

FAIRNESS OPINION

ON

Recommendation of Security Exchange Ratio

for the

**Proposed Amalgamation ('Proposed Transaction' / 'Amalgamation') of
Megraj Holdings Private Limited ("MHPL" / 'Transferor Company') with
Green Gold Animation Private Limited ("GGAPL" / "Transferee Company") and
Their Respective Shareholders and Creditors**

By

akasam Consulting Private Limited

**(SEBI Registered Category I Merchant Banker SEBI
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Notice to Reader

akasm Consulting Private Limited is a SEBI registered 'Category I' Merchant banker in India and was engaged by board of directors of MHPL (as defined below) to prepare a fairness Opinion (as defined below) with respect to fairness of valuation and swap ratio determined by the Valuer (as defined below), an Independent Valuer for the purpose of Proposed Transaction (as defined below).

The Fairness Opinion ('Opinion') has been prepared on the basis of the review of information provided to akasm and specifically the Valuation cum recommendation of Security Exchange Ratio report (Valuation report) by Registered valuer (RV) dated 30th December, 2023. The Report does not give any valuation or suggest any shares or NCDs entitlement; however, this Report is limited to provide its fairness opinion on the Valuation report by RV.

The information contained in this Opinion is selective and is subject to updates, expansions, revisions and amendments. 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 Opinion is based on data and explanations provided by the management and certain other data pulled out from various websites believed to be reliable. akasm has not independently verified any of the information contained herein. Neither GGAPL nor akasm, nor affiliated body corporates, 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 Opinion. 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 Opinion or based on or relating to the recipients' use of this Opinion.



Date: 30th December, 2023

To,
**The Board of Directors
Green Gold Animation Private Limited
Office No. A1101, The Platina, 11th Floor,
A Block, Gachibowli, Hyderabad,
Telangana-500032**

To,
**The Board of Directors
Megraj Holdings Private Limited
Office No. A1101, The Platina 11th Floor,
A Block Gachibowli, Hyderabad,
Telangana- 500032**

Dear Members of the board of directors,

Engagement Background

We understand that the board of directors of Green Gold Animation Private Limited (“GGAPL” or the “Transferee Company”) and Megraj Holdings Private Limited (“MHPL” or the “Transferor Company”) are considering a scheme of amalgamation between GGAPL and MHPL and their respective shareholders and creditors (“Proposed Transaction” / “Amalgamation”) under the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 (“Act”), 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 such amalgamation on a going concern basis (“Scheme”) with Appointed Date as of 1st July, 2023. GGAPL and MHPL are collectively referred as “Companies”.

In connection with the Proposed Transaction, the fair value of Equity Share of MHPL and GGAPL shall be arrived at, then exchange ratio shall be determined. The exchange ratio shall suggest the number of GGAPL shares to be issued to shareholders of MHPL consequent to amalgamation of MHPL with GGAPL.

We understand that the Equity shares and non-convertible Debentures (“NCDs”) entitlement is based on the Valuation cum recommendation of Security Exchange Ratio report (Valuation report) dated 30th December 2023 issued by CS Venkata Subbarao Kalva, Insolvency Professional & Registered Valuer (RV) (IBBI Regn No: IBBI/RV/04/2019/11140).

We, akasam Consulting Private Limited (“akasam” / “ACPL” or “Authors of the Opinion), a Securities and Exchange Board of India (“SEBI”) registered Category-| Merchant Banker, have been engaged by MHPL to give a fairness opinion (“Opinion”) on the valuation report by RV.



Background of the Companies

Megraj Holdings Private Limited (Transferor Company/MHPL)

Asset Being Valued	Equity Shares and NCDs
Name of the Company	Megraj Holdings Private Limited
Date of incorporation	27 th September, 2022
Registered Office	Office No. A1101, The Platina 11th Floor, A Block Gachibowli, Hyderabad, Telangana- 500032
Status of the company	Private Limited Company

The Transferor Company is engaged in the business of inter alia providing financial services, management and consultancy services, business development and other advisory services relating to investments coming in and flowing from India. The Secured, Redeemable, Rated Non-Convertible Debentures issued and allotted on private placement basis by the Transferor Company are listed on the wholesale debt market segment of BSE Limited.

Equity Shareholding of Megraj Holdings Private Limited as on 30th September 2023

S.No.	Name	No. of Shares held	Face Value per share	% of Shareholding
1.	Megha Chilakalapudi W/o Sitarama Rajiv Chilakalapudi	9100	10	91%
2.	Sitarama Rajiv Chilakalapudi	900	10	9%
	Total	10,000	10	100%

NCD Holdings in Megraj Holdings Private Limited as on 30th September, 2023

S. No.	Name	No. of NCD held	Face Value per NCD	% of Shareholding
1.	ADM Capital Limosa Fund II LP	14000	100000	100%
	Total	14000	100000	100%



GREEN GOLD ANIMATION PRIVATE LIMITED (Transferee Company/GGAPL):

Asset Being Valued	Equity Shares and NCDs
Name of the Company	Green Gold Animation Private Limited
Date of incorporation	23 rd February,2004
Registered Office	Office No. A1101, The Platina, 11th Floor, A Block, Gachibowli, Hyderabad, Telangana-500032
Status of the company	Private Limited Company

The Transferee Company is inter-alia engaged in the business of producing animation content in 2D and 3D multimedia and other kinds of animations and to provide the consultancy services.

Equity Shareholding Pattern of Green Gold Animation Private Limited as on 30th September 2023

S. No.	Name	No. of Shares held	Face Value per share	% of Shareholding
1.	Sitarama Rajiv Chilakalapudi	24,50,000	10	50%
2.	Kazoom Holding Private Limited	24,50,000	10	50%
	Total	49,00,000	10	100%

NCD Holdings in Green Gold Animation Private Limited as on 30th September 2023

S. No.	Name	No. of NCD held	Face Value per NCD	% of Shareholding
1.	ADM Capital Limosa Fund II LP	2000	100000	100%
	Total	2000	100000	100%



Transaction Overview and Rational

The proposed amalgamation is beneficial, advantageous and not prejudicial to the interest of the shareholders, creditors and other stakeholders. The proposed Amalgamation of the Transferor Company into the Transferee Company intends and seeks to achieve flexibility and integration of size, scale and financial strength. Therefore, the management of the Transferor Company and the Transferee Company believe that this Scheme shall benefit the respective companies and other stakeholders of respective companies, inter-alia, on account of the following reasons:

1. The amalgamation will enable pooling of resources of the companies involved in amalgamation to their common advantage, resulting in more productive utilization of the said resources and achieving economies of scale resulting into cost and operational efficiencies, which would be beneficial for all the stakeholders.
2. The amalgamation is expected to provide greater efficiency in cash management of the amalgamated entity, and efficient deployment of cash flow generated by the business for growth opportunities;
3. The amalgamation would result into simplification of the group structure by eliminating multiple entities and would bring greater management focus and would help in achieving uniform corporate policies and faster/ effective decision making and its implementation.
4. The amalgamation would help avoid duplication of regulatory and procedural compliances and consequently result into saving of time, resources and cost involved in such compliances.
5. The amalgamation would strengthen the net worth of the combined business to capitalize on future growth potential. The amalgamation will enable efficient service and redemption of the NCDs issued by the Companies.
6. Cost savings are expected to flow from more focused operational efforts, standardization and simplification of business processes and the elimination of duplication, and rationalization of administrative expenses.
7. By amalgamation, Transferor Company and Transferee Company seek to diversify their market presence and product/service offerings. This broader portfolio will enhance the ability to navigate changing market dynamics, reduce dependency on specific sectors, and mitigate risks associated with market fluctuations.



Information relied upon:

We have prepared the Opinion on the basis of the information provided to us and *inter alia* the following:

- Valuation Report dated 30th December, 2023 prepared by RV;
- Audited financial statements for three years i.e. 2022-23, 2021-22, 2020-21 and audited/limited review financial statements for the half year ended 30th September, 2023
- Income and Balance Sheet Projections from 1st October 2023 to 31st March 2028 of GGAPL
- Management Representation Letter dated 29th December, 2023
- Shareholding Pattern as on Valuation date i.e 30th September, 2023
- Credit rating of MHPL and GGAPL
- Draft Scheme of Amalgamation between MHPL and GGAPL
- General Profile of both the companies
- Other information available in public domain www.mca.gov.in
- Other information and explanations as provided by the management

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

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed to be good and marketable and we would urge GGAPL to carry out the independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment.

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

Valuation Summary:

The Board of Directors of MHPL and GGAPL has appointed Mr. Venkata Subbarao Kalva ("Valuer") as Registered Valuer (Securities or Financial Assets) having Regn No: IBBI/RV/04/2019/11140 on 12th December 2023 to recommend the fair share exchange ratio and non-convertible debenture exchange ratio (together referred as Security Exchange Ratio) in relation to the proposed transaction of MHPL with GGAPL (hereinafter jointly referred to as "Companies") as required under the provisions of the Companies Act 2013 and rules made thereunder, and also various Circulars issued by Stock Exchange Board of India (SEBI) up to date.



The Valuer has recommended the following Security Exchange Ratio in relation to the Proposed Transaction:

Equity Shares Exchange ratio / Swap ratio

1 (One) full paid-up Equity Share of GGAPL of Rs. 10/- each for every 58.262 Equity Shares of Rs. 10/- each to be issued to MHPL shareholders.

Fractions, if any, arising out of such allotment shall be rounded off to the nearest whole number.

We refer to clause 7 of the draft Scheme as provided to us by the management, which provides for the consideration for the Amalgamation are as follows:

Upon coming into effect of this Scheme and in consideration of the amalgamation of the Transferor Company in the Transferee Company, the Transferee Company shall, without any further application, act or deed, issue and allot to the shareholders of the Transferor Company whose names are recorded in the register of members as a member of the Transferor Company on the Record Date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company), as provided above.

NCDs Exchange ratio / Swap ratio

1 (One) fully paid-up NCD of GGAPL of face value of Rs. 1,00,000/- each to be issued for every 1 (One) fully paid-up NCD of face value of Rs. 1,00,000/- each held in MHPL.

We refer to Clause 4 of the draft Scheme, whereby whole of the Undertaking, properties, assets and liabilities of MHPL shall be transferred and vested in GGAPL. Accordingly, holders of the NCDs of MHPL shall be entitled to receive the NCDs in GGAPL on the same terms (including the coupon rate, tenure, redemption price and quantum, nature of security, etc.). Therefore, for the purpose of issuance of NCDs by GGAPL, non-convertible debenture (NCD) exchange ratio is determined as provided above.

Further we concur with the views of the Valuer that, as per the Scheme, holders of the NCDs of MHPL will hold NCDs of GGAPL, with the same terms. Thus, upon the Scheme becoming effective, the beneficial economic interest of the NCD holders of MHPL in the NCDs of GGAPL would be same and therefore the Proposed Transaction shall be value-neutral to the NCD holders of MHPL. Accordingly, the fair value of NCDs of is not relevant for the present exercise.



Exclusions and Limitations

Our opinion and analysis are limited to the extent of review of the Valuation report by RV and the draft Scheme. In connection with the opinion, we have

- A) Reviewed the draft Scheme.
- B) Review Valuation Report by RV
- C) Reviewed audited financials for GGAPL for the year ended on 31st March, 2023.
- D) Reviewed audited financials for MHPL for the year ended on 31st March, 2023.
- E) Reviewed unaudited financials for GGAPL and MHPL for the period ended on 30th September, 2023.
- F) 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.
- G) Sought various clarifications with the respective senior management teams of GGAPL and MHPL.
- H) Reviewed such other information and explanations as we have required and which have been provided by the management of GGAPL and MHPL.

This Opinion is intended only for the sole use and information of GGAPL and MHPL in connection with the Scheme, including for the purpose of obtaining judicial and regulatory approvals for the Scheme or the purpose of complying with the SEBI regulations and requirement of stock exchanges on which the NCD of MHPL is listed, 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 business of either MHPL and/or GGAPL 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, akasam has relied on the Valuation Report prepared by RV for the proposed Scheme of MHPL and GGAPL and their respective shareholders and creditors and information and explanation provided to it, the accuracy whereof has not been evaluated by akasam. akasam's work does not constitute certification or due diligence of any past working results and akasam has relied upon the information provided to it as set out in working results of the aforesaid reports.

akasam has not carried out any physical verification of the assets and liabilities of the Companies and takes no responsibility for the identification and availability of such assets and liabilities.



We hereby give our consent to present and disclose the Opinion in the general meetings of the shareholders of MHPL and GGAPL and to the stock exchanges and to the Registrar of Companies and other appropriate authorities. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed Scheme 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 Opinion is selective and is subject to updates, 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 Report issued by RV for the proposed Scheme between MHPL and GGAPL and their respective shareholders and creditors, 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 to the information used for any reason, which may occur subsequent to this date.

We have assumed that there will not be any material changes to the draft Scheme shared with us.

We do not express any opinion as to any tax or other consequences that might arise from the Scheme on MHPL, GGAPL and their respective shareholders and creditors, 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 MHPL, GGAPL and/or their associates/ subsidiaries, are or may be party.

The Companies have 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 Fairness Opinion:

Based upon valuation carried out by the Valuer, we are of the opinion that the purpose of the Proposed Transaction is fair from a financial point of view.

The fairness of the Proposed Transaction is tested by:

- (1) Considering whether the valuation methods adopted by the Valuer depict a correct picture; and
- (2) Considering qualitative factors such as economies of scale of operations, synergy benefits that may result from the Proposed Transaction.

The rationale as explained above, as assumed by the Valuer is justified.

In the circumstances having regard to all relevant factors and on the basis of information and explanations given to us, we are in opinion as of the date hereof that, the Security Exchange Ratio, as recommended by the Valuer is fair. 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 Opinion on Valuation Report by RV.

For akasam Consulting Private Limited

M. P. Naidu



M P Naidu
Vice President

Date: 30th December, 2023

Place: Hyderabad