') into Panchmahal Properties Limited ('PPL').**

**Fairness opinion on the share exchange ratio for the proposed amalgamation of Umang Dairies Limited ('UDL') (post proposed demerger of Dairy Business) with Bengal & Assam Company Limited ('BACL').**

Sir/Ma'am,

We refer to the engagement letter dated June 19, 2023 and discussions undertaken with the Management of Umang Dairies Limited ("UDL" or "Demerged Company" or "Amalgamating Company"), (hereinafter 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

1. Share entitlement ratio for the proposed demerger of 'Dairy Business' of UDL (Demerged Company) into Panchmahal Properties Limited ('PPL' or 'Resulting Company 1') (hereinafter referred to as "proposed demerger") in Step 1, and
2. Share exchange ratio for the proposed amalgamation of UDL (post giving effect of proposed demerger in Step 1) (Amalgamating Company) with Bengal & Assam Company Limited ('BACL' or 'Resulting Company 2' or 'Amalgamated Company') (hereinafter referred to as "proposed amalgamation") in Step 2.

**Kunvarji Finstock Pvt. Ltd.**

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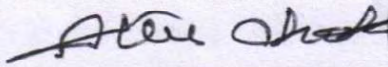

recommended by Niranjan Kumar, Registered Valuer - Securities or Financial Assets ("Independent Valuer") vide report dated June 28, 2023. The Valuation Date is considered to be 27 June 2023.

Hereinafter the Management including the Board of Directors of UDL, PPL and BACL shall together be referred to as 'the Management'; and Amalgamating Company / Demerged Company, Resulting Company 1 and Amalgamated Company / Resulting Company 2 shall together be referred to as 'Transacting Companies'. Both proposed demerger and amalgamation together referred to as Proposed Transaction.

Please find enclosed our deliverables in the form of report ("the Report"). This Report sets out the transaction overview, scope of work, background of the Transacting Companies, sources of information and our opinion on the share entitlement ratio for the aforesaid proposed demerger and share exchange ratio for the aforesaid proposed amalgamation recommended by the Independent Valuer. 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 therein.

This Report has been issued only for the purpose of facilitating the proposed demerger and proposed amalgamation and should not be used for any other purpose.

**For, Kunvarji Finstock Private Limited**

**Mr. Atul Chokshi**  
**Director (DIN: 00929553)**

**Place: Ahmedabad**



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**FAIRNESS OPINION**

**IN THE MATTER OF SCHEME OF ARRANGEMENT IN THE NATURE OF  
PROPOSED DEMERGER OF DAIRY BUSINESS OF  
'DAIRY BUSINESS' OF UMANG DAIRIES LIMITED INTO PANCHMAHAL  
PROPERTIES LIMITED**

**AND**

**PROPOSED AMALGAMATION OF UMANG DAIRIES LIMITED (POST  
PROPOSED DEMERGER OF DAIRY BUSINESS) WITH BENGAL & ASSAM  
COMPANY LIMITED**

**STRICTLY PRIVATE AND CONFIDENTIAL**

Prepared By:

**KUNVARJI**

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**Kunvarji Finstock Private Limited**

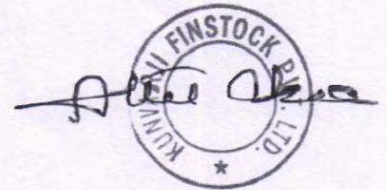
**SEBI Registered Category I Merchant Banker**

**(Registration Number – INM000012564)**

Kunvarji, B-Wing, Siddhivinayak Towers,

Nr. D.A.V. School, Off. S. G. Road, Makarba,

Ahmedabad-380051



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**1. BACKGROUND OF THE COMPANIES****UMANG DAIRIES LIMITED**

Umang Dairies Limited ('UDL' or 'Demerged Company' or 'Amalgamating Company') was incorporated on December 02, 1992 and is engaged in the dairy business, wherein it processes and sells milk and milk products. It offers milk powder, butter, ghee, fresh cream and other value added products. UDL also undertakes trading activity. The equity shares of UDL are listed and traded on BSE and National Stock Exchange (NSE).

Dairy Business of UDL ('Demerged Undertaking') comprises of the dairy business, wherein it processes and sells milk and milk products. The product portfolio of Dairy Business of UDL comprises of milk powder, butter, ghee, fresh cream, etc. Majority of revenue is derived from sale of milk powder to retail customers through its network of distributors and retailers predominantly sold in the north and north-eastern region of India. It also supplies its products to HORECA, hospitals, airlines, large corporates, etc. The Demerged Undertaking also provides private labelling services.

The manufacturing facility of Dairy Business of UDL is located in Gajraula, Uttar Pradesh. It has processing capacity of 4.5 lakh litres of milk.

The equity shareholding pattern of UDL as at March 31, 2023 is set out below:

Category of Shareholder	Number of shares (FV - INR 5 each)	% shareholding
Promoter and Promoter Group	1,64,16,234	74.6%
Public	55,86,966	25.4%
<b>Total</b>	<b>2,20,03,200</b>	<b>100.0%</b>

*Note: We understand that upon Part C of the Scheme being effective, the equity shares of UDL held by BACL shall stand cancelled and no equity shares shall be issued to that extent.*

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**BENGAL AND ASSAM COMPANY LIMITED**

Bengal & Assam Company Limited ('BACL' or 'Amalgamated Company' or 'Resulting Company 2') was incorporated on 30 January 1947 and is a Core Investment Company-Non-Deposit Taking-Systemically Important (CIC-ND-SI) company registered with the Reserve Bank of India (RBI). It holds investment in various subsidiaries, associates, other group companies, equity shares, mutual funds, etc. Key investments of BACL include investment in listed group companies viz., JK Tyre & Industries Limited, JK Paper Limited, Umang Dairies Limited, JK Agri Genetics Limited and JK Lakshmi Cement Limited and unlisted company, J K Fenner India Limited. The equity shares of BACL are listed and traded on BSE.

The equity shareholding pattern of BACL as at March 31, 2023 is set out below:

Category of Shareholder	Number of shares (FV - INR 10 each)	% shareholding
Promoter and Promoter Group	82,07,462	72.7%
Public	30,88,866	27.3%
<b>Total</b>	<b>1,12,96,328</b>	<b>100.0%</b>

**PANCHMAHAL PROPERTIES LIMITED**

Panchmahal Properties Limited ('PPL' or 'Resulting Company 1') is a public limited company incorporated on 23 May 1995. PPL is a wholly owned subsidiary of BACL.

The equity shareholding pattern of PPL as at March 31, 2023 is set out below:

Category of Shareholder	Number of shares (FV - INR 10 each)	% shareholding
Bengal & Assam Company Limited*	3,51,230	100.0%
<b>Total</b>	<b>3,51,230</b>	<b>100.0%</b>

\*60 shares are being held by other shareholders jointly with BACL.

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**2. TRANSACTION OVERVIEW, RATIONALE OF THE SCHEME AND SCOPE OF SERVICES****Transaction Overview**

We understand that the Management of the Transacting Companies are contemplating a composite scheme of arrangement, wherein they intend to demerge the 'Dairy Business' of UDL into PPL and post proposed demerger in Step 1, amalgamate UDL into BACL (hereinafter referred to as 'proposed amalgamation') in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and in a manner provided in the draft composite scheme of arrangement (hereinafter referred to as 'the Scheme').

As a consideration for the proposed demerger under Part B of the Scheme, equity shares of BACL would be issued to equity shareholders of the Demerged Company and for the proposed amalgamation under Part C of the Scheme, equity shareholders of amalgamated company would be issued to equity shareholders of Amalgamating Company.

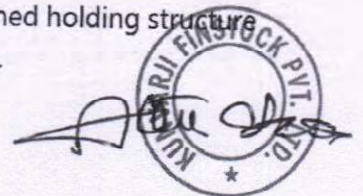
The equity shares to be issued for the aforesaid proposed transaction will be based on the share entitlement ratio and share exchange ratio as determined by the Board of Directors based on the report prepared by the Independent Valuer appointed by them.

Further, as a part of the Scheme, the entire shareholding of Amalgamated Company in Amalgamating Company shall stand cancelled.

**Rationale of the Scheme**

The rationale of the proposed demerger as mentioned in the scheme and confirmed by the Management is to facilitate growth of Dairy Business of UDL through concentrated approach and increased operational focus. The proposed demerger will enable the structure for attracting strategic partners / investors for the Dairy business and optimum utilization of resources and achieve greater degree of operational efficiency.

Further, the proposed amalgamation would result in simplified and streamlined holding structure and help in optimizing the resources and thereby reducing the compliances.



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**Scope of Services**

Pursuant to the requirements of SEBI Operational Circular SEBI/HO/DDHS/DDHS DIVI/P/CIR/2022/0000000103 dated 29 July 2022, updated as on December 01, 2022 and SEBI Master Circular SEBI/HO/CFD/DILI/CIR/P/2021/0000000665 dated November 23, 2021, as amended from time to time, we have been requested by the Management to issue a fairness opinion in relation to the share entitlement ratio for the proposed demerger and share exchange ratio for the proposed amalgamation.

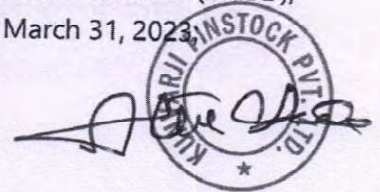
In this regard, the Management has appointed Kunvarji Finstock Private Limited ("Kunvarji" or "We" or "us"), SEBI Registered (Category I) Merchant Banker to provide a fairness opinion on the share entitlement ratio for the proposed demerger and share exchange ratio for the proposed amalgamation recommended by the Independent Valuer vide report dated June 28, 2023.

Our scope of work only includes forming an opinion on the fairness of the recommendation of the Independent Valuer on the share entitlement ratio and share exchange ratio arrived at for the purpose of the 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.

**3. SOURCES OF INFORMATION**

We have relied on the following information made available to us by the Management of the Transacting Companies/ obtained from the public domain for the purpose of this report:

- Audited financial statements of BACL and UDL for the financial year ended March 31, 2023;
- Management certified financial statement of UDL split between Dairy Business and remaining business for the financial year ended March 31, 2023;
- Audited financial statements of JK Fenner Limited ('JKF'), LVP Foods Private Limited ('LFPL'), Divyashree Company Private Limited ('DCPL'), PPL, JK Insurance Brokers Limited ('JKIBL'), CliniRx Research Private Limited ('CRPL') for the financial year ended March 31, 2023;
- Shareholding pattern of BACL, PPL and UDL as at March 31, 2023;


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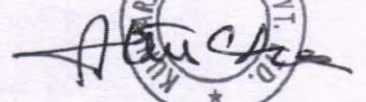
- Terms of preference shares issued by Hari Shankar Singhania Holdings Private Limited ('HSSHPL') and Terrestrial Foods Limited ('TFL') including dividend rate, redemption terms, tenure, etc.;
- Financial projections of Dairy Business of UDL and JKF from April 01, 2023 to March 31, 2027;
- Valuation report dated 24 June 2023 issued by Er. Ratan Dev Garg, IBBI Registered Valuer, Land and Building with respect to fair value of immovable property held as investment properties by BACL and DCPL;
- Valuation report dated April 13, 2023 issued by Er. Ram Doss Nagalingam, IBBI Registered Valuer, Land and Building with respect to fair value of immovable property held as investment properties by JKF;
- Valuation report dated 26 June 2023 issued by Devang Shah, IBBI Registered Valuer, Plant and Machinery with respect to fair value of fixed assets held by UDL (post proposed demerger);
- Draft composite scheme of arrangement between the Transacting Companies pursuant to which proposed transaction is to be undertaken;
- Information provided by leading database sources and other publicly available information.
- We have also relied on 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 entitlement and share exchange ratio) as part of our standard practice to make sure that factual inaccuracy/ omissions are avoided.

#### 4. PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the opinion:

- Requested and received financial and qualitative information.
- Obtained data available in public domain.

  
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- Discussions with the Management to understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance of the Companies.
- Undertook Industry Analysis: Research publicly available market data including economic factors and industry trends that may impact the opinion;
- Analysis of information shared by Management;
- Reviewed the draft composite scheme of arrangement between the Transacting Companies pursuant to which the proposed transaction is to be undertaken;
- Reviewed signed share entitlement ratio / share exchange ratio report issued and prepared by Niranjana Kumar, Registered Valuer- Securities or Financial Assets dated June 28, 2023;
- Discussion with Independent Valuer on such matters which we believed were necessary or appropriate for the purpose of issuing this opinion.

#### 5. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

The fairness opinion contained herein is not intended to represent a fairness opinion at any time other than the 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) draft composite scheme of arrangement and (iv) other data detailed in the Section – 3. Sources of Information.

A fairness opinion of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to us as of, the date hereof. Events occurring after the 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 represents our opinion based upon information furnished by the Transacting Companies and gathered from the 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 a buy or sell decision, for which specific opinion needs to be taken from expert advisors.

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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 Demerged Company for the purpose of facilitating companies to comply with SEBI Operational Circular SEBI/HO/DDHS/DDHS DIVI/P/CIR/2022/0000000103 dated 29 July 2022, updated as on December 01, 2022 and SEBI Master Circular SEBI/HO/CFD/DILI/CIR/P/2021/0000000665 dated November 23, 2021, as amended from 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 Transacting 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. Our fairness opinion assumes that the assets and liabilities of the companies, reflected in their respective balance sheet remain intact as of the Report date.

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

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We have considered financial information up to March 31, 2023 in our analysis and have made adjustments for facts made known to us till the date of our report, including taking into consideration current market parameters. An exercise of this nature involves consideration of various factors. This fairness opinion is issued on the understanding that each of the Companies have drawn our attention to all the matters which may have an impact on our opinion including any significant changes that have taken place or are likely to take place in the financial position or businesses upto the date of approval of the Scheme by the Board of Directors. We have no responsibility to update this fairness opinion for events and circumstances occurring after this date.

Certain terms of the proposed transaction are stated in our fairness opinion, however the detailed terms of the proposed transaction shall be more fully described and explained in the Scheme document to be submitted with relevant authorities in relation to the proposed transaction. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the Scheme document.

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 Transacting 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 proposed composite scheme of arrangement and filing it with relevant authorities, without our prior written consent.



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In addition, this report does not in any manner address the prices at which equity shares of BACL and UDL will trade following the announcement of the proposed transaction and we express no opinion or recommendation as to how the shareholders of Transacting companies should vote at any shareholders' meeting(s) to be held in connection with the proposed transaction. Our opinion contained herein is not to be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities.

In the ordinary course of business, Kunvarji Finstock Private Limited and its affiliates is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Kunvarji Finstock Private Limited may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Scheme.

## 5. OUR RECOMMENDATION

As stated in the share entitlement / exchange ratio report dated June 28, 2023 prepared by Niranjana Kumar, Registered Valuer- Securities or Financial Assets, they have recommended the following:

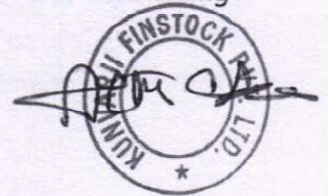
### To the equity shareholders of UDL:

#### a) For proposed demerger of Dairy business into BACL:

"1 (One) equity share of BACL having face value of INR 10 each fully paid up shall be issued for every 92 (Ninety Two) equity shares held in UDL having face value of INR 5 each fully paid up."

#### b) For proposed amalgamation of UDL (post proposed demerger) with BACL:

"1 (One) equity shares of BACL having face value of INR 10 each fully paid up shall be issued for every 14,652 (Fourteen Thousand Six Hundred and Fifty Two) equity shares held in UDL having face value of INR 5 each fully paid up."



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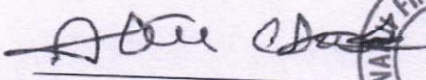


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The aforesaid proposed transaction shall be pursuant to the draft composite scheme of arrangement and shall be subject to receipt of approval from the Hon'ble National Company Law Tribunal or such other competent authority as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the proposed transaction are more fully set forth in the draft composite scheme of arrangement. Kunvarji has issued the fairness opinion with the understanding that the draft composite scheme of 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 arrangement alters the proposed transaction.

Based on the information, data made available to us, to the best of our knowledge and belief, the share entitlement / exchange ratio as recommended by Niranjn Kumar, Registered Valuer-Securities or Financial Assets in relation to the proposed draft composite scheme of arrangement is fair to the equity shareholders of UDL in our opinion.

**For, Kunvarji Finstock Private Limited**

  
 Mr. Atul Chokshi  
 Director (DIN: 00929553)



**Date: June 28, 2023**

**Place: Ahmedabad**



[www.kunvarji.com](http://www.kunvarji.com)

**Kunvarji Finstock Pvt. Ltd.**

Registered Office : Kunvarji, B - Wing, Siddhivinayak Towers, Off. S.G. Road, Makarba, Ahmedabad - 380 051

Phone: +91 79 6666 9000 | Fax : + 91 79 2970 2196 | Email: info@kunvarji.com

Corporate Office : 05, Gr Floor & 1218-20 .12th Floor, Summit Business Bay,

Opp PVR Cinema, Near Western Express Highway-Metro Station,

Andheri (E), Mumbai - 400093.

CIN - U65910GJ1986PTC008979

000609/2023





## D & A FINANCIAL SERVICES (P) LIMITED

Merchant Banking & Corporate Advisory Services

Date: 28<sup>th</sup> June, 2023

To,  
The Board of Directors,  
Umang Dairies Limited,  
Gajraula Hasanpur Road,  
Gajraula Jyotiba Phule Nagar,  
Amroha, Uttar Pradesh 244235.

To,  
The Board of Directors,  
Bengal & Assam Company Limited,  
7, Council House Street Kolkata,  
West Bengal 700001.

To,  
The Board of Directors  
Panchmahal Properties Limited,  
Nehru House 4, Bahadur Shah Zafar Marg,  
New Delhi 110002

**Subject: Fairness Opinion for the purpose of Proposed Scheme of Arrangement between Umang Dairies Limited ('UDL'), Panchmahal Properties Limited ('PPL') and Bengal & Assam Company Limited ('BACL') and their respective Shareholders and Creditors.**

Dear Sir/s,

In connection with the Proposed Scheme of Arrangement involving Demerger of 'Dairy Business' of Umang Dairies Limited ('UDL') into Panchmahal Properties Limited ('PPL') & proposed amalgamation of Umang Dairies Limited ('UDL') (post proposed demerger of Dairy Business) with Bengal & Assam Company Limited (BACL) under the provisions of Sections 230 to 232 read with Section 66 of the Companies Act 2013 (the 'Scheme' or the 'Scheme of Arrangement').

We, M/s D & A Financial Services (P) Ltd, SEBI Registered Merchant Banker, having registration no. INM000011484, have been engaged by you to give our fairness opinion on the share entitlement ratio for demerger & share exchange ratio for amalgamation required under scheme recommended by registered valuer Niranjan Kumar, Registered Valuer-Securities or Financial Assets, IBBI Registration Number: IBBI/RV/06/2018/10137, ICAIRVO/06/RV-P000021/2018-19 (hereinafter referred to as "Valuer"), who is appointed as valuer for the proposed Scheme of Arrangement.



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Phone: +91 11 41326121, 40167038

E-mail: investors@dnafinserv.com, compliance@dnafinserv.com, valuation@dnafinserv.com, contact@dnafinserv.com  
Website: www.dnafinserv.com, Branch Office : Mumbai

CIN : U74899DL1981PTC012709



The scheme shall be subject to (i) Receipt of approval from the National Company Law Tribunal ("NCLT") and (ii) Other Statutory Approval(s) as may be required in this regard.

### 1. Scope and Purpose of the Opinion

The Management of Bengal & Assam Company Limited have engaged M/s D & A Financial Services (P) Ltd to submit report of fairness opinion to the Board of Directors on the proposed Scheme of Arrangement as defined above.

The Fairness Opinion is addressed to the Board of Directors of Umang Dairies Limited, Panchmahal Properties Limited & Bengal & Assam Company Limited. Further, this Fairness Opinion has been issued as per the requirements of SEBI circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Circular").

**Disclaimer:** We have assumed and relied upon the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the authorized representatives of management of Resulting Company for the purpose of this Opinion. We have not reviewed any other documents of the Company other than those stated herein. We have not assumed any obligation to conduct, nor have we carried out any independent physical inspection or title verification of the property, investments etc. interests of companies and accept no responsibility therefore.

We have not reviewed any internal management information statements or any non-public reports and instead with your consent we have relied upon information that was publicly available or provided or otherwise made available to us by management of resulting company for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threatened claims.

### 2. BRIEF BACKGROUND OF THE COMPANIES

(A) **Umang Dairies Limited** ("UDL"/ "Demerged Company" / "Amalgamating Company") is a public limited company, formerly incorporated as J.K. Dairy & Foods Limited under the Companies Act, 1956 (as amended) on 02<sup>nd</sup> December 1992, having its registered office at Gajraula Hasanpur Road, 3 Km Stone, Dist. Jyotiba Phuley Nagar, Amroha, Gajraula, Uttar Pradesh - 244235. The Demerged Company is primarily engaged in the dairy business, wherein it processes and sells milk and milk products ("Dairy Business"/ "Demerged Undertaking") The Corporate Identity Number ("CIN") of the Demerged Company is L15111UP1992PLC014942. Permanent Account Number ("PAN") of UDL is AAACJ1322R. Equity Shares of UDL



are publicly traded on the Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE"). The Amalgamating Company is a subsidiary of the Amalgamated Company (as defined hereunder) wherein Amalgamated Company owns 55.30% equity shareholding in the Amalgamating Company.

- (B) **Panchmahal Properties Limited** ("PPL"/"Resulting Company 1") is a public limited company incorporated under the provisions of the Companies Act, 1956 on 23<sup>rd</sup> May 1995, having its registered office at Nehru House 4, Bahadur Shah Zafar Marg New Delhi New Delhi - 110 002. The Resulting Company 1 is a wholly owned subsidiary company of BACL, incorporated on 23<sup>rd</sup> May 1995, having its registered office at Nehru House 4, Bahadur Shah Zafar Marg, New Delhi, 110002. The Corporate Identity Number ("CIN") of the Resulting Company is U74899DL1995PLC068913. Permanent Account Number ("PAN") of PPL is AAACP6666L. The Board of PPL in its meeting held on 03<sup>rd</sup> April, 2023, had approved shifting of registered office from Nehru House 4, Bahadur Shah Zafar Marg New Delhi New Delhi - 110 002 to the State of Uttar Pradesh. The same has also been approved by the shareholders of the PPL and currently an application for change of registered office is pending with office of Regional Director, Delhi. Pursuant to and with effect from the date of certificate of registration to be issued by the Registrar of Companies, Ministry of Corporate Affairs, Delhi, registering the Order of Regional Director, the registered office of PPL shall stand shifted from the state of Delhi to the State of Uttar Pradesh.
- (C) **Bengal & Assam Company Limited** ("BACL"/ "Amalgamated Company"/ "Resulting Company 2") is a public limited company incorporated under the provisions of the Companies Act, 1913 on 30<sup>th</sup> January 1947, having its registered office at 7, Council House Street Kolkata, West Bengal - 700 001. The Amalgamated Company is a Core Investment Company-Non-Deposit Taking-Systemically Important (CIC-ND-SI) registered with the Reserve Bank of India (RBI) vide registration number B-05.07048. Equity Shares of BACL are publicly traded on the Bombay Stock Exchange ("BSE"). CIN of the Amalgamated Company is L67120WB1947PLC221402. PAN of BACL is AABCB0970C. The Amalgamated Company holds 55.30% shares in the Amalgamating Company.

### 3. RATIONALE OF THE SCHEME

- a) Facilitate focused growth, concentrated approach, and increased operational focus for the Dairy business.
- b) Enable the structure for attracting strategic partners / investors for the Dairy business.
- c) Rationalization of operations with greater degree of operational efficiency and optimum utilization of resources.
- d) Amalgamation of the Demerged Company after giving effect of de-merger of Dairy business, with Amalgamated Company shall result in simplified and streamlined holding structure and help in optimizing the resources and thereby reducing the compliances.





- e) Reduction in management overlaps and reduction of legal and regulatory compliances and associated costs due to operation of multiple companies.

#### 4. Sources of Information

For arriving at the opinion set forth below, we have relied upon following documents:

- Draft Scheme of Arrangement between Umang Dairies Limited, Panchmahal Properties Limited & Bengal & Assam Company Limited.
- Valuation Report issued by registered valuer Mr. Niranjana Kumar having registration no. IBBI/RV/06/2018/10137.
- Audited Balance Sheet of Umang Dairies Limited, Panchmahal Properties Limited & Bengal & Assam Company Limited as on 31<sup>st</sup> March, 2023.
- Applicable Laws and Public Circulars under SEBI Regulations and applicable provisions of the Companies Act, 2013.

#### 5. Valuation Report.

Valuer have recommended fair exchange ratio on the basis of analysis and analytical review and relative valuation of the respective companies and opined that the share exchange ratio as described below is fair and reasonable for all the shareholders and the Companies involved in the Scheme:

##### A. For the proposed demerger of Dairy business into BACL.

*"1 (One) equity shares of BACL having face value of INR 10 each fully paid up shall be issued for every 92 (Ninety Two) equity shares held in UDL having face value of INR 5 each fully paid up."*

##### B. For proposed amalgamation of UDL (post proposed demerger) with BACL:

*"1 (One) equity shares of BACL having face value of INR 10 each fully paid up shall be issued for every 14,652 (Fourteen Thousand Six Hundred and Fifty Two) equity shares held in UDL having face value of INR 5 each fully paid up."*

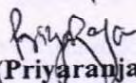


**6. Conclusion and Opinion**

On the basis of our scope and limitations mentioned in the report and based on our examination of the draft of the proposed scheme of arrangement and Valuation Report dated 28<sup>th</sup> June, 2023 given by registered valuer Mr. Niranjana Kumar having registration no. IBBI/RV/06/2018/10137 and on consideration of all the relevant factors as described herein above, we are of the opinion that the valuation done by the valuer for determining the share entitlement and share exchange ratio is fair and reasonable.

Thanking You

For **D & A Financial Services (P) Ltd**

  
(Priyaranjan)

**Vice President**

Place: New Delhi



## APPENDIX A

**EXCLUSIONS AND LIMITATIONS**

- Our conclusion is based on the information furnished to us being complete and accurate in all material respects.
- We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Companies.
- Our work does not constitute verification of historical financials or including the working results of the Companies referred to in this Opinion. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this Opinion.
- Our opinion is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the Scheme or any matter related therein.
- Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this Opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement.
- Our opinion 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 thereon.
- We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.
- We do not express any opinion as to the price at which shares of the Companies may trade at any time, including, subsequent to the date of this opinion.

