

**FAIRNESS OPINION REPORT ON VALUATION FOR THE PROPOSED MERGER
OF**

GORIPUTRA METAL LIMITED

&

PAWANPUTRA METAL LIMITED

With

ARIS INTERNATIONAL LIMITED

By

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Notice to Reader

Guinness Corporate Advisors Private Limited ("Guinness" / "GCAPL" or "Authors of the Report") is a SEBI registered 'Category I' Merchant banker in India and was engaged by Board of Directors of Aris International Limited (herein after referred as "AIL") to prepare an Independent Fairness Opinion Report ("Report") with respect to providing an independent opinion and assessment as to fairness of Valuation Report and Swap ratio determined by M/s ACG & Associates, Chartered Accountants ("ACG") an independent Valuers for the purpose of intended proposed Merger of Goriputra Metal Limited ("GML") & Pawanputra Metal Limited ("PML") with Aris International Limited. GM, PML AND AIL are collectively referred as "Companies"

The Fairness Opinion Report ("Report") has been prepared on the basis of the review of information provided to Guinness and specifically the Report on Swap ratio (hereinafter referred as Valuation Report) prepared by ACG as an independent valuer. The report does not give any valuation or suggest any swap ratio, However this report is limited to provide its fairness opinion on the Valuation Report.

The information contained in this Report is selective and is subject to updations, expansions, revisions and amendment. 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.

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Executive Summary

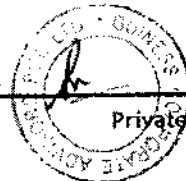
Purpose:	Express an Independent Fairness Opinion and assessment with respect to fairness of Valuation Report and Swap ratio determined by ACG for the proposed Merger.	
Name of the Companies:	Amalgamating Companies:	i. Goriputra Metal Limited ii. Pawanputra Metal Limited
	Amalgamated Company:	Aris International Limited
Merged Business:	GML and PML will merge with AIL and this merger will lead to synergies of operations and thus contribute to the profitability of the combined entity.	

Background of the Companies

ARIS INTERNATIONAL LIMITED:

Aris International Limited, a Public Limited Company was incorporated on 21st August, 1995 under the Companies Act, 1956.

AIL is engaged in the business of information technology consultancy and software. The office of the company is situated at 129B, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E), Mumbai 400072.



At present, Equity Shares of the company are listed on the BSE Limited ("BSE") Jaipur Stock Exchange (JSE), Ahmedabad Stock Exchange (ASE) and Calcutta Stock Exchange (CSE). As per information provided, AIL has made applications for delisting to JSE, ASE, and CSE.

GORIPUTRA METAL LIMITED:

Goriputra Metal Limited, limited company, was originally incorporated on 8th June, 2010 under the Companies Act, 1956.

The Company is engaged in dealing of metal and allied products. The registered office of the company is situated at Ground Floor, Ismail Building, D.N. Road, Behind Flora Fountain, Fort, Mumbai-400 001.

PAWANPUTRA METAL LIMITED:

Pawanputra Metal Limited, limited company, was originally incorporated on 8th June, 2010 under the Companies Act, 1956.

The Company is in the business of dealing of metal and allied products. The registered office of the company is situated at 704 Sairath CHS, Kesar Kunj Building, Telly Gully Cross lane, Andheri (E), Mumbai 400069

Transaction Overview and Rational

The Purpose of merger is aimed at protecting and maximizing the value for the shareholders of the both the companies by availing the benefits of economies of scale and thus maximising the profitability of the combined entity.

Also, the amalgamation will provide for consolidation of the businesses of the companies and thereby facilitate long term growth and viability of these businesses including securing and putting in place suitable arrangements for know-how for these businesses.

The amalgamation would provide synergistic linkages besides economies in costs by combining the total business functions and the related activities and operations

Valuation Methodology & Explanation adopted by ACG:

Some of the methods considered by ACG for arriving at fair value of shares of a company are as under:

- 1. Net Asset Value Method (NAV)
- 2. Profit Earning Capacity Method (PECV)
- 3. Market Price Method (MV)

The methods available for valuation are discussed in brief as under:

- 1. **THE NET ASSET VALUE (NAV) METHOD:**
In the net asset value method, net asset value is computed based on the latest available audited balance sheet. The genesis of this method of valuation lies in the total assets that the companies own. The values of intangible assets are excluded. Loan funds are deducted. The diminution, if any, in the value of assets, not reflected in the accounts is deducted. Contingent liabilities, to the extent that they impair the net worth of the company, are also deducted. The resultant figure represents the net worth of the company on the given day. This method cannot be altogether avoided in a case of a going concern
- 2. **THE PROFIT EARNING CAPACITY VALUE (PECV) METHOD:**
Earnings potential of the business is the most important determinant in case of going concern. For this purpose, both past and future projected earnings have to be analysed and then



capitalised at an appropriate yield rate to arrive at the value of the business. The capitalisation rate so factored has to be decided depending upon various factors such as the earning trend in the industries, P/E ratios prevailing in the industry etc.

3. MARKET PRICE METHOD:

This method can be used for the valuation is by taking the average of the quotes in the stock markets over a period of time for company's shares and further adjusting them for the speculative factor. This method of valuation of the business is used on presumption that stock market quotations reflect the health of the business. This method should not be used in cases where the markets are being dominated by BULL/BEAR pressures.

Basis of Valuation and Assumptions made by ACG:

They have based their valuation, on the Average of Net asset value and PECV Method of GML, PML and AIL.

Particulars	AIL	GML	PML
Net worth of the Companies (A) -(Rs.)	7,65,034	28,71,07,052	27,63,75,443
PECV of the Companies (B)-(Rs.)	NIL	24,473	30,407
Fair Value of Business (Average of Net asset value and PECV Method) (A + B)/2-(Rs.)	3,82,517	14,35,65,763	13,82,02,925
No. of shares	46,20,100	287145600	276264000
Fair Value per share -(Rs.)	0.08	0.50	0.50

CONCLUSION ON FAIR VALUE AND SHARE EXCHANGE RATIO RECOMMENDED BY ACG:

ACG is of the opinion that Net Asset Value is the most appropriate method to arrive at fair value of the shares of the concerned Companies. Hence the Fair Value of shares would be as under:

- ARIS INTERNATIONAL LIMITED : RS. 0.08 PER SHARE OF FACE VALUE RS. 10/- EACH (Note: The paid up value per share of the Transferee Company will be of Re. 1/- each, fully paid up post reduction of capital)
- GORIPUTRA METAL LIMITED: RS. 0.50/- PER SHARE OF FACE VALUE OF RE. 1/- EACH
- PAWANPUTRA METAL LIMITED: RS. 0.50/- PER SHARE OF FACE VALUE OF RE. 1/- EACH

ACG is of the opinion that the exchange ratio based on such fair value of the shares, the share exchange ratio can be taken as follows:

ACG is of the opinion that to give the advantage of being listed to AIL, Swap ratio should be at par and same shall not be detrimental to the interest of the existing shareholders of the Amalgamating Companies.

ACG is of the opinion that the exchange ratio based on such fair value of the shares as follows:
For every One (1) Equity shares of Re. 1/- each of Goriputra Metal Limited, One (1) New Equity Share of Re. 1/- each of Aris International Limited will be issued. And for every One (1) Equity shares of Re. 1/- each of Pawanputra Metal Limited, One (1) New Equity Share of Re. 1/- each of Aris International Limited will be issued.

Our Fairness Opinion:

Based upon valuation work carried out by ACG, we are of the opinion that the purpose of the proposed Merger are fair, from a financial point of view.

The fairness of the Proposed Merger is tested by:



- (1) Considering whether the Valuation methods adopted by ACG depict a correct picture on the value of shares of all three companies
- (2) Calculating the fair market value of all three companies
- (3) Considering qualitative factors such as economies of scale of operations, synergy benefits that may result from the proposed merger

The rationale for Share Exchange ratio as explained above, as assumed by ACG is justified.

We in the capacity of SEBI registered Merchant Bankers do hereby certify that the valuation done by the valuers for determining the exchange/swap ratio ie; One (1) fully paid equity shares of ALL, to shareholders holding One (1) fully paid up equity shares of GML and PML, on the basis of the aforesaid methodologies is fair and reasonable.

Disclaimer:

Our scope of work did not include the following:-

- An audit of the financial statements of any of the Companies discussed in this opinion.
- Carrying out a market survey / financial feasibility for the Business of any of the Companies discussed in this opinion.
- Financial and Legal due diligence of any of the Companies discussed in this opinion.

It may be noted that in carrying out our work we have relied on the integrity of the information 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 managements of Aris International Limited Goriputra Metal Limited and Pawanputra Metal Limited.

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.

The opinion must not be made available or copied in whole or in part to any other person without our express written permission save and except for the limited purpose of this opinion.

We understand that the management of Aris International Limited, Goriputra Metal Limited and Pawanputra Metal Limited 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 Aris International Limited, Goriputra Metal Limited and Pawanputra Metal Limited.

This being of our best of professional understanding, we hereby sign the Fairness Opinion report on valuation for the proposed merger as under.

For Guinness Corporate Advisors Pvt. Ltd.


Sartak Vijlani
Director

