

May 05, 2023

To,

**The Board of Directors,
TCNS Clothing Co. Limited**
119, New Manglapuri, W House, Mandi Road,
Sultanpur, Mehrauli,
New Delhi-110030

Sub: Fairness opinion to the Board of Directors of TCNS Clothing Co. Limited (“TCNS”) on the recommendation of Share Exchange Ratio for amalgamation of TCNS into Aditya Birla Fashion and Retail Limited (“ABFRL”) by way of merger by absorption (together referred to as “Companies”)

In terms of our engagement with TCNS dated 30th April, 2023, TCNS has requested ICICI Securities (“I-Sec”) to provide a fairness opinion to the Board of Directors of TCSN on the Share Exchange Ratio suggested by the Registered Valuers for proposed amalgamation of TCNS into ABFRL by way of merger by absorption as provided in the Scheme of Amalgamation (“Scheme”).

BACKGROUND, PURPOSE AND USE OF THIS FAIRNESS OPINION

Aditya Birla Fashion and Retail Limited (“ABFRL”) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed in India on the National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”). ABFRL is engaged in the business of manufacturing, marketing, sales and/or distribution of fashion apparel, footwear and accessories through offline and/or online channels including wholesale, retail and e-commerce under multiple owned and licensed brands.

TCNS Clothing Co. Limited (“TCNS”) is a public limited Company incorporated in India having its equity shares of TCNS are listed on BSE and NSE. TCNS is primarily engaged in the business of women apparels and accessories under the brand name “W”, “Aurelia”, “Wishful” and “Elleven”.

It is understood from perusal of the draft Scheme of Amalgamation (‘Draft Scheme’) shared with us that ABFRL proposes to acquire shares in TCNS from its promoters pursuant to a Share Purchase Agreement which would trigger an open offer under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (‘Takeover Code’). We further understand that the Board of Directors of the Companies are contemplating the amalgamation of the TCNS into ABFRL, by way of merger by absorption and dissolution of TCNS without winding up pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 (‘the Act’) and rules relating thereto including relevant SEBI regulations.

ABFRL acquiring 51% (fifty-one percent) of the paid-up equity share capital of TCNS pursuant to the above steps is a condition precedent to the effectiveness of the Scheme.



Rationale of the Scheme: The Scheme has provided that amalgamation of TCNS into ABFRL pursuant to Sections 230 to 232 and other applicable provisions of the Act, and also read with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961 ('IT Act'), has been done with the view to achieve the following benefits:

- (i) Strengthening of organizational capabilities around operational and financial areas, driving scale benefits through leveraging resources;
- (ii) Enabling coverage of complementary markets and consumer segments in line with focused strategy of building a comprehensive apparel portfolio; entering newer markets and driving penetration;
- (iii) Creating revenue synergies through sharing of consumer understanding, market insights, channel models to ensure faster go to market and achieve faster growth with fewer resources;
- (iv) Driving synergy benefits around back-end; driving optimal utilization of resources and building centers of excellence for a larger company;
- (v) Enhancing organizational capabilities arising from pooling of talent and human capital, providing strength to operate strongly in a highly fragmented market;
- (vi) Enabling more coordinated and comprehensive business management with clear focus on driving common goals; allowing for more efficient allocation of capital and resources for growth;
- (vii) Driving channel efficiencies by providing opportunity to cross-sell products across markets;
- (viii) Streamlining of legal, compliance and other statutory functions to allow a more coordinated approach towards governance for the businesses;
- (ix) Post Scheme, ABFRL to become a platform for building category-led business and be better placed to adequately finance the growth prospects of the business;
- (x) Driving cost synergies and reducing overlaps between businesses.

The Board of TCNS has appointed GT Valuation Advisors Private Limited ("GT") as Registered Valuer to determine and recommend the Share Exchange Ratio for the Proposed Transaction, on a going concern basis with May 03, 2023 being the valuation date. ABFRL has appointed Bansi S. Mehta Valuers LLP ("BSM") for the same purpose as stated above. In this connection, pursuant to the requirements of SEBI Operational Circular SEBI/HO/DDHS/DDHS_DIV1/P/CIR/ 2022/0000000103 dated 29 July 2022, updated as on 1 December 2022 and SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23 November 2021, we have been requested by the Board of Directors of TCNS to render an opinion on whether the Share Exchange Ratio determined and recommended by the Registered Valuer vide their report dated May 05, 2023 is fair.

The Registered Valuer has recommended the following for the Proposed Transaction:

Share Exchange Ratio 1:

"11 (eleven) equity shares of ABFRL of INR 10/- each, fully paid-up for every 6 (six) equity shares of TCNS of INR 2/- each, fully paid-up."

This fairness opinion is intended only for the sole use and information of the Board of Directors of TCNS and only in connection with the Proposed Transaction. We are not responsible in any way to any other person / party for any decision of such person or party based on this fairness opinion. Any person / party intending to provide finance / invest in the shares / business of any of the companies involved in the Transaction or their subsidiaries / joint ventures / associates shall do so after seeking their own



professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this fairness opinion or any part thereof, other than in connection with the Transaction as aforesaid can be done only with our prior permission in writing.

SOURCES OF INFORMATION

In arriving at our opinion set forth below, we have relied on:

- a) Discussions (including oral) with, the draft and final valuation report and workings of the Registered Valuer;
- b) Discussions (including oral) with the managements of the Companies in connection with the operations of the respective Companies/ subsidiaries, past and present activities, future plans and prospects, details of the proposed deal in certain subsidiaries of the Companies as recently announced, share capital and shareholding pattern of the Companies;
- c) Details of employee stock options granted and outstanding;
- d) Salient features of the Scheme of Amalgamation
- e) Historical financials of the Companies/ their subsidiaries/ associates/ joint ventures/ investee companies/ their businesses
- f) Projections of the Companies and the subsidiaries, as applicable
- g) Obtained and analysed market prices, volume data and other relevant information for ABFRL and TCNS.
- h) Obtained and analysed data of peers available in public domain, as deemed relevant by us for the purpose of the present exercise.
- i) Other relevant information and documents for the purpose of this engagement

SCOPE LIMITATIONS

Our fairness opinion is subject to the scope limitations detailed hereinafter. As such the fairness opinion is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements in relation to the Companies including their respective working results or businesses referred. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this fairness opinion. Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion as described hereinabove. It may not be valid for any other purpose or if provided on behalf of any other entity. Our fairness opinion is addressed to and is solely for the benefit of the Board of Directors of TCNS and should not be publicly or otherwise circulated, provided or disclosed to any person, authority (including regulatory authority), entity or any public or private platform without our prior written consent. No other person, entity or regulatory authority shall, save with our written consent, rely on this opinion or any part thereof.



We have considered financial information up to March 31, 2023 in our analysis and have made adjustments for facts made known to us till the date of our report, including taking into consideration current market parameters. An exercise of this nature involves consideration of various factors. This fairness opinion is issued on the understanding that each of the Companies have drawn our attention to all the matters which may have an impact on our opinion including any significant changes that have taken place or are likely to take place in the financial position or businesses upto the date of approval of the Scheme by the Board of Directors. We have no responsibility to update this fairness opinion for events and circumstances occurring after this date.

In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided without detailed inquiry. Also, we assume that the management of each of the Companies, has not omitted any relevant and material factors for the purposes of the work which we have undertaken in connection with this fairness opinion.

We shall have no obligation to verify the accuracy or completeness of any information or express any opinion or offer any form of assurance regarding the accuracy or completeness of such information and shall not assume any liability therefor. We assume no responsibility whatsoever for any errors in the information furnished to us and their impact on the present exercise.

We express no opinion whatsoever and make no recommendation at all to the shareholders or secured or unsecured creditors of each of the Companies, as to how they should vote at their respective meetings held in connection with the Scheme. We do not express and should not be deemed to have expressed any views on any other term of the Scheme. We also express no opinion and accordingly accept no responsibility with respect to the financial performance of the Companies following the consummation of the Scheme. We also express no opinion on the likely market price of TCNS and ABFRL post the consummation of the Scheme.

No investigation with respect to the claim to title of assets of each of the Companies has been made for the purpose of this exercise and the same has been assumed to be valid. We have not placed any individual value on the assets of each of the Companies and have also not considered any liens or encumbrances on the same. Further we have not opined and accordingly do not take responsibility whatsoever for matters of a legal nature. Also we are not opining on matters related to taxation. This fairness opinion should not be construed as a certification regarding the compliance of the Scheme with the provisions of any law including Companies Act, tax laws and capital market related laws or as regards any legal implications or issues arising from the Scheme.

In the ordinary course of business, ICICI Securities Limited and its affiliates is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of ICICI Securities Limited may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Scheme.

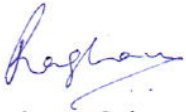


RATIONALE & CONCLUSION

In the circumstances, having regard to all relevant factors and on the basis of information and explanations given to us, we are of the opinion on the date hereof, that the Share Exchange Ratio, as recommended by the Registered Valuers is fair.

Yours faithfully,

For ICICI Securities Limited,



Raghavan Subramanian
Senior Vice President
ICICI Securities, Mumbai
Date: May 5, 2023