



# Tip Sons

**Date: January 2, 2014**

**The Board of Directors  
AksharChem (India) Limited  
166 / 169, Indrad Village,  
Kadi Kalol Road,  
Dist. Mehsana, Gujarat – 382 727**

**And**

**The Board of Directors  
Asahi Songwon Colors Limited  
167/168, Indrad Village,  
Kadi Kalol Road,  
Dist. Mehsana, Gujarat – 382 727**

**Dear Sirs,**

**Subject: Fairness Opinion on the Share Exchange Ratio for the Proposed Scheme of Arrangement between AksharChem (India) Limited and Asahi Songwon Colors Limited**

## 1. Background

AksharChem (India) Limited & Asahi Songwon Colors Limited have approached us for issue of a Fairness Opinion Certificate on the Share Exchange Ratio Report issued by M/s. B S R & Associates, Chartered Accountants, Mumbai (referred to in this document as “Valuer”), in respect of Scheme of Arrangement between AksharChem (India) Limited and Asahi Songwon Colors Limited, as required under Clause 24 (h) of the Listing Agreement.

## 2. Source of Information

For the purpose of issuing Fairness Opinion Certificate, we have relied upon the following documents;

- (i) Share Exchange Ratio Report issued by M/s. B S R & Associates, Chartered Accountants, Mumbai dated December 19, 2013.
- (ii) Audited Report of AksharChem (India) Limited and Asahi Songwon Colors Limited for the financial year 2010-11, 2011-12 and 2012-13.
- (iii) Audited Financials of AksharChem (India) Limited, “Green Division” of Asahi Songwon Colors Limited and Asahi Songwon Colors Limited for the half year ended on September 30, 2013.
- (iv) Management Certified Financial Projections of AksharChem (India) Limited and “Green Division” of Asahi Songwon Colors Limited.
- (v) Scheme of Arrangement.
- (vi) Such other information and explanations that have been provided to us by the management of AksharChem (India) Limited and Asahi Songwon Colors Limited.

CERTIFICATE OF FAIRNESS OPINION

For, ASAHISONGWONCOLORSLIMITED,

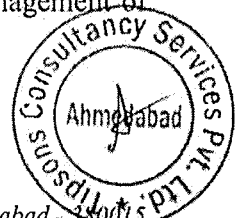
*Rajiv*

**Tipsons Consultancy Services Pvt. Ltd.**

(MERCHANT BANKER, SEBI Regn. No. INM00011849)

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### 3. Exclusions and Limitations

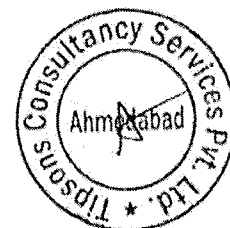
- (i) We have relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by AksharChem (India) Limited and Asahi Songwon Colors Limited. We have therefore relied upon all specific information as received and decline any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information.
- (ii) This Fairness Opinion Certificate have been prepared with an objective to give an opinion on Fairness of the share exchange ratio as suggested in the Exchange Ratio Report made out by the Valuer for the purpose of the said scheme of arrangement and, therefore, the values contained in this Report have no relevance for purposes other than those related to the scheme of arrangement.
- (iii) We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out herein in this report.

### 4. Scheme of Arrangement

The Scheme of Arrangement provides for Demerger of "Green Division" of Asahi Songwon Colors Limited into AksharChem (India) Limited.

### 5. Background of the Companies

- a. AksharChem (India) Limited is a public limited listed company, which was incorporated on July 04, 1989 with Company Registration No. 04-012441 (CIN L24110GJ1989PLC012441), having its registered office at 166/169, Indrad Village, Kadi Kalol Road, Mehsana, Gujarat – 382 727. It is primarily engaged in the business of manufacturing of dyes and intermediates. The principle products of the company is vinyl sulphone, which is used in manufacturing of reactive dyes, which has application in color, paint, pigments, rubber, textiles, plastics and leather. The equity shares of the company are listed on BSE Limited (BSE) and Ahmedabad Stock Exchange Limited (ASE).
- b. Asahi Songwon Colors Limited is a public limited listed company, which was incorporated on December 19, 1990 with Company Registration No. 04-014789 (CIN L24222GJ1990PLC014789), having its registered office at 167/168, Village Indrad, Kadi Kalol Road, Mehsana, Gujarat – 382 727. The Company is engaged in manufacturing of phthalocyanine pigments. The company's products comprises of Pigment Green – 7, Beta Blue and CPC Blue Crude, The "Green Division" of the company produces Green – 7 product. The equity shares of the company are listed on BSE Limited and National Stock Exchange of India Limited.



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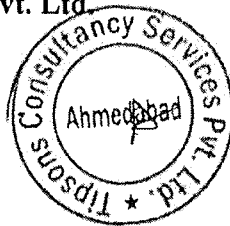
## 6. Fairness Opinion on Share Exchange Ratio Report

We have reviewed the methodologies used by the Valuer for providing their opinion on the Share Exchange Ratio and also reviewed the underlying assumptions adopted to arrive at the Share Exchange Ratio. We are of the opinion that, as of the date hereof, the following Share Exchange Ratio is "Fair" to the equity shareholders.

"5 (Five) equity shares of AksharChem (India) Limited of INR 10/- each fully paid up for every 26 (Twenty Six) equity shares of Asahi Songwon Colors Limited of INR 10/- each fully paid up".

For, Tipsons Consultancy Services Pvt. Ltd

*Avinash Kothari*  
Avinash Kothari  
VP & Head – Merchant Banking



CERTIFIED TRUE COPY

For, ANA... ..

*Rajiv...*  
COMRA... ..

**Tipsons Consultancy Services Pvt. Ltd.**

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