

March 31, 2016

To
The Board of Directors
Gillanders Arbuthnot and Company Limited
C-4, Gillander House
Netaji Subhas Road
Kolkata – 700 001

Dear Sirs / Madam,

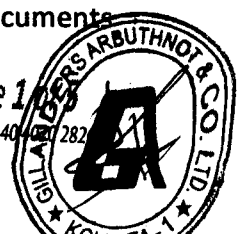
Sub: Fairness Opinion on Valuation Report issued by M/s ARSK & Associates, Chartered Accountants, dated 31 March 2016 on valuation of the Chemical ('Waldies') Division of Gillanders Arbuthnot and Company Limited ("GACL" or the "Company") and consideration to be discharged by Barfani Builder Limited ("BBL") under a proposed Scheme of Arrangement for Reconstruction by transfer of Chemical ('Waldies') Division to BBL pursuant to Sections 391 and 394 of the Companies Act, 1956.

We, Sumedha Fiscal Services Limited, a SEBI registered Category I Merchant Banker, having registration No. INM000008753 have been appointed by Gillanders Arbuthnot and Company Limited having its registered office at C-4 Gillander House, Netaji Subhas Road, Kolkata – 700 001, West Bengal (hereinafter referred to as the "GACL" or the "Company") to provide the fairness opinion on the valuation report dated 31.03.2016 issued by M/s ARSK & Associates, Chartered Accountants, having their office at 22 R. N. Mukherjee Road, Kolkata – 700 001 (hereinafter referred to as the "Valuer"), who were the appointed Valuer for carrying out a fair valuation of the Chemical ('Waldies') Division of GACL and consideration to be discharged by Barfani Builder Limited (hereinafter referred to as the "BBL") under a proposed Scheme of Arrangement for Reconstruction by transfer of Chemical ('Waldies') Division to BBL pursuant to Sections 391 and 394 of the Companies Act, 1956 (hereinafter referred to as the "Proposed Scheme").

Scope and Purpose of the Opinion

The management of the Company has appointed Sumedha Fiscal Services Limited ("SFSL") to submit a report on the fairness of valuation of the Chemical ('Waldies') Division of GACL and consideration to be discharged by BBL under the proposed scheme of arrangement as aforesaid. This report should not be used for any other purpose. Scope of work of this report includes commenting only on the fairness of valuation and consideration recommended by the Valuer and not on the fairness or economic rationale of the reconstruction per se.

The report is addressed to the Board of Directors of GACL. This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the report is to be read in totality, nor in parts and in conjunction with the relevant documents.



referred herein. The same has been issued as per the requirements of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

The purpose of the opinion is to safeguard the interest of the shareholders of GACL and this opinion shall be made available to the Board of Directors/Shareholders/Stakeholders of GACL to facilitate their approval to the proposed Scheme and to any other relevant authority.

Brief background of the Companies / Division under reference

“GACL” means Gillanders Arbuthnot and Company Limited, a Company incorporated under the provisions of the Companies Act, 1913 and being a Company within the meaning of the Companies Act, 2013 having its registered office at C-4, Gillander House, Netaji Subhas Road, Kolkata - 700 001 in the State of West Bengal. GACL is listed at BSE Limited (BSE), The Calcutta Stock Exchange Limited (CSE) and The National Stock Exchange of India Limited (NSE), comprising of six divisions. Chemical (Waldies) division is primarily consisting of the manufacture of lead oxide, white lead, lead salts and metallic stearates.

“Chemical (‘Waldies’) Division” is a division of GACL engaged in the business of manufacture of Lead Oxides and Polyvinyl Chloride (PVC) Stabilisers as a going concern and shall include all property, rights and powers and all debts, liabilities, duties and obligations of GACL comprised in and/ or relating to the Chemical Division.

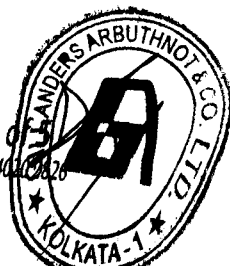
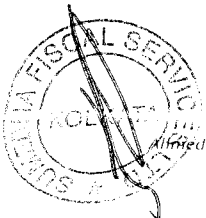
“BBL” means Barfani Builder Limited, a company incorporated under the provisions of the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013, having its registered office at 15/11/B, Chowbaga Road, Kolkata - 700 039 in the State of West Bengal.

We have been informed that subject to and upon approval of the Scheme by the Boards of Directors of GACL and BBL, Equity Shares constituting 99.99% of the total Issued, Subscribed and Paid up Share Capital of BBL will be acquired by GACL and its nominees and the registered office of BBL will be shifted to C-4, Gillander House, Netaji Subhas Road, Kolkata 700 001.

Sources of Information

We have received the following information from the management of GACL for the purpose of our opinion:

1. Proposed Scheme of Arrangement under Sections 391 and 394 of the Companies Act, 1956 between Gillanders Arbuthnot and Company Limited and Barfani Builder Limited for the purpose of the Scheme, and their respective Shareholders and Creditors.



2. Final Valuation Report dated 31.03.2016, issued by M/s ARSK & Associates, Chartered Accountants.
3. Valuation Report dated 31.03.2016, issued by M/s N. K. Chakravarty & Company towards the market value of Fixed Assets of Chemical ('Waldies') Division of GACL as referred to and is being relied upon in the report of M/s ARSK & Associates, Chartered Accountants.
4. Audited financial information relating to GACL and BBL, for the year ended March 31, 2015.
5. Current shareholding pattern of GACL and BBL.
6. Copy of Memorandum and Article of Association of GACL and BBL.
7. Such other information, documents, data, reports, discussions and verbal & written explanations from GACL for the proposed scheme, public domain websites, as were considered relevant for the purpose of the Fairness Opinion.

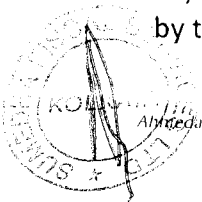
Approach followed by the Valuer for Valuation

The business valuation of the Chemical ('Waldies') Division has been done by the Valuer M/s ARSK & Associates, Chartered Accountants by using the Discounted Cash Flow (DCF) and Net Asset Value (NAV) Method of Valuation considering the appointed date as 1st April, 2015 for the Reconstruction. Such business valuation of the Valuer, M/s ARSK & Associates, Chartered Accountants also took into consideration the market value of Fixed Assets of the Chemical ('Waldies') Division as undertaken by M/s N. K. Chakravarty & Company.

Fairness Opinion

We have reviewed the methodology adopted as above by M/s ARSK & Associates, Chartered Accountants and M/s N. K. Chakravarty & Company in their respective reports. The valuation of Chemical ('Waldies') Division has been ultimately arrived at by the Valuer, M/s ARSK & Associates, Chartered Accountants applying weighted average consisting of both NAV method as well as DCF method. Based on the above they have determined the fair value of the Chemical ('Waldies') Division to be Rs.14,68,00,000/-. Further, the valuation of Equity Shares of BBL has not been considered necessary since BBL is a new company not having any significant operations, assets or liabilities and hence face value of its shares has been assumed to be its fair value by the Valuer.

On the basis of foregoing, in our opinion the valuation of the Chemical ('Waldies') Division and the consideration for the arrangement of issuance of 1,46,80,000 Equity Shares of Rs. 10/- each of BBL, credited as fully paid up to GACL in terms of the Scheme as recommended by the Valuer is fair and reasonable.



Limitations

It may be noted that in carrying out our work we have relied on the integrity of the information that was publicly available or provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof.

We assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the management of GACL.

We have not carried out any independent verification of the accuracy and completeness of all information as stated above. We have not reviewed any other documents other than those stated above.

We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of GACL and/or BBL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of GACL or BBL.

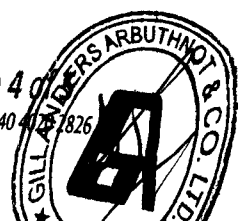
We understand that the management of GACL during our discussions with them would have drawn our attention to all such information and matters, which may have impact on our opinion. In this opinion we have included all such information and matters as was received by us from management of GACL.

In the ordinary course of business SFSL is engaged in securities trading, commodity trading, portfolio management service, as well as providing investment banking and corporate advisory services. In the ordinary course of its activity, SFSL may trade or otherwise effect transactions, on account of the customers, in equity securities of GACL or provide Corporate Advisory Services.

In no event, will SFSL, its Directors and employees be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this opinion.

This opinion is not meant for meeting any other regulatory or is closure requirements, save and except as specified above, under any Indian or Foreign Law, Statute Act, Guidelines or similar instructions. We would not be responsible for any litigation or other actual or threatened claims.

We do not express and should not be deemed to have expressed any views on any other terms of the Proposed Scheme. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of GACL will trade following



the announcement of the Proposed Scheme or as to the financial performance of GACL or BBL following the consummation of the Proposed Scheme.

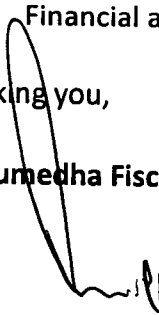
Disclaimer

Our scope of work did not include the following:-

- An audit of the financial statements of GACL and BBL.
- Carrying out a market survey /financial feasibility for the Business of GACL.
- Financial and Legal Due Diligence of GACL and BBL.

Thanking you,

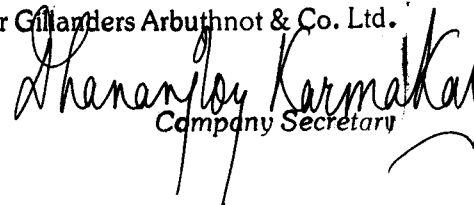
For Sumedha Fiscal Services Limited


Bijay Murmuria
Director
SEBI Registration No. INM000008753
(Merchant Banker)



CERTIFIED TRUE COPY

For Gillanders Arbuthnot & Co. Ltd.


Company Secretary