

# VIKASH GOEL

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Registered Valuer  
Regn. No. IBBI/RV/01/2018/10339

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The Board of Directors  
Oban Fashions Pvt Ltd  
102, VIP Plaza, B-7, Veera Industrial Estate  
Off Andheri Link Road, Andheri (West)  
Mumbai MH 400053 IN

The Board of Directors  
Rupa & Company Ltd  
1 Ho Chi Minh Sarani  
Metro Plaza 8th Floor  
Kolkata WB 700071 IN

## Sub: Report on Fair valuation pursuant to an undertaking of Oban Fashions Pvt Ltd being demerged to Rupa & Company Ltd.

We understand that an undertaking of Oban Fashions Pvt Ltd, (CIN: U18204MH2015PTC271385), a private limited company having its registered office at 102, VIP Plaza, B-7, Veera Industrial Estate, Off Andheri Link Road, Andheri (West), Mumbai MH 400053 IN (hereinafter referred to as "**Demerged Company**" or "**Oban**") is being demerged to Rupa & Company Ltd (CIN: L17299WB1985PLC038517) registered at 1 Ho Chi Minh Sarani Metro Plaza 8th Floor Kolkata WB 700071 IN (hereinafter referred to as "**Resulting Company**" or "**Rupa**").

**Purpose:** An undertaking of Oban Fashions Pvt Ltd, is being demerged to Rupa & Company Ltd and the management of Rupa & Company Ltd ("**Appointing Authority**") has engaged us to assess the need of valuation report and issuance of valuation report, if applicable under SEBI regulations.

**Background of Transaction:** Rupa is engaged in the manufacturing, marketing, selling and distribution of men's and women's innerwear, thermal wear and fashion wear products, across economy, mid-premium, premium and super-premium categories. Resulting Company operations through its manufacturing facilities in West Bengal, Tamil Naidu, Karnataka and Uttar Pradesh.

Oban is engaged in manufacturing, marketing and selling of hosiery items. Oban Fashions Private Limited is also an authorized licensee with rights for whole of India with respect to innerwear (briefs, trunks, knit thermals, etc.) and outerwear (t-shirts, knit pants, vests, leggings, etc.) for premium brands French Connection UK ('FCUK') and Fruit of the Loom ('FOTL'). In one of its undertaking, Oban develops, manufactures, markets and sells innerwear and related products with the brand name "FCUK" in India as well as manufactures, distributes, advertises and sells innerwear, and outerwear products for men, boys, women, girls and toddler in India under their brand name and mark, "FOTL" ("**Demerged Undertaking**"). The other undertaking of the Demerged Company is inter alia engaged in the trading of hosiery products including yarn, etc. ("**Remaining Undertaking**"). The Demerged Company is currently a wholly owned subsidiary of the Resulting Company.

The management of the companies have examined the relative business strengths and the potential commercial and other synergies of the consolidation and proposed to consolidate their Demerged Undertaking under a single entity. Accordingly, it is being proposed to transfer the Demerged Undertaking of the Demerged Company to the Resulting Company. The proposed demerger of the Demerged Undertaking would help in:

- a) Utilizing the current market presence and customer base of the Resulting Company
- b) Streamlining the operations structure of the Demerged Undertaking
- c) Synergies expected to bring in cost savings in the marketing, selling and distribution expenses as well as give benefits of the economies of scale of the companies.



- d) Would enable consolidation of similar premium businesses and carry on the same more efficiently and effectively.
- e) Beneficial results for the Companies concerned, their shareholders, employees and all concerned.

The Demerged Company and the Resulting Company believe that this Scheme of Arrangement is in the best interest of the relevant companies and their respective shareholders and creditors, and other stakeholders, as it is expected to provide greater financial strength and flexibility.

**Background of report:** SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 lays down the detailed requirements to be complied with by listed entities while undertaking schemes of arrangements. Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, amended by Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 and further by Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/215 Dated November 3, 2020 "Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957" states as follows (Extracts):

**4 Valuation Report;**

- a) All listed entities are required to submit a valuation report from a Registered Valuer.  
*"For the purpose of this clause, the Registered Valuer shall be a person, registered as a valuer, having such qualifications and experience and being a member of an organization recognized, as specified in Section 247 of the Companies Act, 2013 read with the applicable Rules issued thereunder.*
- b) However, Valuation Report is not required in cases where there is no change in the shareholding pattern of the listed entity / resultant company.
- c) ...
- d) Further, a few examples illustrating 'no change in shareholding pattern' are indicated below:
  - i. ...
  - ii. *In case a wholly-owned-subsiidiary (say, "entity X") of a listed entity is merged with its parent listed entity (say, "entity Y"), where the shareholders and the shareholding pattern of entity Y remains the same, it will be treated as 'no change in shareholding pattern'.*

*For the limited purpose of this Circular, 'resultant company' shall mean a company arising / remaining after the listed entity undertakes a Scheme of Arrangement.*

As is evident from the extracts of the above circular(s), **Valuation Report is not required in cases where there is no change in shareholding pattern of the listed entity / resultant company.**

The shareholding of Oban is as follows:

Shareholder	Number of Shares	Shareholding (%)
Rupa & Company Ltd	99,10,000	100%
- Equity Shares of Rs 10 each		
Rupa & Company Ltd	49,50,000	100%
- 0.1% Non-Cumulative Compulsorily Convertible Preference Shares of Rs 100 each.		

Source: Audited Financial Statements as on 31<sup>st</sup> March, 2020 of Rupa & Co Ltd. and of Oban Fashions Private Limited



Based representations received from the management and explanations given to us, we understand that since Oban is wholly owned subsidiary of Rupa, there will be no change in the shareholding of the Resulting Company pursuant to the demerger. Rupa, being the 100 percent shareholder of Oban, cannot issue shares to itself. The management of Oban has confirmed that there has been no change in shareholding of Oban between the balance sheet date as on 31<sup>st</sup> March 2020 and the date of this report.

## Conclusion

Accordingly, we confirm that the Resultant Company which is listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) is not required to submit a valuation report from a Registered Valuer as the Resultant Company owns 100% of the paid up share capital of the Demerged Company and there is no change in the shareholding pattern of the listed entity / resultant company pursuant and after the proposed Scheme of Arrangement.

Our report should be read along in entirety along with Caveats, Limitations and Disclaimers that form an integral part of the report.

Regards



Vikash Goel

(Regd. No.: IBBI/RV/01/2018/10339)

Date: 9-Dec-2020

Place: Kolkata

## Caveats, limitations and disclaimers

- 1. Restriction on use of Valuation Report:** This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. The management of the company is the only authorized user of this report and is restricted for the purpose indicated in the report. This restriction does not preclude the Appointing Authority from providing a copy of the report to its internal stakeholders on a need-to-know basis, auditors, regulators and third-party advisors whose review would be consistent with the intended use. Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. We do not take any responsibility for the unauthorized use of this report.
- 2. Purpose:** Our report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
- 3. No advice towards investment or on transaction:** Our Report should not be construed as advice for the transaction. Specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction as stated in the purpose of engagement. We express no opinion or recommendation, and the stakeholders are expected to exercise their own discretion. We would not be responsible for the decision taken by anybody based on this report.
- 4. Responsibility of Registered Valuer:** We owe responsibility to only to the Appointing Authority that has appointed us under the terms of the engagement. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents. In any case, our liability to the management or any third party is limited to be not more than 50% of the amount of the fee received by us for this engagement.
- 5. Accuracy of Information:** While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the appointing authority/management. Accordingly, we express no audit opinion or any other form of assurance on this information.
- 6. Post Valuation Date Events:** An analysis of such nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. The user to which this report is addressed should read the basis upon which the analysis has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the Date of this report.
- 7. Reliance on the representations of the management and other third parties:** In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, documents and other information given by/on behalf of the Appointing Authority. The management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the management and other third parties concerning the financial data, operational data except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the companies, their directors, employee or agents.
- 8. Compliance with relevant laws:** The report assumes that the company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner. This Report does not look into the business/commercial reasons behind the transaction nor the likely benefits arising out of the same.



In addition, we express no opinion or recommendation, and the stakeholders are expected to exercise their own discretion. Further, unless specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us.

9. **Questions, Appearances or Testimony in courts/ tribunals/ authorities:** Our engagement is limited to preparing the report to be submitted to the Appointing Authority. We shall not be liable to provide any evidence for any matters stated in the report nor shall we be liable or responsible to provide any explanation or written statement for any assumption, information, methodology or any other matter pertaining to the report. However, in case we are required to appear before any regulatory authority as per law, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and our tendering evidence before such authority shall be under the applicable laws.
10. **Fees and Independence:** We are independent of the client/company and have no current or expected interest in the Company or its assets. The fee paid/to be paid for our services in no way influenced the results of our analysis

**Sources of information:** In the course of issuing this report, we have relied on the following sources:

- Audited Financial Statements as on 31<sup>st</sup> March 2020 of Oban and Rupa.
- Draft scheme of arrangement containing the details of the transaction and shareholding pattern before and after the arrangement.
- We have also accessed public documents as available from external sources such as mca.gov.in.

**About the valuer:** Vikash Goel (the "Valuer"), is Registered Valuer having Registration No. IBBI/RV/01/2018/10339. The Valuer is registered with the Insolvency and Bankruptcy Board of India to undertake the Valuation of Securities and Financial Assets of the Companies. Vikash is a Chartered Accountant (Fellow member of ICAI), CFA (ICFAI) and holds MS Finance and MBA in HR. He is also an alumnus of St Xavier's College, Kolkata and hails from Indian Institute of Management Calcutta (IIM-C).

**Disclosure of valuer interest of conflict:** We hereby confirm that the valuer is suitably qualified and authorized to practice as a valuer; does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the company (including the parties with whom the company is dealing, including the lender or selling agent, if any). The valuer accepts instructions only from the appointing authority or eligible instructing party with respect to the valuation engagement. We have no present or planned future interest in the company or its group companies, if any and the fee payable for this valuation is not contingent upon the value reported herein.

---- End of the Report ----

