

**REPORT ON VALUATION OF SHARES AND SHARE EXCHANGE RATIO**

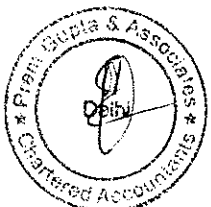
We have been retained to carry out the valuation of shares of M/s MEGA AIRWAYS LIMITED (Transferor Company) with MEGA CORPORATION LIMITED (Transferee Company) (hereinafter referred to as the Scheme of Amalgamation) and to advise Share Exchange Ratio for the purpose of proposed Amalgamation.

We have, accordingly, carried out the aforesaid exercise and report as under:

1. **Scope/Limitation:** The Share Valuation exercise carried out by us does not constitute an audit carried out in accordance with Generally Accepted Accounting Principles/Auditing Standards. Accordingly, we do not express any opinion on the financial statements, assumptions underlying such financial statements and representations of management included in the report. We do not provide any assurance that the financial information or the assumptions upon which they have been based are accurate.

In carrying out the valuation, we have entirely relied upon:

- Copies of annual accounts and other financial statements of the Companies under amalgamation.
  - Discussions with the management regarding past and present operations of these Companies and other information & explanations provided by the Management.
2. **Disclaimer:** This Report is a "Private & Confidential" document prepared under the specific instructions of the client(s). It is for the internal use of the client only and is not meant for external circulation except to any statutory agency or competent authority for the purpose of the proposed amalgamation. Any person making any investment or taking any decision on reliance of this report will be doing so at its/ his sole risk. We shall not be responsible for any decision taken by anybody on reliance of this report.



3. Brief Profile of the Companies:

a **The Transferor Company: MEGA AIRWAYS LIMITED**

That the Transferor Company was incorporated under the provisions of the Companies Act, 1956 (hereinafter referred to as "the Act") as a public limited company on 10th day of May 2005 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi. Thereafter, the Certificate of Commencement of Business was issued on 25th day of May 2005 by the Registrar of Companies, NCT of Delhi & Haryana. The CIN of the Company is U00072DL2005PLC136054.

That the registered office of the Transferor Company 261, Ground Floor, Okhla Industrial Estate, Phase - III, New Delhi - 110020.

That the main objects of the Transferor Company are to provide the Scheduled/ Non-Scheduled Air Transport Services. However till date it has not commenced its commercial operations.

That the present Authorised Share Capital of the Transferor Company is Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each. The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 6,00,00,000/- (Rupees Six Crores Only) divided into 60,00,000 (Sixty Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

b **The Transferee Company: MEGA CORPORATION LIMITED**

That the Transferee Company was incorporated under the provisions of the Companies Act, 1956 (hereinafter referred to as "the Act") as a public limited company in the name and style of "ASSAM IMPEX LIMITED" on 26th day of March 1985 with the Registrar of Companies, Assam, Meghalaya, Manipur, Tripura, Arunachal, Mizoram and Nagaland at Shillong (hereinafter referred to as 'ROC, Shillong'). Thereafter, the Certificate of Commencement of Business was issued on 27th day of March, 1985 by ROC, Shillong. After obtaining the necessary approvals/ consents, the name of the Company was changed to "VIBGYOR CORPORATION LIMITED" and fresh Certificate of Incorporation consequent on change of name was issued by ROC, Shillong on 28<sup>th</sup> day



of November, 1996. Thereafter, again after obtaining the necessary approvals/ consents, the registered office of the Company was shifted from the State of Assam to the NCT of Delhi vide order dated 1<sup>st</sup> December 1997 of Eastern Region Bench of Company Law Board and the Certificate of Registration of Company Law Board, Eastern Region Bench was issued on 20th day of February, 1998 by the Registrar of Companies, NCT of Delhi and Haryana. Thereafter, again after obtaining the necessary consents/ approvals the name of the Company was changed to its present name i.e., "MEGA CORPORATION LIMITED" and the fresh certificate of Incorporation consequent upon change of name was issued on 10th day of May, 1999 by the Registrar of Companies, NCT of Delhi and Haryana. The CIN of the Company is L01120DL1985PLC092375.

That the registered office of the Transferee Company is situated at 261, Ground Floor, Okhla Industrial Estate, Phase - III, New Delhi - 110020.

That the Transferee Company is engaged in Charter Aircraft Services.

That the present Authorised Share Capital of the Transferee Company is Rs. 30,00,00,000/- (Rupees Thirty Crores Only) divided into 30,00,00,000 (Thirty Crores) Equity Shares of Re. 1/- (Rupee One Only) each. The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 10,00,00,000 (Ten Crores) Equity Shares of Re. 1/- (Rupee One Only) each.

That the entire Share Capital of the Transferee Company is listed on Bombay Stock Exchange and Delhi Stock Exchange.

4. It is proposed to amalgamate **MEGA AIRWAYS LIMITED (Transferor Company)** with **MEGA CORPORATION LIMITED (Transferee Company)**.
5. Both the companies are the companies under the same management/ promoted by the same promoter group. Mega Airways Limited is the wholly owned subsidiary of Mega Corporation Limited.



6. **Documents Provided and Perused**

- a) Certificate of Incorporation of MEGA AIRWAYS LIMITED and MEGA CORPORATION LIMITED.
- b) Memorandum and Articles of Association of MEGA AIRWAYS LIMITED and MEGA CORPORATION LIMITED.
- c) Audited Financial Statements of MEGA AIRWAYS LIMITED and MEGA CORPORATION LIMITED for the year ended 31/03/2012, 31/03/2013 and 31/03/2014 and the Notes, Reports etc. thereon.
- d) Extracts of the Register of Members of MEGA AIRWAYS LIMITED and MEGA CORPORATION LIMITED and
- e) Information/Explanations provided by the management of the MEGA AIRWAYS LIMITED and MEGA CORPORATION LIMITED.

7. Valuation methodology:

**For Transferee Company weighted average of following valuation methods are used:**

➤ **Market Value**

The Transferee Company is Company listed at Bombay Stock Exchange, for which the market quotations are available, thus the pricing is done according to following guidelines:

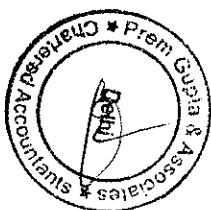
The price not less than the higher of the following:

- i) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date;

OR

- ii) The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date.

6<sup>th</sup> April 2015 is taken as the relevant date.



➤ Net Asset Value

The net asset value per share is calculated considering the figures as at 31<sup>st</sup> March 2014 and all the assets and liabilities of the company are taken at book value.

➤ Yield Value

The yield value is calculated considering the figures for the Financial Year 31<sup>st</sup> March 2012, 31<sup>st</sup> March 2013 & 31<sup>st</sup> March 2014. Since Company has incurred losses in last three years. Hence, Yield Value has been ignored for the purpose of computation.

Further, being listed Company, we have assigned a weight of 2 to value arrived at as per Market Price Method and a weight of 1 to value arrived at as per NAV Method.

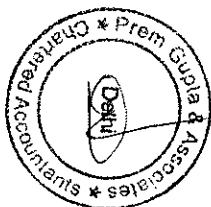
**For Transferor Company following valuation methods are used:**

➤ Net Asset Value

The net asset value per share is calculated considering the figures as at 31<sup>st</sup> March 2014 and all the assets and liabilities of the company are taken at book value.

Since the Transferor Company is unlisted public company, thus no Market Value of Shares is available. Further since the Company has not commenced its commercial operations, thus no yield value has been calculated for the purpose of valuation.

7. **Share Exchange Ratio:** On the basis of Valuation of Shares, we recommend the following Share Exchange Ratio:



- 10 (Ten) Equity Share of Re. 1/- (Rupee One) each of Transferee Company for every 1 (One) Equity Share of Rs. 10/- (Rupees Ten) each held in the Transferor Company.

### Conclusion

In light of the above and on the basis of information/explanations made available to us, the Share Exchange ration mentioned in Clause 7 above pursuant to the amalgamation of **MEGA AIRWAYS LIMITED with MEGA CORPORATION LIMITED** is just, fair and equitable in the current context.

For Prem Gupta & Associates

Chartered Accountants



CA Dheeraj Jain

Partner

M. No.: 503216



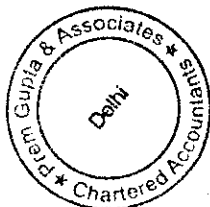
FRN No: 011099C

Place: New Delhi

Date: 15.04.2015

**MEGA CORPORATION LIMITED**  
**NET ASSET VALUE METHOD**

in Rs. except shares	
<b>Particulars</b>	<b>31-Mar-14</b>
Share Capital	100,000,000
Reserve & Surplus	162,080,390
<b>Net Worth</b>	<b>262,080,390</b>
No of Shares	100000000
Net Asset Value per Share	2.62
Face Value	1

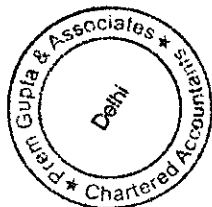


**MARKET PRICE METHOD MEGA CORPORATION LIMITED**

26 Weeks					
Weeks	From	To	Closing High	Closing Low	Average
1	6-Oct-14	12-Oct-14	0.42	0.42	0.42
2	13-Oct-14	19-Oct-14	0.44	0.42	0.43
3	20-Oct-14	26-Oct-14	-	-	-
4	27-Oct-14	2-Nov-14	0.40	0.40	0.40
5	3-Nov-14	9-Nov-14	0.42	0.40	0.41
6	10-Nov-14	16-Nov-14	0.40	0.38	0.39
7	17-Nov-14	23-Nov-14	0.38	0.35	0.37
8	24-Nov-14	30-Nov-14	0.35	0.34	0.35
9	1-Dec-14	7-Dec-14	0.36	0.34	0.35
10	8-Dec-14	14-Dec-14	0.34	0.32	0.33
11	15-Dec-14	21-Dec-14	0.34	0.33	0.34
12	22-Dec-14	28-Dec-14	0.34	0.33	0.34
13	29-Dec-14	4-Jan-15	0.34	0.33	0.34
14	5-Jan-15	11-Jan-15	0.34	0.33	0.34
15	12-Jan-15	18-Jan-15	0.35	0.34	0.35
16	19-Jan-15	25-Jan-15	0.35	0.33	0.34
17	26-Jan-15	1-Feb-15	0.38	0.36	0.37
18	2-Feb-15	8-Feb-15	0.37	0.35	0.36
19	9-Feb-15	15-Feb-15	0.34	0.32	0.33
20	16-Feb-15	22-Feb-15	0.32	0.31	0.32
21	23-Feb-15	1-Mar-15	0.34	0.33	0.34
22	2-Mar-15	8-Mar-15	0.34	0.34	0.34
23	9-Mar-15	15-Mar-15	0.33	0.32	0.33
24	16-Mar-15	22-Mar-15	0.31	0.29	0.30
25	23-Mar-15	29-Mar-15	0.32	0.30	0.31
26	30-Mar-15	5-Apr-15	0.31	0.31	0.31
Average Price					0.32

2 Weeks					
Weeks	From	To	Closing High	Closing Low	Average
1	23-Mar-15	29-Mar-15	0.32	0.30	0.31
2	30-Mar-15	5-Apr-15	0.31	0.31	0.31
Average Price					0.31

**Fair Value based on Market Price Method (Higher of the above two results) 0.32**

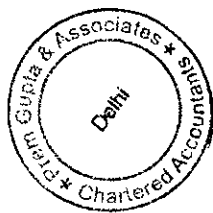




**MEGA CORPORATION LIMITED**

<b>Fair Value Per Share</b>	<b>Weight</b>	<b>Amount (In Rupees per share)</b>	<b>Product (In Rupees)</b>
	<b>A</b>	<b>B</b>	<b>C= A*B</b>
NAV per Share	1	2.62	2.62
Market Price Method	2	0.32	0.65
Value per Equity share (Weighted Average of above values)			<b>1.09</b>
<b>Fair Value per Equity Share (Face value of Re 1 each)</b>			<b>1.09</b>

Note- As per Audited Balance Sheet of last three years, Company has incurred losses in last three years. Hence, PECV Method has been ignored for the purpose of computation of Fair Value.



**MEGA AIRWAYS LIMITED**

in Rs. except shares	
<b>Particulars</b>	<b>31-Mar-14</b>
Share Capital	60,000,000
Reserve & Surplus	-2,099,103
Net Worth	57,900,897
No of Shares	6,000,000
Net Asset Value per Share	9.65
Face Value	10

**Fair Value of Mega Airways**

<b>Fair Value Per Share</b>	<b>Weight</b>	<b>Amount (In Rupees per share)</b>	<b>Product (In Rupees)</b>
	<b>A</b>	<b>B</b>	<b>C = A*B</b>
NAV per Share	1	9.65	9.65
Market Price Method	NA	NA	
Value per Equity share (Weighted Average of above values)			<b>9.65</b>
<b>Fair Value per Equity Share (Face value of Rs. 10 each)</b>			<b>9.65</b>

Note- Since the Company has not commenced its commercial operations, PECV Method has been ignored for the purpose of computation of Fair Value.



<b>EXCHANGE RATIO</b>		
Particulars	MEGA Corporation	MEGA Airways
Fair Value per Equity Share	1.09	9.65
Exchange Ratio	8.9	1.0
<b>Exchange Ratio (Rounded off)</b>	<b>10</b>	<b>1</b>

