

Fairness Opinion on the Scheme of Amalgamation

GeeCee Logistics & Distributions Private Limited

with

GeeCee Ventures Limited



KJMC Corporate Advisors (India) Limited

162, 16th Floor, Atlanta Building,
Nariman Point, Mumbai 400 021

✉: www.kjmc.com

KJMC CORPORATE ADVISORS (INDIA) LTD.

(Formerly : KJMC Global Market (India) Ltd.)
Merchant Banker : SEBI Registration No : MB/INM000002509



June 15, 2015

The Board of Directors,
GeeCee Ventures Limited
209-210 Arcadia Building,
2nd Floor, Plot No. 195,
Mumbai - 400 021

Dear Sirs,

Sub: Fairness Opinion on the Scheme of Amalgamation of GeeCee Logistics & Distributions Private Limited with GeeCee Ventures Limited

1. SCOPE & PURPOSE OF THIS REPORT

The management of GeeCee Ventures Limited has appointed KJMC Corporate Advisors (India) Limited ("KJMC"), Category I Merchant Banker registered with SEBI having its Permanent Registration No. INM000002509, vide the Engagement Letter dated June 8, 2015 to issue a 'Fairness Opinion' on the Scheme of Amalgamation of GeeCee Logistics & Distributions Private Limited, wholly owned subsidiary, with GeeCee Ventures Limited, holding company.

The Draft Scheme of Amalgamation ("the Scheme") provides for the amalgamation of GeeCee Logistics & Distributions Private Limited, wholly owned subsidiary ("Transferor Company" / "GeeCee Logistics") with GeeCee Ventures Limited, holding company ("Transferee Company" / "GeeCee Ventures") pursuant to Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and pursuant to the applicable provisions under the Companies Act, 2013 upon enforcement of such provisions.

The Fairness Opinion has been issued to facilitate the Transferee Company to comply with Clauses 24(f) and 24(h) of the Listing Agreement and SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 valid for the purpose of amalgamation.

2. BRIEF BACKGROUND OF THE COMPANIES UNDER REFERENCE

a. Transferee Company

GeeCee Ventures was incorporated on February 14, 1984 as Shubham Aromatics Private Limited. On October 1, 1985 the company was converted into a public limited company and consequently, the name was changed to Shubham Aromatics Limited. The name of the Company was then changed to "Gwalior Chemical Industries Limited" on May 3, 1993.



Regd. office :- 162, 16th Floor, Atlanta, 209, Nariman Point, Mumbai - 400 021.

Tel.: +91-22-2288 5201-2, 4094 5500 ● Fax: +91-22-2285 2892 ● Email: info@kjmc.com ● Website: www.kjmc.com

CIN : L67120MH1998PLC113888

The company was into the business of manufacturing and marketing of specialty chemicals, catering to both the domestic and exports customers in the agrochemicals, paints and coatings, dyes and flavour & fragrance industries. In August 2009, as a part of diversification strategy adopted by the company, it sold its main manufacturing unit at Nagda, Madhya Pradesh to Lanxess (India) Pvt Limited. Post the transfer of the chemical business, the name of the company was changed to GeeCee Ventures Limited.

The company is currently developing a Residential cum Commercial Project at Ghansoli, Navi Mumbai. GeeCee Ventures is listed on the BSE Ltd and National Stock Exchange of India Ltd.

Shareholding Pattern of GeeCee Ventures as on March 31, 2015 is as under:

Category	Shareholding of Equity Shares (%)
Promoters	63.70
Public	36.30

Board of Directors at their Meeting held on July 23, 2014 approved the allotment of 27,00,000 Warrants to Promoter Category, convertible into equity shares of Rs. 10/- each fully paid up at price of Rs. 36/- (including premium of Rs. 26/-), on preferential basis.

Summary Financials of GeeCee Ventures for last three financial years ending March 31, on consolidated basis are as under:

			₹ Lakhs
Particulars	2015	2014	2013
Total Revenue	5,970.40	6,510.17	3,875.87
Total Expenditure	5,096.94	5,529.59	2,737.12
Profit Before Tax	873.46	980.58	1,138.75
Profit After Tax	1,349.32	729.20	799.84

Figures are inclusive of Exceptional / Extraordinary items.

b. Transferor Company

GeeCee Logistics & Distributions Private Limited was incorporated as GCV Trading Private Limited, on January 18, 2010 with its registered office at 209-210, Arcadia Building, 2nd Floor, 195, Nariman Point, Mumbai 400 021. It is a wholly owned subsidiary of GeeCee Ventures Limited. The name of the company was changed to GeeCee Logistics & Distributions Private Limited on April 28, 2011.

Earlier, the company was engaged in trading in Steel. Presently, the company is in the business of leasing of Construction Equipments.



The shareholding pattern as on March 31, 2015 is as under:

Category	Shareholding of Equity Shares (%)
Promoter (GeeCee Ventures and its Nominees)	100

Summary Financials of GeeCee Logistics for last three financial years ending March 31 are as under:

			₹ Lakhs
Particulars	2015	2014	2013
Total Revenue	101.00	59.58	132.54
Total Expenditure	153.16	61.87	178.55
Profit / (Loss) Before Tax	(52.16)	(2.29)	(46.01)
Profit / (Loss) After Tax	(51.29)	(2.41)	(46.01)

3. SCHEME OF AMALGAMATION

We understand that the Board of Directors of GeeCee Ventures in its meeting held on March 30, 2015 considered and approved the Scheme of Amalgamation of GeeCee Logistics & Distributions Private Limited, wholly owned subsidiary with GeeCee Ventures Limited, holding company. The Scheme pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and relevant provisions of Companies Act, 2013 provides for the amalgamation of GeeCee Logistics with GeeCee Ventures. As per the Scheme:

- With effect from the Appointed Date, April 1, 2014 the whole of undertaking of GeeCee Logistics will be merged with GeeCee Ventures.
- Since the entire share capital of Transferor Company is held with the Transferee Company, no consideration shall be payable to the shareholders of Transferee Company for the amalgamation of Transferor Company with Transferee Company.
- The entire business of the Transferor Company, as a going concern and all assets and liabilities shall be transferred to and vested in the Transferee Company subject to all charges, liens, mortgages, if any, affecting the same or any part thereof.
- The Transferor Company being a wholly owned subsidiary of the Transferee Company, no shares shall be issued pursuant to the Scheme and shares held by the Transferee Company in the Transferor Company will be cancelled.



- v. On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up.

4. RATIONALE FOR AMALGAMATION

The Transferor Company is a wholly owned subsidiary of the Transferee Company. The amalgamation of the Transferor Company with the Transferee Company will inter alia result in the following benefits to the Transferee Company:-

- i. The amalgamation will enable the Transferee Company to consolidate the business and lead to synergies in operation and create a stronger financial base;
- ii. The single amalgamated company would have the advantage of combined activities and operations of both companies for synergistic linkages thus benefitting from combined resources;
- iii. The amalgamation would result in merger and consequent consolidation of businesses of both companies – GeeCee Logistics and GeeCee Ventures in a single entity. This would benefit shareholders of the merged company by the result of amalgamation of business and availability of common operating platform;
- iv. This amalgamation will give the opportunity to build a stronger sustainable business and enable optimal utilization of resources by leveraging combined assets, capabilities, experience, expertise and infrastructure of both companies. The amalgamated entity will have availability of sufficient funds to meet its long term capital needs as per the provisions of the Scheme;
- v. The Scheme will enable capitalizing on each other's core competency and resources resulting in stability of operations, cost savings and higher profitability levels for the combined entity;

5. BASIS OF VALUATION

Since entire equity share capital of the Transferor Company is held by the Transferee Company, upon amalgamation, no shares are proposed to be issued by the Transferee Company to the shareholders of Transferor Company. Accordingly, no valuation process is applicable to the Scheme.

6. SOURCES OF INFORMATION

We have relied on the following Information in issuing this Fairness Opinion for the purpose of Amalgamation:



- i. Copy of the Memorandum and Articles of Association of GeeCee Ventures and GeeCee Logistics
- ii. Audited Financial Statements of GeeCee Logistics for the last three years as at 31st March 2015, 31st March 2014 and 31st March 2013
- iii. Audited Financial Statements of GeeCee Ventures for last two years as at 31st March 2014 and 31st March 2013 and Audited Financial Results for the Year ended 31st March, 2015 as per Clause 41 of the Listing Agreement
- iv. Draft Scheme of Amalgamation of GeeCee Logistics with GeeCee Ventures
- v. Shareholding Pattern as on March 31, 2015 of GeeCee Ventures and GeeCee Logistics
- vi. Certificate of Exchange Ratio dated June 5, 2015 issued by M/s Sanjay Raja Jain & Co., Chartered Accountants, Mumbai
- vii. Information gathered from the website of the GeeCee Ventures and public domain
- viii. Such other information, documents, data, reports, discussions and verbal & written explanations from the management of GeeCee Ventures as were considered relevant for the purpose of Fairness Opinion.

7. FAIRNESS OPINION

GeeCee Logistics is a wholly owned subsidiary of GeeCee Ventures and is now amalgamating with its parent company, GeeCee Ventures. There are no new shares to be issued as the entire equity share capital of GeeCee Logistics is held by GeeCee Ventures. No consideration shall be payable / dischargeable to the shareholders of GeeCee Logistics for the aforesaid amalgamation. On the Scheme becoming effective, GeeCee Logistics shall be dissolved without being wound up. There will be no change in the shareholding pattern of GeeCee Ventures, the publicly listed company and the shareholders of GeeCee Ventures will continue to remain the beneficial owners of GeeCee Ventures in the same proportion as they held prior to the Scheme. Further, according to the Certificate of Exchange Ratio issued by M/s. Sanjay Raja Jain & Co., Chartered Accountants, no valuation process is applicable the Scheme. Considering this, there is no Equity Share Entitlement Ratio prescribed for the proposed transaction.

Based on the above, subject to the caveats as detailed herein below, we are of the opinion that the proposed amalgamation of GeeCee Logistics with GeeCee Ventures as per the Scheme of Amalgamation is fair and reasonable.



8. RELIANCE AND LEGAL DISCLAIMER

This Report is prepared by KJMC under a mandate from Transferee Company on the basis of information, documents, papers, and explanations given by the management, officers, and executives of Transferee Company to KJMC. In the preparation of this Opinion, KJMC has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the data provided by Transferee Company. KJMC has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. Publicly available information deemed relevant for the purpose of the analysis contained in the Fairness Opinion has also been used. Therefore the Fairness Opinion is based on our interpretation of the information provided by Transferee Company including its representatives and advisors, as supplied to us to date. KJMC has also considered draft Scheme of Amalgamation as furnished. It is assumed that the Amalgamation will be consummated in accordance with the expected terms and within the expected time periods.

No investigation for claim to title of assets of the Transferor Company and Transferee Company has been made by us for the purpose of this Report and claim of the Transferor Company and Transferee Company to such rights has been assumed to be valid. No responsibility whatsoever is assumed for matters of a legal nature. Our report is not and should not 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/or capital market related laws or as regards any legal implications or issues arising from such proposed Amalgamation.

Our opinion also does not address any matters otherwise than as expressly stated herein including but not limited to matters such as corporate governance matters, shareholder rights or any other equitable considerations.

KJMC has not provided any accounting, tax or legal advice to Transferee Company. Fairness Opinion should not be construed as investment advice or any form of recommendation either for making or divesting investment in any of the companies involved in the scheme of amalgamation. We do not express any opinion on the suitability or otherwise of entering into the proposed transaction. KJMC 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.

We express no opinion whatsoever and make no recommendation at all to the companies underlying decision to effect the proposed Scheme or as to how the holders of the equity shares or secured or unsecured creditors of the Companies should vote at the respective meetings held in connection with the proposed Scheme. We do not express and should be deemed to have expressed any views on any other term of the proposed Scheme. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of GeeCee Ventures will trade following the announcement of the Scheme or as to the financial performance of GeeCee Ventures following the consummation of the proposed Scheme.



This Opinion is necessarily based on various factors and conditions and the written and oral information made available to us as of the date hereof. The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. This opinion is issued on the understanding that the Management of Transferee Company under the scheme has drawn our attention to all matters of which they are aware, which may have an impact on our Opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Report.

We have not independently investigated or otherwise verified the data provided. There may be matters, other than those noted in this scheme of amalgamation, which might be relevant in the context of the transaction and which a wider scope might uncover.

We have no present or planned future interest in Transferee Company or in any of its subsidiaries / associate companies and the fee payable for this Report are not contingent upon the opinion reported herein. We may currently or in the future, provide investment banking and / or other financial related services to the Transferee Company and/or its subsidiaries or their respective affiliates that are unrelated to the proposed Scheme, for which services we may receive customary fees. Our engagement and the Opinion expressed herein are for the benefit of the Board of Directors of the Transferee Company in connection with its consideration of the proposed scheme of amalgamation and for none other. Neither KJMC nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied as to the information and documents provided to us, based on which this Opinion has been Issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.

This report has been issued for the sole purpose to facilitate the Company to comply with Clauses 24(f) and 24(h) of the Listing Agreement and SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 and not for any other purpose. This report is issued on the understanding that it is solely for the use of the persons to whom it is addressed i.e. Board of Directors of Transferee Company and for the purpose described above. We will not be liable or responsible to any person other than those to whom it is addressed. The information contained herein and this Opinion is absolutely confidential. The report must not be made available or copied in whole or in part to any other person without our express written permission.

For KJMC Corporate Advisors (India) Ltd.


Kaushal Patwa

AVP - Investment Banking



Ghanshyam M. Kapadia

Manager - Investment Banking