



STRICTLY PRIVATE & CONFIDENTIAL

November 07, 2019

The Board of Directors
Raymond Limited
Plot No 156/H No. 2,
Village Zадgaon,
Ratnagiri 415612

Dear Sir(s) / Madam(s),

Re: Fairness Opinion on the Share Entitlement Ratio Report issued by SSPA & Co., Chartered Accountants, in connection with the Composite Scheme of Arrangement (the 'Scheme') for proposed demerger of Lifestyle Business Undertaking (as defined in the Scheme) of Raymond Limited ('RL' or 'the Demerged Company') into its to be incorporated wholly-owned subsidiary, New Co ('NC' or 'the Resulting Company').

1. BACKGROUND

1.1. Pantomath Capital Advisors Private Limited ("Pantomath" or "we" or "us") is a Category I Merchant Banker registered with the Securities Exchange Board of India ("SEBI"). Pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (earlier SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015) we have been requested to issue a fairness opinion on Share Entitlement Ratio Report issued by SSPA & Co., Chartered Accountants, for the recommendation of Share Entitlement Ratio for the proposed demerger of Lifestyle Undertaking of RL into NC.

1.2. The management of Raymond Limited ('the Management') is considering the following restructuring proposal pursuant to a composite scheme of arrangement under sections 230 to 232 and other applicable provisions of the Companies Act, 2013, including rules and regulations made thereunder (hereinafter referred to as the 'Scheme'):

Step 1 - Amalgamation of 2 (two) wholly owned subsidiaries of Raymond Limited viz. Raymond Apparel Limited ('RAL') and Scissors Engineering Products Limited ('SEPL') into RL;

Step 2 - Demerger of Lifestyle Business Undertaking of RL into NC.

1.3. Subject to necessary approvals, RAL and SEPL would be amalgamated into Raymond and Lifestyle Business Undertaking of Raymond would be demerged from RL into New Co, with effect from appointed date of 01 Apr 2020 ('Appointed Date').

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- 1.4. Pursuant to the Scheme, since RAL and SEPL are wholly owned subsidiaries of RL, no shares of RL are proposed to be allotted to shareholders of RAL and SEPL on amalgamation of RAL and SEPL into RL.
- 1.5. As a consideration for the Proposed Demerger, equity shareholders and CCPS holders of RL are proposed to be allotted equity shares of face value of INR 10 each fully paid up of New Co.
- 1.6. In this regard, we have been requested to issue a Fairness Opinion on Share Entitlement Ratio for the proposed demerger of Lifestyle business from RL in to NC as determined by SSPA & Co., Chartered Accountants in their Share Entitlement Ratio report.

2. BACKGROUND OF THE COMAPNIES

2.1. Raymond Limited

RL, incorporated in 1925, has transformed from being an Indian textile player to a large diversified group with interests in 'Lifestyle' and 'Non-Lifestyle' business. RL has a leadership position in textiles and apparel sectors and enjoys a formidable position across non-lifestyle businesses such as FMCG, Engineering etc. In national and global markets. The equity shares of the Company are listed on the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE').

The Lifestyle business involves the manufacturing, retail of branded textiles, branded apparels as well as B2C shirting and B2B textile sale, made to measure and textile manufacturing.

2.2. Raymond Apparel Limited

RAL is an unlisted public company incorporated under Companies Act, 1956 and has its registered office at Jekegram, Pokhran Road No.1, Thane 400606, Maharashtra and is carrying on the business of branded apparel business. RAL is a wholly owned subsidiary of Raymond.

2.3. Scissors Engineering Products Limited

SEPL is an unlisted public company incorporated under Companies Act, 1956 and has its registered office at New Hind House, Narottam Morarji Marg, Ballard Estate Fort, Mumbai - 400001, Maharashtra and is carrying on the business of auto components. SEPL is a wholly owned subsidiary of Raymond.

2.4. New Co

NC is to be incorporated as an unlisted public company under Companies Act, 2013 with the proposed objective to engage, inter alia in manufacturing, retail, trading and marketing of branded apparels including suitings, B2C, shirtings, retail and Made to Measure. NC is proposed to be incorporated as a wholly-owned subsidiary of RL.

- 2.5. In order to simplify the group structure, create flexibility and operational efficiencies, it is proposed by the management of the Demerged Company to amalgamate RAL and SEPL with RL and demerge the Lifestyle business from the Non-Lifestyle business.



3. SOURCE OF INFORMATION

For arriving at the fairness opinion set forth below, we have relied upon the following sources of information:

- 3.1. Share Entitlement Ratio Report issued by SSPA & Co., Chartered Accountants, dated November 07, 2019;
- 3.2. Draft Composite Scheme of Arrangement under section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013;
- 3.3. Audited financial statements of RL for the year ended March 31, 2019 and March 31, 2018;
- 3.4. Latest shareholding patterns of RL;
- 3.5. Other relevant information and documents for the purpose of this engagement including the management representations.

4. VALUER'S RECOMMENDATION

- 4.1. The share entitlement ratio is decided based on the Management's desired capital structure of New Co. Post the proposed Demerger all the shareholders of RL are and will be the ultimate beneficial owners of New Co in the same ratio (inter se) as they hold shares in RL. Therefore, no relative valuation of Lifestyle Business Undertaking and New Co is required to be undertaken for the proposed Demerger.
- 4.2. The Management has recommended the following share entitlement ratio in consideration for the proposed Demerger i.e. demerger of Lifestyle Business Undertaking of RL into New Co:

"1 (one) fully paid up equity share of INR 10 (Indian Rupees Ten each of the New Co) for every 1 (one) equity share of INR 10 (Indian Rupees Ten) each held in the Demerged Company."

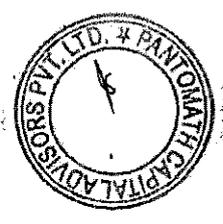
and

"1 (one) fully paid up equity share of INR 10 (Indian Rupees Ten each of the New Co) for every 1 (one) Compulsorily Convertible Preference Share ('CCPS') of INR 10 (Indian Rupees Ten) each held in the Demerged Company."

5. RATIONALE AND CONCLUSION

In the circumstances, having regard to the relevant factors and on the basis of information and explanations given to us, in our view, the proposed Share Entitlement Ratio as recommended by SSPA & Co., Chartered Accountants, which forms the basis for the proposed Demerger, appears to be fair and reasonable from a financial point of view.

Further, we are not required to comment on the fairness of preferential allotment of shares of RL to one of its group companies J. K. Investo Trade (India) Limited ('JKIT') as mentioned in the report of SSPA & Co., Chartered Accountants.



Pantomath has issued the Fairness Opinion with the understanding that Draft Scheme shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme alters the transaction.

6. EXCLUSIONS AND LIMITATIONS

- 6.1. We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the management of RL for the purpose of this opinion without carrying out any audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of RL and NC.
- 6.2. We have solely relied upon the information provided to us by the management of RL and NC. We have not reviewed any books or records of RL and NC.
- 6.3. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of RL and NC and neither express any opinion with respect thereto nor accept any responsibility therefor.
- 6.4. We have not made any independent valuation or appraisal of the assets or liabilities of RL and NC. In particular we do not express any opinion as to the value of assets of RL and NC, whether at current market prices or in future.
- 6.5. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by the management of RL for the purpose of this opinion.
- 6.6. We are not experts in the evaluation of litigation or other actual or threatened claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of RL and NC with respect to these matters. In addition, we have assumed that the Draft Composite Scheme of Arrangement will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Draft Composite Scheme of Arrangement.
- 6.7. We understand that the managements of RL during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion.
- 6.8. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving RL and NC or any of its assets, nor did we negotiate with any other party in this regard.



- 6.9. It is understood that this opinion is solely for the benefit of confidential use by the Board of Directors of RL for the purpose of facilitating companies to comply with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (earlier Circular CIR/CID/CMD/16/2015 dated November 30, 2015) issued by SEBI; disclosures to be made to relevant regulatory authorities including stock exchanges, SEBI, National Company Law Tribunal or as required under applicable law and it shall not be valid for any other purpose. This opinion is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.
- 6.10. The fee for our service is not contingent upon the results of the proposed arrangement. This opinion is subject to the laws of India.
- 6.11. We express no opinion whatever and make no recommendation at all as to RL's and NC's underlying decision to effect to the proposed Demerger or as to how the holders of equity shares or secured or unsecured creditors of RL and NC should vote at their respective meetings held in connection with the proposed Composite Scheme of Arrangement. We do not express and should not be deemed to have expressed any views on any other terms of the proposed Composite Scheme of Arrangement. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of RL will trade following the announcement of the proposed Composite Scheme of Arrangement or as to the financial performance of RL and NC following the completion of the proposed Composite Scheme of Arrangement.
- 6.12. In no circumstances however, will Pantomath or its associates, directors or employees accept any responsibility or liability to any third party.

Truly Yours,



Saloni Surana
Manager



Pantomath Capital Advisors Private Limited
SEBI Registered Category – I Merchant Bankers
Registration No. MB/INM000012110



STRICTLY PRIVATE & CONFIDENTIAL

November 26, 2019

The Board of Directors
Raymond Limited
Plot No 156/H No. 2,
Village Zadgaon,
Ratnagiri 415612

The Board of Directors
Raymond Lifestyle Limited
C/o Raymond Limited, Jekegram,
Pokhran Road No. 1,
Thane West 400606

Re: Fairness Opinion on the Share Entitlement Ratio Report issued by SSPA & Co., Chartered Accountants, in connection with the Composite Scheme of Arrangement (the 'Scheme') for proposed demerger of Lifestyle Business Undertaking (as defined in the Scheme) of Raymond Limited ('RL' or 'the Demerged Company') into its to be incorporated wholly-owned subsidiary, New Co ('NC' or 'the Resulting Company').

Dear Sir(s) / Madam(s),

This refers to the Fairness Opinion dated November 07, 2019 for the proposed demerger of Lifestyle Business Undertaking (as defined in the Scheme) of Raymond Limited into its to be incorporated wholly-owned subsidiary, New Co ("Fairness Opinion"), issued by Pantomath Capital Advisors Private Limited ("Pantomath" or "we" or "us").

We are informed based on your email dated November 26, 2019, that the proposed to be incorporated wholly-owned subsidiary, New Co, of RL, referred to in the Fairness Opinion has been incorporated on November 14, 2019 as Raymond Lifestyle Limited.

Accordingly, we confirm that the Fairness Opinion can be used for the Composite Scheme of Arrangement by Raymond Lifestyle Limited.

Please note that all the terms of the Engagement Letter dated November 01, 2019 and the clauses mentioned in the Fairness Opinion remain same and are applicable to Raymond Lifestyle Limited.

Truly Yours,

Saloni Surana
Manager

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