

REPORT ON VALUATION
OF
BLUE PEARL TEXSPIN LIMITED
As at 31st March, 2014
(FORMERLY KNOWN AS E-WHA FOAM INDIA
LIMITED)

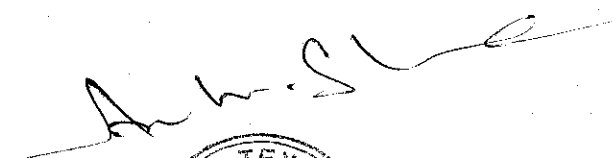
Prepared by:
A M A R & ASSOCIATES

Date: 15.04.2015



Contents

1. INTRODUCTION	2
2. PURPOSE OF VALUATION	2
3. SOURCE OF INFORMATION	2
4. COMPANY BACKGROUND AND PRESENT STATUS	3
5. VALUATION TECHNIQUES.....	3
A) Asset Based Approach.....	3
B) Market Based Approach	4
C) Earnings based Approach	4
6. OPINION ON VALUE OF SHARES	4
Valuation Of Equity Shares Of Blue Pearl Texspin Limited.....	4
i. Asset Based Approach.....	4
ii. Profit Earning Value per Share (PECV) Method	5
iii. Market Based Approach.....	5
7. DISCLAIMER.....	6
8. ACKNOWLEDGEMENT	7





AMAR & ASSOCIATES

CHARTERED ACCOUNTANTS

Head Off.: Off. No. 1A, 2nd Flr, Meera Bhavan, 98/104 Caval Street, Opp. Parsi Agiyary, Dadiseth Agiyary Lane, Kalbadevi, Mumbai - 02.
Tel : 022- 66369400 Mob.: 9022897498 / 7276369225 / 9920217228 / 9819186184
Email :- amarassociates20@gmail.com web: www.amarassociates.icai.org.in

1. INTRODUCTION

We refer to our engagement letter dated 25th February 2015 confirming our appointment as independent valuer of shares of Blue Pearl Texspin Limited (hereinafter referred to as BPTL).

The registered office of BPTL is situated at Office No. 32, Vyapar Bhavan, 49, P. D. Mello Road, Mumbai-400 009, Maharashtra. The Company was principally engaged in the business of manufacturing of foam & other foam based products. In 2012, the company changed its line of business & commenced textile business. The Company's equity shares are listed on the Stock Exchange, Mumbai but there has been abysmally low trading volume in the shares of the company in the last few years.

In the following paragraphs, we have summarised our valuation analysis of the business of the above Companies.

2. PURPOSE OF VALUATION

Based on the discussion with the management, we understand that the purpose of valuation is to determine the value of shares of the Company for the purpose of reduction of capital as required under SEBI circular no. SEBI/CFD/DIL/LA/5/2008/4/09 dated September 04, 2008 read with CIR/CFD/DIL/2013 dated February 04, 2013 and CIR/CFD/DIL/8/2013 dated May 21, 2013 read with clause 24 (h) of the Listing Agreement. In this context, the management of the company requires our assistance in determining the fair value of equity shares of the Company.

VALUATION DATE

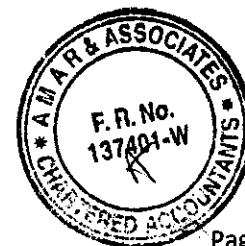
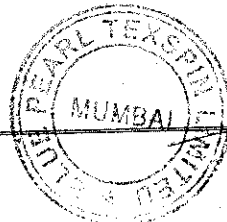
The analysis of fair value of the equity shares of BPTL has been carried out on close of business on 31st March 2014.

3. SOURCE OF INFORMATION

For the valuation exercise, we have relied on the following sources of information:

1. Interview with the management team of the Company
2. Information provided by the companies' management including

Valuation Report



Page 2 of 7

- a. Audited Financial Statement and tax & other records of BPTL for the last three completed financial years
- b. The details and documents pertaining to assets and liabilities as required by us of the companies as on 31st March 2014.

4. COMPANY BACKGROUND AND PRESENT STATUS

The company that is 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. The Company has huge accumulated losses and substantial capital of the company has been eroded. The company has been continuously running into losses. The Scheme provides for the reduction of the equity share capital of the Company pursuant to Section 100 to 105 and other applicable provisions, if any, of the Companies Act, 1956. The Scheme also provides for various other matters consequential, supplemental and/or otherwise integrally connected herewith. Upon the coming into effect of the Scheme, the share capital of the Company will be reduced and reorganized by reducing the paid up equity share of the Company from Rs. 10/- per equity shares to Rs. 0.5/- per equity shares and further consolidating the same in to fully paid up share and share capital, and other reserves and surplus account of Company shall stand as follows.

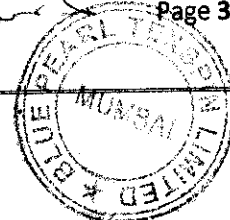
1. Capital Account	Rs. 25,60,000/-
2. Reserves and Surplus	Rs. (34,92,671)

5. 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 for the purpose are namely:

1. Asset based approach;
2. Market based approach; and
3. Income based approach.



A) Asset Based Approach

The Asset based approach considers the Net Asset value, Replacement value or Realisable value as an indication of the fair market value of that asset.

Under this method book value of total assets and total liabilities as per latest Financial Statement with necessary adjustments is 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.

Also where the value of the shares of the company are traded on a recognised exchange wherein there are large number of buyers and sellers, the market value determined therein is considered for the purpose with necessary adjustments.

C) Earnings 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 capitalisation rate is applied to arrive at the fair value.

6. OPINION ON VALUE OF SHARES

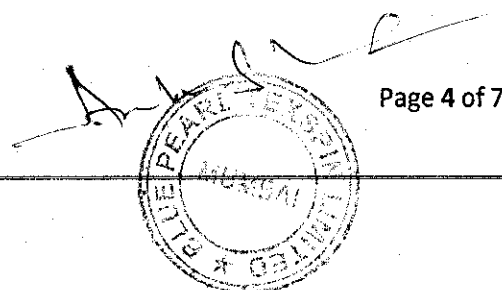
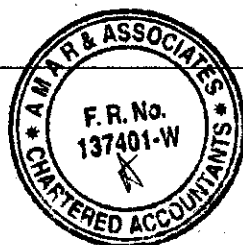
The valuation of equity shares of BPTL has been carried out after considering all three approaches of valuation.

Valuation of Equity Shares of Blue Pearl Texspin Limited

i. Asset Based Approach

Net Asset Value Method as per Audited Balance Sheet as at 31.03.2014

Particulars	Amount (Rs.)
Fixed Assets	47,779



Trade Receivables	76,15,353
Cash and Cash Equivalents	1,57,824
Short Term Loans & Advances	3,67,000
Total Assets	81,87,956
Less:	
Trade Payables	68,03,430
Other Current Liabilities	22,80,500
Short-Term Provisions	36,697
Total Liabilities	91,20,627
TOTAL NET WORTH (A)	(9,32,671)
TOTAL NO. OF EQUITY SHARES PRE REDUCTION (B)	51,20,000
NET ASSET VALUE per Share (A) / (B)	(0.18)
TOTAL NO. OF EQUITY SHARES POST PROPOSED REDUCTION (C)	2,56,000
NET ASSET VALUE per Share (A) / (C)	(3.64)

The NAV of the company is negative.

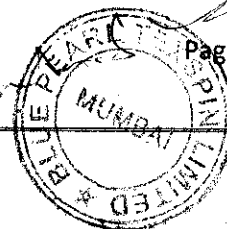
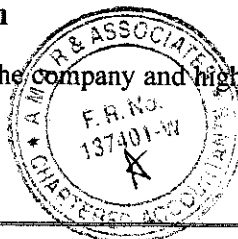
ii. Profit Earning Value per Share (PECV) Method

The company commenced operations in the textile business in 2012. It had no operations for a large number of years. The Company has huge accumulated losses. This 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.

iii. Market Based Approach

Due to the continuous losses suffered by the company and highly depreciated value of the company's

Valuation Report



equity shares no significant dealings have taken place in respect of the company's equity shares.

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 abysmally 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. The Average Market Price of the shares on the Effective Date of the scheme i.e. 31.03.2014 was Rs. 8.45/-. Given the negative net asset valuation of the company and huge accumulated losses, this is an unreal valuation. Also, as the market value cannot be trusted due to the abysmally low volume of trading on the market, it has been ignored.

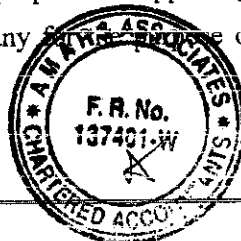
Thus, the Net Asset Valuation is negative, in our opinion, the recommended share value per share of Blue Pearl Texspin Limited (BPTL) on the valuation date considering reduction of share capital of the Company, 5120000 equity shares having a face value of Rs. 10/- each aggregating Rs. 5,12,00,000/- (Rupees Five Crores Twelve Lacs only) shall be reorganized into 256000 equity shares of Rs. 10/- each fully paid up aggregating Rs. 25,60,000/- (Rupees Twenty Five Lacs Sixty Thousands only). Consequently, every shareholders of Company whose name appears register of members on the record date shall be issued in total 256000 equity shares of the face value of Rs. 10/- each fully paid up held by them in the Company prior to Scheme.

7. DISCLAIMER

In preparing this valuation Report ("the Report"), we have relied upon and assumed, without independent verification, the accuracy and completeness of all information obtained from the company and other databases.

The Report is being provided solely for the benefit of "BPTL" and is not on behalf of, and shall not confer rights or remedies upon, any other person other than "BPTL". The Report may not be used or relied upon by, or disclosed, referred to, or communicated by "BPTL" (in whole or in part) to any third party for any purpose whatsoever with our prior written consent in each instance.

The Valuation report, within the limits and with the cautions, qualifications, and caveats provided herein, has been prepared solely for the purpose of supporting the valuation and decision - making process of Board of Directors of Company pursuant to clause of 24(i) read with 24(h) of the listing



A M A R & Associates,
Chartered Accountants

The Valuation report, within the limits and with the cautions, qualifications, and caveats provided herein, has been prepared solely for the purpose of supporting the valuation and decision – making process of Board of Directors of Company for the purpose of 24(f) read with 24(h) of the listing Agreement. In furnishing the Report, we reserve the right to amend or replace the report at any time. Our views are necessarily based on economic, market, and other conditions currently in effect, and the information made available to us, as of the date hereof. It should be understood that subsequent developments may affect our views and that we do not have any obligation to update, revise, or reaffirm the views expressed in the Report. Nothing contained within the Report is or should be relied upon as a promise or representation as to the future.

The pro-forma and estimated financial information contained herein was provided by “BPTL” and our Report is based on certain assumptions, analysis of information available at the time of Report preparation.

While the information provided to us is believed to be accurate and reliable, we do not make any representations or warranties, express or implied, as to the accuracy or completeness of such information. Part of this information is based, inter-alia, on published / private reports or research studies carried out by other agencies. The information provided there has not been verified by us, though we are not aware nor have reason to believe that the information is otherwise unreliable in any material aspect. No representations expressed or implied are made in that behalf.

7. ACKNOWLEDGEMENT

We are thankful to the Management & Staff of “BPTL” for their kind co-operation extended to us during the course of our assignment.

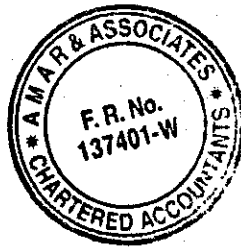
For,

A M A R & ASSOCIATES
Chartered Accountants
FRN: 137401W

Antu Gupta

CA ANTU GUPTA
Partner
M. No. 149137

Mumbai
Date: 15.04.2015



Antu Gupta