



Annexure - 4

Saffron Capital Advisors Private Limited
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CIN No. U67120MH2007PTC166711

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Date: 5th May 2015

To,
The Board of Directors
Titan Company Limited
2, SIPCOT Industrial Estate
Hosur
Tamil Nadu - 635 126
India

CERTIFIED TRUE COPY
For TITAN COMPANY LIMITED

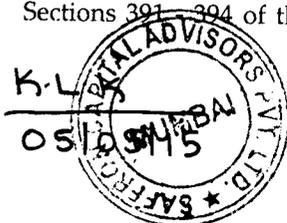
A.R. RAJARAM
HEAD-LEGAL & COMPANY SECRETARY

Subject: Fairness Opinion on the proposed transfer and vesting of Precision Engineering Business Undertaking of Titan Company Limited to Titan Engineering & Automation Limited under the Scheme of Arrangement between Titan Company Limited and Titan Engineering & Automation Limited and Their Respective Shareholders.

We refer to the discussion wherein the management of Titan Company Limited ("the Transferor Company") requested Saffron Capital Advisors Private Limited ("We", "Our" or "Us") to give a Fairness Opinion on the proposed transfer and vesting of Precision Engineering Business Undertaking ("the PEB Undertaking") of the Transferor Company to Titan Engineering & Automation Limited ("the Transferee Company") under the Scheme of Arrangement between Titan Company Limited and Titan Engineering & Automation Limited and Their Respective Shareholders ("the Scheme").

1 Background

- 1.1 The Transferor Company was incorporated on 26th July 1984 as a public limited company under the Companies Act, 1956 in the state of Tamil Nadu under the name and style of Titan Watches Limited. On 21st September 1993 the Transferor Company changed its name and style from Titan Watches Limited to Titan Industries Limited. Further the name and style of the Transferor Company was once again changed from Titan Industries Limited to Titan Company Limited on 1st August 2013. The Corporate Identity Number of the Transferor Company is L74999TZ1984PLC001456 and its registered office is situated at 3, SIPCOT Industrial Complex, Hosur, Tamil Nadu - 635 126, India. The equity shares of the Transferor Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited (collectively, "the Stock Exchanges").
- 1.2 The Transferee Company was incorporated on 24th March 2015 under the Companies Act, 2013 in the state of Tamil Nadu. The Corporate Identity Number of the Transferee Company is U33111TZ2015PLC021232 and its registered office is situated at 3, SIPCOT Industrial Complex, Hosur, Tamil Nadu - 635 126 India. The Transferee Company is a wholly owned subsidiary company of the Transferor Company.
- 1.3 The Transferor Company proposes to transfer the PEB Undertaking on a going concern basis to the Transferee Company with effect from 1st April 2015 ("Appointed Date") pursuant to the Scheme under Sections 391 - 394 of the Companies Act, 1956. The Scheme will need approval from jurisdictional



High Court, at Madras, Tamil Nadu and relevant judicial, quasi judicial, statutory and other regulatory authorities, etc. as applicable.

1.4 The Fairness Opinion requested from Us is to be provided in Our capacity as Category I Merchant Banker (Registration Code: INM000011211) and is required to be submitted to the Stock Exchanges to facilitate the Transferor Company's compliance with clause 24(f) and 24(h) of the Listing Agreement and the Securities Exchange Board of India ("SEBI") Circular No CIR/CFD/DIL/5/2013 dated 4th February 2013 and CIR/CFD/DIL/8/2013 dated 21st May 2013.

2. Sources of information

For the said examination and for arriving at the Fairness Opinion set forth below, We have reviewed the following documents provided to Us by the Transferor Company:

- Draft copy of the Scheme.
- Memorandum and Articles of Association of the Transferor Company and the Transferee Company.
- Latest shareholding pattern of the Transferor Company and the Transferee Company.
- Such other information and explanations as We required and which have been provided by the management of the Transferor Company.

3. Limitations

- 3.1 Our Fairness Opinion is based on the information furnished to Us being complete and accurate in all material aspects. We have relied upon the information (including financial information), explanations and representations furnished to Us without carrying out any audit or other tests to verify their accuracy with limited independent appraisal.
- 3.2 We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Transferor Company and/ or the Transferee Company.
- 3.3 Our work does not constitute verification of any financial information (including the working results) of the Transferor Company and/ or the Transferee Company. Accordingly, We do not express any opinion on the fairness or accuracy of any financial information referred to in this report.
- 3.4 Our Fairness Opinion is not intended to and does not constitute any recommendation to any shareholder of the Transferor Company as to how such shareholder should vote or act in connection with the Scheme or any matter related therein.
- 3.5 Our Fairness Opinion is not, nor should it be construed as Our opinion on/ or certification of compliance of this proposed transfer and vesting of the PEB Undertaking of the Transferor Company to the Transferee Company with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.



- 3.6 We do not assume any responsibility for updating or revising Our Fairness Opinion based on circumstances or events occurring after the date thereof.
- 3.7 We do not express any opinion as to the price at which equity shares of the Transferor Company may trade at any time, including subsequent to the date of this Fairness Opinion.
- 3.8 This Fairness Opinion has been issued for the sole purpose to facilitate the Transferor Company's compliance with clause 24(f) and 24(h) of the Listing Agreement and SEBI Circular No CIR/CFD/DIL/5/2013 dated 4th February 2013 and CIR/CFD/DIL/8/2013 dated 21st May 2013 and it shall not be valid for any other purpose.
- 3.9 It is understood that this Fairness Opinion is issued to the Board of Directors of the Transferor Company in connection with the Scheme and may not be relied upon by any other person and may not be used or disclosed for any other purpose without Our prior written consent except that a copy of this Fairness Opinion may be included in its entirety in any filing, which the Transferor Company is required to make with SEBI and/ or with any Indian Stock Exchange in connection with this proposed transfer and vesting of the PEB Undertaking of the Transferor Company to the Transferee Company, if such inclusion is required by applicable law.
- 3.10 In no event shall We be liable for any loss, damage, cost or expense arising in any way from the fraudulent acts, misrepresentations or willful default on the part of the Transferor Company or the Transferee Company, their Directors, employees or agents.
- 3.11 Our liability (statutory, financial or otherwise) for any economic loss or damage arising out of the rendering of this Fairness Opinion shall be limited to the amount of fees received for rendering this Fairness Opinion as per Our engagement with the Transferor Company.

4. Fairness Opinion

- 4.1 With reference to above and based on information and explanation provided by the management representative of the Transferor Company and after analyzing the Scheme, We understand that the PEB Undertaking is proposed to be transferred by the Transferor Company, the holding company, to the Transferee Company, a wholly owned subsidiary company of the Transferor Company, and it does not involve any movement of assets or liabilities outside the group (comprising the Transferor Company and the Transferee Company). Further the Transferee Company will continue to remain a wholly owned subsidiary company of the Transferor Company. Also, there is also no change in the shareholding pattern (promoter and/ or public shareholding) of the Transferor Company, a publicly listed company as a result of this proposed transfer and vesting of the PEB Undertaking of the Transferor Company to the Transferee Company. Hence, the Valuation of the Transferor Company and/ or Transferee Company has not been undertaken from an Independent Valuer as per SEBI Circular No. CIR / CFD / DIL / 5/2013 Dated 4th February 2013 read with SEBI Circular No. CIR / CFDIDIL/8/2013 dated 21st May 2013.



4.2 As per the Scheme, the consideration for the transfer of the PEB Undertaking would be discharged in cash by the Transferee Company to the Transferor Company. The consideration clause as per the Scheme is as follows:

"Subject to terms and conditions of this Scheme, the consideration for the sale, transfer and vesting of the PEB Undertaking into Transferee Company shall not exceed INR 170,00,00,000 (Rupees One Hundred and Seventy Crores only). The final consideration shall be mutually arrived at by the Board of the Transferor Company and the Transferee Company after taking into consideration, amongst other things, the values of the assets and liabilities pertaining to PEB undertaking as on the Appointed Date."

4.3 On the basis of the foregoing and based on the information and explanation provided to Us, in Our opinion, the proposed transfer and vesting of the PEB Undertaking of the Transferor Company to the Transferee Company, a wholly owned subsidiary company of the Transferor Company, for cash consideration, as per the Scheme, is fair and reasonable to the equity shareholders of the Transferor Company.

For Saffron Capital Advisors Private Limited

K.L. Kalantri

05/05/15



Kunal L. Kalantri
Saffron Capital Advisors Private Limited
Category I Merchant bankers
Registration no.: INM000011211

CERTIFIED TRUE COPY
For TITAN COMPANY LIMITED

A.R. Rajaram

A.R. RAJARAM
HEAD-LEGAL & COMPANY SECRETARY

