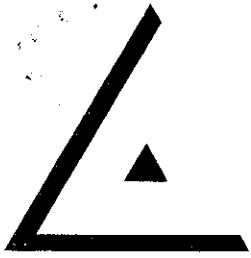


CORPORATE STRATEGIC ALLIANZ LTD.



SEBI Regd. Category I Merchant Banker

22nd March 2014

To,
The Board of Directors
Blue Pearl Texspin Limited

Dear Sir,

FAIRNESS OPINION ON VALUATION OF THE AMALGAMATION OF BLUE PEARL LIFESTYLE PRIVATE LIMITED ("BPLPL" OR "TRANSFEROR COMPANY") WITH BLUE PEARL TEXSPIN LIMITED ("BPTL" OR "TRANSFeree COMPANY") AS PER THE CLAUSE 24(H) OF THE LISTING AGREEMENT

We, Corporate Strategic Allianz Limited ('CSAL'), refer to our engagement letter dated 14th March 2014 which has been duly accepted by you, whereby you have appointed us as an Independent Merchant Banker for furnishing a 'Fairness Opinion' on the valuation carried out by Shah Mustufa & Associates, Chartered Accountants, vide its valuation report dated 22nd March 2014 pursuant to Clause 24 (h) of Listing Agreement.

We have reviewed the methodologies used in Valuation Report furnished by Mustufa Shah, Proprietor of Shah Mustufa & Associates., Chartered Accountants (Firm Registration No.134288W, Membership No. 147620) for the purpose of proposed Amalgamation.

We enclose herewith our Fairness opinion on the Valuation carried out by Mustufa Shah, Proprietor of Shah Mustufa & Associates., Chartered Accountants (Firm Registration No.134288W, Membership No. 147620) having its head office at 10, Ground floor, God Gift Tower, S.V. Road Junction, Hill Road, Bandra (W), Mumbai - 400050 Contact: +91 - 022 - 32106294; +91 - 7666211052

We hereby give our consent to present and disclose the Fairness Opinion to the Shareholders, Stock Exchanges, High Court, Registrar of Companies, Regulatory authorities etc.

We highly appreciate the co-operation and support received by us from your representatives during preparation of the said Report.

Thanking you,

Yours faithfully,

For Corporate Strategic Allianz Limited

Devendra Shah
(Managing Director)



FAIRNESS OPINION ON VALUATION OF THE AMALGAMATION OF BLUE PEARL LIFESTYLE PRIVATE LIMITED ("BPLPL" OR "TRANSFEROR COMPANY") WITH BLUE PEARL TEXSPIN LIMITED ("BPTL" OR "TRANSFeree COMPANY") AS PER THE CLAUSE 24(H) OF THE LISTING AGREEMENT

CONTENTS

- I. Preamble
- II. Information Received and Relied upon by us for the Fairness Opinion
- III. Brief Background of Companies under Reference
- IV. Rationale for Amalgamation
- V. Comments on the basis of Valuation
- VI. Valuation Techniques
- VII. Comments on the Valuation of amalgamation of BPLPL with BPTL and opinion on valuation
- VIII. Exchange Ratio

FAIRNESS OPINION ON VALUATION OF THE AMALGAMATION OF BLUE PEARL LIFESTYLE PRIVATE LIMITED ("BPLPL" OR "TRANSFEROR COMPANY") WITH BLUE PEARL TEXSPIN LIMITED ("BPTL" OR "TRANSFeree COMPANY") AS PER THE CLAUSE 24(H) OF THE LISTING AGREEMENT

I. Preamble

- 1.1 We have been appointed by Blue Pearl Texspin Limited to provide fairness opinion on valuation and Exchange Ratio calculation done by Mustufa Shah, Proprietor of Shah Mustufa & Associates., Chartered Accountants (Firm Registration No.134288W, Membership No. 147620)having its head office at 10, Ground floor, God Gift Tower, S.V. Road Junction, Hill Road, Bandra (W), Mumbai - 400050 Contact: +91 - 022 - 32106294; +91 - 7666211052 for the Scheme of Amalgamation of Blue Pearl Lifestyle Private Limited ("BPLPL") With Blue Pearl Texspin Limited ("BPTL").

M/s Blue Pearl Texspin Limited

M/s. Blue Pearl Texspin Limited was originally incorporated in name of E-Wha Foam India Limited on November 06, 1992 with the Registrar of Companies, Maharashtra, Mumbai under the Companies Act, 1956 and on November 08, 2012 name of the company changed to Blue Pearl Texspin Limited.

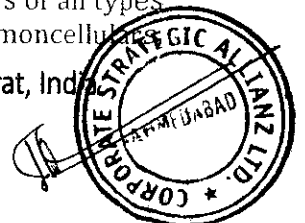
The main objects of the Company as per clause III A of the Memorandum of Association is:

1. To carry on the business of manufacturers, importers, exporters & dealers in all types of polymer foams like polyathlene foam poly Vinyl Chloride foam, polyathlene foam, Ethyleae Vinyl acetate foam and rubber foam latex foam and any other type of foam.
2. To carry on the business of exporters, importers, dealers, manufacturers, repairers of all types of rigid, semi rigid, soft, hand, flexible, micro cellular, micro porous cellular, monocellular

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porous or any other types of foam indifferent sizes and shapes like angles, pipes, hose, net, red, sheet or any other shape.

3. To carry on the business of purchase, sell, import, export, manufacture, repair or otherwise all types of sheets, rods, hoses, nets, pipes, purses, pouches, bags, jackets, toys, games, clothes, rings, mats, sports wears, leisure wears, pillows, seals, chairs, doors, windows, tyres and any other articles or products made from foams of all types.

BLUE PEARL LIFESTYLE PRIVATE LIMITED

M/s. Blue Pearl Lifestyle Private Limited was originally incorporated on September 01, 2005 in the name of Gada & Jain Holdings Private Limited. The name of the Company was changed to Blue Pearl Lifestyle Private Limited on May 17, 2013.

The main objects of the Company as per clause IIIA of the Memorandum of Association are:

1. To carry on the business of manufacturing, buying, selling, importing, exporting and dealing in textiles, cotton, silk, art silk, rayon, nylon, synthetic fibers, staple fibers, polyester, worsted, wool, hemp and other fibre materials, yarn, cloth, linen, rayon and other goods or merchandise whether textile felted, netted or looped.
2. To carry on the business of importers, exporters, buyers, sellers, dealers and as agents, stockiest, distributors and suppliers of all kinds of readymade garments, coverings, coated fabrics, textiles, hosiery and silk or merchandise of every kind and description and other production goods, articles and things as are made from or with cotton, nylon, silk, polyester, acrylics, wool, jute and other such kinds of fiber by whatever name called or made under any process, whether natural or artificial and by mechanical or other means and all other such products of allied nature made thereof.
- 1.2 This report has been prepared for the purpose of submission to Shareholders, Stock Exchanges, High Court, Registrar of Companies, Regulatory authorities etc.
- 1.3 While preparing the Valuation Report Shah Mustufa & Associates Chartered Accountants, considered following different approaches for the purpose of valuation:
 1. Asset based approach;
 2. Market based approach; and
 3. Income based approach.

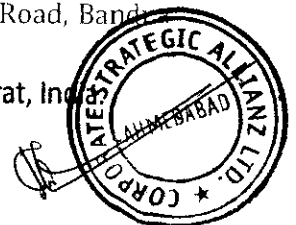
INFORMATION RECEIVED AND RELIED UPON BY US FOR THE FAIRNESS OPINION

- 2.1 We, CSAL, have prepared the Fairness Opinion on the basis of the following information provided to us -
 - (a) Annual Reports of Blue Pearl Texspin Limited ("BPTL") for the financial year ended March 31, 2011, March 31, 2012 and for the period ended June 30, 2013.
 - (b) Annual Reports of Blue Pearl Lifestyle Private Limited ("BPLPL") for the Financial Years ended March 31, 2011, March 31, 2012 and June 30, 2013.
 - (c) Valuation Report of Mustufa Shah, Proprietor of Shah Mustufa & Associates., Chartered Accountants (Firm Registration No.134288W, Membership No. 147620) having its head office at 10, Ground floor, God Gift Tower, S.V. Road Junction, Hill Road, Band

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(W), Mumbai - 400050 Contact: +91 - 022 - 32106294; +91 - 7666211052 dated March 22, 2014

- (d) Memorandum of Association of Blue Pearl Lifestyle Private Limited and Blue Pearl Texspin Limited.
- (e) Draft scheme of amalgamation (which is subject to final approval of the Board, Shareholders of "BPTL", Registrar of Companies, Stock Exchange, High Court, Regulatory Authorities)
- 2.2 Our work does not constitute an audit or certification of the historical financial statements of Blue Pearl Texspin Limited, including their working results referred to in this report. Accordingly, we are unable to and do not express any opinion on the accuracy of any financial information referred to in this report. We assume no responsibility for any errors in the information/clarifications submitted by the management and their impact on the present exercise. This Fairness Opinion has been furnished on the methodologies and resultant share valuation used by the Valuer.
- 2.3 This report is issued on the understanding that BPTL has drawn our attention to all the relevant matters, of which they were aware of, concerning the company's financial position and businesses and end status of business of BPTL, which may have an impact on this Report.
- 2.4 Our report is also subject to the Disclaimer/limitations referred to in the valuation report provided by Mustufa Shah, Proprietor of Shah Mustufa & Associates., Chartered Accountants (Firm Registration No.134288W, Membership No. 147620) having its head office at 10, Ground floor, God Gift Tower, S.V. Road Junction, Hill Road, Bandra (W), Mumbai - 400050 Contact: +91 - 022 - 32106294; +91 - 7666211052

III. BRIEF BACKGROUND OF COMPANY UNDER REFERENCE

Blue Pearl Texspin Limited

Blue Pearl Texspin Limited (BPTL) (formerly known as E-Wha Foam India Limited) was engaged in the business of manufacturing of foam & other foam based products. In 2012, the company changed its name from E-Wha Foam India Limited to Blue Pearl Texspin Limited and commenced textile business. It has earned a profit of Rs. 61,053 from its new business operations. It has huge accumulated losses and substantial capital of the company has been eroded.

Blue Pearl Lifestyle Private Limited

Blue Pearl Lifestyle Private Limited (BPLPL) (formerly known as Gada & Jain Holding Private Limited) is a company engaged in textile business. The company has been continuously running into losses. It has had no operations apart from the last year i.e. 2012-13 when it has resumed business operations in a small manner.

IV. RATIONAL FOR AMALGAMATION

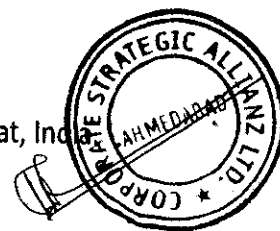
1. The Amalgamation is governed by the provisions of provisions of sections 391 to 395 read with Section 100 to 105 and other applicable provisions, if any of the Companies Act 1956 (or any amendment thereof) and Listing Agreement and is proposed to be carried out through a scheme of amalgamation.

2. As per the draft scheme the Appointed Date for the Amalgamation is July 1, 2013.

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V. **COMMENTS ON THE 'BASIS OF VALUATION' AND 'VALUATION METHODOLOGY'**

The fair basis of valuation of the Amalgamate Business of BPTL would have to be determined after taking into consideration all the factors and methodologies available including but not restricted to the basis laid down by erstwhile Controller of Capital Issues (CCI). Though different values can be arrived at under each of the methodologies, for the purposes of recommending the valuation of Amalgamate Business it is necessary to arrive at a fair value of the undertaking by trying to neutralize the effect of a particular method of valuation.

VALUATION TECHNIQUES

By its very nature, valuation work cannot be regarded as an exact science and given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions, which have to be made. There can therefore be no standard formulae to establish an indisputable value, although certain appropriate formulae are useful in establishing reasonableness.

The basic valuation methodologies adopted can be classified as:

- A. Asset based approach;
- B. Market based approach; and
- C. Income based approach

A) Asset Based Approach

The Asset based approach considers the Net Asset value, Replacement value or Realizable value as an indication of the fair market value of respective assets.

We have adopted Net Asset value method for both the Companies under this approach to have idea of book value of shares.

Under this method book value of total assets and total liabilities as per latest Audited Financial statement as on June 30, 2013 are considered for arriving at Net Asset value of the company.

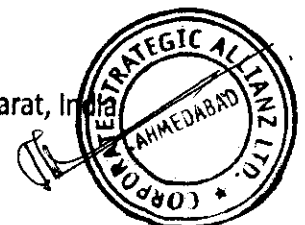
B) Market Based Approach

The market approach involves identifying comparable companies (usually publicly-listed) within the same segment of the industry and uses the comparable companies' financial information to derive various pricing multiples. These multiples are then used in calculating the fair market value.

C) Earning Based Approach

The earnings based method considers price earnings capacity value per share, discounted cash flow, earnings multiple method as an indication of the fair value of the share.

Under this method profits of various years are averaged and capitalization rate is applied to arrive at the fair value.



VI. Comments on the Valuation of amalgamation of BPLPL with BPTL and opinion on valuation.

VALUATION OF EQUITY SHARES OF BLUE PEARL TEXSPIN LIMITED AND BLUE PEARL LIFESTYLE PRIVATE LIMITED:

A) Valuation Of Equity Shares Of Blue Pearl Texspin Limited

1. Asset Based Approach

Net Asset Value Method as per Audited Balance Sheet as at 30.06.2013

Particulars	Amount (Rs.)
Fixed Assets	79,631
Trade Receivables	5224689
Cash and Cash Equivalents	413850
Short Term Loans & Advances	367000
Total Assets	6,085,170
Less:	
Trade Payables	4987176
Other Current Liabilities	2030500
Short-Term Provisions	10,000
Total Liabilities	7027676
TOTAL NET WORTH (A)	-942,506
TOTAL NO. OF EQUITY SHARES PRE REDUCTION (B)	5120000
NET ASSET VALUE per Share (A) / (B)	-0.18
TOTAL NO. OF EQUITY SHARES POST PROPOSED REDUCTION (C) (Refer assumption)	204800
NET ASSET VALUE per Share (A) / ©	-4.60

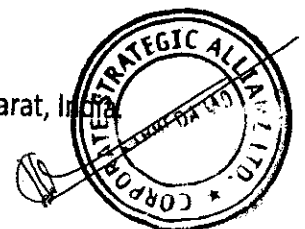
NOTE:

Total numbers of equity shares for the purpose of calculation of Net Asset Value per share is after considering proposed reduction of 49,15,200 shares of Rs. 10 each from the existing paid up share capital of the Company. Thus, number of shares after reduction is 2,04,800 shares of Rs. 10 each.

The NAV of the company is negative.

2. Profit Earning Value per Share (PECV) Method

The company commenced operations in the textile business in 2012. It had no operations for a large number of years. Given the turnover of the company, the profit of Rs. 48,842 (taken on proportionate basis for 12 months as the Financial Year for 2012-13 was for 15 months) is very small in value. This is the first year of operation after many years of slumber. A single year's performance and that too the first year of operations cannot be considered to make any projection of the Future Maintainable profit or projected future profits. Hence, PECV Method of valuation has not been considered for this Company.



3. Market Based Approach

Due to the continuous losses suffered by the company and highly depreciated value of the company's equity shares no significant dealings have taken place in respect of the company's equity shares. Also the shares of the company were under suspension on the Bombay Stock Exchange. The suspension on the trading of shares on the exchange was revoked only seven months from the appointed date after many years of suspension.

From the trading records of the stock Exchange (Bombay Stock Exchange, Source: Website of BSE: www.bseindia.com),

1. Where the company is listed, it is noted that there has been low volume of trading in the company's equity. The average of market value of highs and lows in the last twelve months of inactive trading in the stock is not a proper indicator. As such no meaningful inferences in respect of the market value of equity would be derived.

2. Valuation as per Market Based Approach gives a very high value per share. Given the negative net asset valuation of the company & huge accumulated losses, this is an unreal valuation. Hence, it has been ignored.

Here we need to note that the company is exchange traded and the shareholders of the transferee company will be benefited due to amalgamation.

Thus, although the Net Asset Valuation is negative, keeping in mind the turnover of the company after entering into the textile business, in our opinion, the recommended share value per share of Blue Pearl Texspin Limited (BPTL) on the valuation date considering reduction of 96% capital is Rs. 10/-. I.e. 2,04,800 remaining shares of BPTL will be valued at Rs. 10/- each.

B) Valuation of Equity Shares of Blue Pearl Lifestyle Private Limited

1. Asset Based Approach

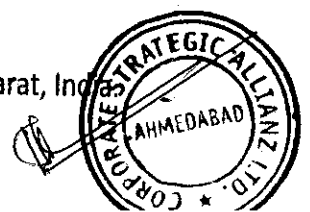
Net Asset Value Method as per Audited Balance Sheet as at 30.06.2013

Particulars	Amount (Rs.)
Long Term Loans and Advances	4,99,00,000
Other Non-Current Assets	5,24,280
Cash and Cash Equivalent	9,678
Total Assets	5,04,33,958
Less:	
Long Term Borrowings	2,53,400
Trade Payables	3,16,811
Short Term Provisions	11,500
Total Liabilities	5,81,711
TOTAL NET WORTH (A)	4,98,52,247
TOTAL NO. OF EQUITY SHARES (B)	50,00,000
NET ASSET VALUE per Share (A) / (B)	9.97

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2. Profit Earning Value per Share (PECV) Method

The company had no operations for a large number of years. It has been in operation only in 2012-13. During the same, the turnover of the company was very small (i.e. Rs. 4,56,977) and it suffered a loss of Rs. 11,140 (profit and turnover have been taken on a proportionate basis for 12 months). calculation of the value of the shares.

3. Market Based Approach

The Average market price parameter is not applicable for this Company since the company is a private company. Also given the very small size of operations of the company it is very difficult to estimate the Market Price of the company through the process of benchmarking it with the Market Price of other similar companies.

Value of Equity Shares considering above approaches

In our opinion, the recommended share value of Blue Pearl Lifestyle Private Limited (BPLPL) on the valuation date on the basis of Net Asset Value per share method is Rs. 10 (rounded off to the nearest rupee).

VII. Final Valuation

Final Valuation for BPTL

In our opinion, the final share value of each share of Blue Pearl Texspin Limited on the valuation date should be calculated on the basis of the valuations as per the two methods, namely Asset Based Approach and Market Price Method.

The valuation as per asset based approach is arriving to negative i.e. -0.18.

The stocks of the company have been suspended from trading on the BSE India Limited for over a decade and the suspension has been revoked only in June 2012 and there has been sparse trading on the shares of the company since then. The valuation of the shares on the exchange cannot thus be given importance. However, as the shares of the company are listed on a recognised stock exchange, we are considering the face value of equity shares i.e. Rs. 10 per share.

Final Suggested valuation of the company comes to Rs. 10 per equity share considering face value of equity shares of the Company.

Final Valuation for BPLPL

In our opinion, the recommended share value of Blue Pearl Lifestyle Private Limited (BPLPL) on the valuation date is Rs. 9.97 considering Net Asset Value per share.

VIII. Share Exchange Ratio

In our opinion, Share Exchange ratio for the purpose of merger of Blue Pearl Lifestyle Private Limited with Blue Pearl Texspin Limited on the basis of above valuation methodologies is 10.00:10.00 i.e. for every 1 (One) shares of Blue Pearl Lifestyle Private Limited for every 1(One) shares of Blue Pearl Texspin Limited.

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