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Date :

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May 25, 2017

To,
The Board of Directors
Thambbi Modern Spinning Mills Limited
Omalur road,
Jagir Ammapalayam,
Salem - 636 302

Dear Sir,

Subject: Recommendation of the share entitlement ratio for the Proposed Scheme of Demerger between Thambbi Modern Spinning Mills Limited and Roshan Integrated Private Limited

This has reference to our terms of engagement and various discussions that we had with you and the information that we have received from the key executives and representatives of Thambbi Modern Spinning Mills Limited and Roshan Integrated Private Limited from time to time in the above matter.

SCOPE AND PURPOSE OF THIS REPORT

We understand that the managements of the Companies are exploring possibility of the Demerger between Thambbi Modern Spinning Mills Limited and Roshan Integrated Private Limited (Proposed Demerger), pursuant to a Scheme of Demerger under the Companies Act, 2013 (the 'Scheme')

BACKGROUND

Thambbi Modern Spinning Mills Limited ("TMSML") is a company incorporated under the Companies Act, 1956 on March 7, 1977. The company was operating in Textile Industry right from its inception. The Company has decided to surrender its Textile business and looking for opportunities to invest in renewable energy. As a matter of Corporate Restructuring, the company is planning to demerge all Assets and Liabilities, to provide a room for venturing out the new business operations.

The circular stamp contains the text: "CA LADDAGIRI JEYAREMEN KS", "CHENNAI-600061", "M.No. 1513/2017", and "CHARTERED ACCOUNTANT".

We owe responsibility to the TMSML which has retained us and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of the other. We do not accept any liability to any third party in relation to the issue of this Valuation Report. This report is not a substitute for the third party's own due diligence/appraisal/enquiries/independent advice that the third party should undertake for his purpose. It is understood that this analysis does not represent a fairness opinion.

Neither the valuation report nor its contents may be referred to or quoted in any registrations statement, prospectus, offering memorandum, annual report, loan agreement or other agreement. Further, it cannot be used for purpose other than about the proposed transfer, without our prior consent. In addition, this Valuation Report does not in any manner address the prices at which the proposed demerger will take place and we express no opinion or recommendation as to how the shareholders of either Company should vote at any shareholders meeting(s) to be held about the proposed Demerger.

It may be mentioned that the management has been provided opportunity to review information in our draft report as part of our standard practice to make sure that factual inaccuracies, omissions etc, are avoided in the final report.

About the preparation of the Valuation Report, we have received the following information from the management:

- Audited Financial Statements of TMSML for the years March 31, 2017, March 31, 2016 and March 31, 2015.
- Draft scheme of Demerger between TMSML and RIPL
- Present and Proposed shareholding pattern of TMSML and RIPL
- Details of Market Price and trading volume of Equity shares of TMSML on BSE.
- Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for purpose of carrying out this assignment.

✓ **NET ASSET VALUE METHOD:**

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. The Cost Approach ignores the future return the assets can produce and is calculated using historical accounting data that

historical accounting data that

does not reflect how much the business is worth to someone who may buy or invest in the business as a going concern.

Net Assets is the excess of all assets of company over its liabilities to outsiders as shown in the Balance Sheet.

For the purpose of valuation of share of TMSML, we have considered Financial Statements for the year ended March 31, 2017.

✓ **MARKET PRICE METHOD:**

This method evaluates the value on the basis of prices quoted on the stock exchange(s). Average of quoted price is considered as indicative of the value perception of the company by investors operating under free market conditions. The average of such Market Prices could be taken on a simple or weighted average basis taking into consideration the value and the volumes of the transactions taken place on the stock exchange.

This method is important for the Valuer as the secondary Equity Market is not only a reflection of the fair value of the Company, but also of the other market information to know the perception of the market prevailing during the span of time for which the price of the share is evaluated.

Under this method of valuation, we have calculated market price of the share as volume weighted market price of share for a period 60 trading days from the valuation date.

Accordingly, value per share of TMSML is ₹ 8.92. (Source: Market prices of last sixty trading from May 20, 2017 taken from the website of BSE Limited i.e. www.bseindia.com)

OUR RECOMMENDATION:

In view of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion the share entitlement ratio for the Proposed Demerger is as follows:

- **7 (Seven)** equity shares of RIPL of face value of ₹ 10 each fully paid up for every **10 (Ten)** equity shares of the face value of ₹ 10 each fully paid up held in TMSML.

Yours Sincerely,


Laddagiri Jeyaraman KS
Membership No. 019233

