

Date: January 24, 2023

To,
The Board of Directors,
JD Orgochem Limited,
301 Sumer Kendra, P B Marg,
Worli, Mumbai – 400018,
Maharashtra, India.

To,
The Board of Directors,
Jaysynth Dyestuff (India) Limited
301 Sumer Kendra, P B Marg,
Worli, Mumbai – 400018,
Maharashtra, India.

To,
The Board of Directors,
Jaysynth Impex Private Limited,
E-16 Everest, Tardeo Road,
Mumbai – 400034,
Maharashtra, India.

Subject: Fairness opinion on the share exchange ratio recommended by Harsh Chandrakant Ruparelia, Registered Valuer- Securities or Financial Assets for the proposed amalgamation of Jaysynth Dyestuff (India) Limited and Jaysynth Impex Private Limited with JD Orgochem Limited.

We refer to the engagement letter dated January 15, 2023 and discussions undertaken with the Management of JD Orgochem Limited ("JDOL" or "Transferee Company"), Jaysynth Dyestuff (India) Limited ("JDIL" or "Transferor Company 1") and Jaysynth Impex Private Limited ("JIPL" or "Transferor Company 2") (hereinafter together referred to as "the Management"), wherein the Management has requested Kunvarji Finstock Private Limited ("Kunvarji" or "We" or "us") to provide a fairness opinion on the share exchange ratio recommended by Harsh Chandrakant Ruparelia, Registered Valuer - Securities or Financial Assets ("Independent Valuer") vide report dated January 24, 2023 ("Report Date") in connection with the proposed amalgamation of Jaysynth Dyestuff (India) Limited and Jaysynth Impex Private Limited with JD Orgochem Limited (together JDOL, JIPL and JDIL are referred to as "Transacting Companies") (hereinafter referred to as "Proposed amalgamation" or "Proposed Transaction").



Kunvarji Finstock Pvt. Ltd.

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Please find enclosed our deliverables in the form of report ("the Report"). This Report sets out the transaction overview, scope of work, background of the Transacting Companies, sources of information and our opinion on the share exchange ratio recommended by the Independent Valuer for the aforesaid Proposed amalgamation. This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

This Report has been issued only for the purpose of facilitating the Proposed Transaction and should not be used for any other purpose.

For, Kunvarji Finstock Private Limited



Mr. Atul Chokshi
Director (DIN: 00929553)



Place: Ahmedabad

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FAIRNESS OPINION

**IN THE MATTER OF SCHEME OF AMALGAMATION IN THE NATURE OF
PROPOSED AMALGAMATION OF
JAYSYNTH DYESTUFF (INDIA) LIMITED (TRANSFEROR COMPANY 1)
AND
JAYSYNTH IMPEX PRIVATE LIMITED (TRANSFEROR COMPANY 2)
WITH
JD ORGOCHEM LIMITED (TRANSFeree COMPANY)**

STRICTLY PRIVATE AND CONFIDENTIAL

Prepared By:

KUNVARJI

SINCE 1960

*Driven By Knowledge***Kunvarji Finstock Private Limited****SEBI Registered Category I Merchant Banker****(Registration Number – INM000012564)****Registered Office:**

Kunvarji, B-Wing, Siddhivinayak Towers,
Nr. D.A.V. School, Off. S. G. Road, Makarba,
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1. BACKGROUND OF THE TRANSACTING COMPANIES**JAYSYNTH DYESTUFF (INDIA) LIMITED (TRANSFEROR COMPANY 1)**

Jaysynth Dyestuff (India) Limited ('JDIL' or 'Transferor Company 1') was incorporated on March 08, 1985 and is engaged in the business of manufacturing of dyes, pigment and ink. The manufacturing facilities are located at Taloja and Patalganga, Maharashtra.

The equity shares of JDIL are listed on Bombay Stock Exchange.

The equity shareholding pattern of JDIL as at report date is set out below:

Sr No.	Category of Shareholder	No. of equity shares held (Face Value of INR 1 each)	Shareholding (%)
1	Promoter and Promoter Group	64,95,888	74.75%
2	Others	21,93,812	25.25%
Total		86,89,700	100.00%

JAYSYNTH IMPEX PRIVATE LIMITED (TRANSFEROR COMPANY 2)

Jaysynth Impex Private Limited ('JIPL' or 'Transferor Company 2') was incorporated on April 25, 1969 and is engaged in the business of blending and standardization of crude dyes and manufacturing of ink. The dyes and auxiliaries activities is carried out from Taloja Unit and ink manufacturing is carried out at the Patalganga Unit.

The equity shareholding pattern of JIPL as at the report date is set out below:

Sr No.	Name of the Shareholder	No. of equity shares held (Face Value of INR 1 each)	Shareholding (%)
1	Parag S Kothari	9,37,478	37.50%
2	Nikhil S Kothari	9,37,478	37.50%
3	Jigna P Kothari j/w Parag S Kothari	5,62,263	22.49%
4	Saloni Nikhil Kothari j/w Nikhil S Kothari	62,551	2.50%
5	Deven Parag Kothari j/w Parag S Kothari	115	0.00%

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Sr No.	Name of the Shareholder	No. of equity shares held (Face Value of INR 1 each)	Shareholding (%)
6	Urvi Parag Kothari j/w Parag S Kothari	115	0.00%
Total		25,00,000	100.00%

JD ORGOCHEM LIMITED (TRANSFeree COMPANY)

JD Orgochem Limited ('JDOL' or 'Transferee Company') was incorporated on October 05, 1973 and is engaged in the business of manufacturing and trading of dyes and chemicals.

The equity shares of JDOL are listed on Bombay Stock Exchange.

The equity shareholding pattern of JDOL as at the report date is set out below:

Category of shareholder	Number of equity shares (Face Value of INR 1 each)	Percentage %
Promoter and Promoter Group	84,57,886	63.83%
Others	47,92,114	36.17%
Total	2,86,90,000	100.00%

2. TRANSACTION OVERVIEW AND SCOPE OF SERVICES**Transaction Overview**

We understand that the Management of the Transacting Companies is contemplating a scheme of amalgamation, wherein they intend to amalgamate Jaysynth Dyestuff (India) Limited and Jaysynth Impex Private Limited with JD Orgochem Limited in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and in a manner provided in the draft scheme of amalgamation (hereinafter referred to as 'the Scheme').

As consideration for the proposed amalgamation, equity shareholders of JDIL would be issued equity shares of JDOL and equity shareholders would be issued preference shares of JDOL. The equity shares and preference shares to be issued for the aforesaid proposed amalgamation will be based on the share exchange ratio as determined by the Board of Directors based on the share exchange ratio report prepared by the Independent Valuer appointed by them.

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Scope of Services

Pursuant to Securities & Exchange Board of India ("SEBI") master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 consolidating the SEBI circulars in relation to the Scheme of Arrangement by Listed Entities and amendment via SEBI Circular number SEBI/HO/CFD/DIL2/CIR/P/2022/11 dated February 01, 2022 (together referred to as "SEBI Circulars") read with applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time, we have been requested by the Management to issue a fairness opinion in relation to the share exchange ratio recommended by the Independent Valuer vide report dated January 24, 2023 for the proposed amalgamation of Transferor Company with Transferee Company.

In this regard, the Management has appointed Kunvarji Finstock Private Limited ("Kunvarji" or "We" or "us"), SEBI Registered (Category I) Merchant Banker to provide a fairness opinion on the share exchange ratio recommended by an Independent Valuer as at report date for the Proposed amalgamation.

Our scope of work only includes forming an opinion on the fairness of the recommendation of the Valuer on the share exchange ratio arrived at for the purpose of the Scheme and does not involve evaluating or opining on the fairness or economic rationale of the Scheme per se. This report is subject to the scope, assumptions, exclusions, limitations and disclaimers 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.

3. SOURCES OF INFORMATION

We have relied on the following information made available to us by the Management of the Transacting Companies/ obtained from the public domain for the purpose of this report:

- Signed share exchange ratio report issued and prepared by Harsh Chandrakant Ruparelia, Registered Valuer- Securities or Financial Assets dated January 24, 2023;
- Audited financial statements of Transacting Companies for the financial year ended March 31, 2022 and March 31, 2021;
- Unaudited provisional financial statements of Transacting Companies for the six months period ended September 30, 2022;
- Financial projections of Transacting Companies for the period October 01, 2022 to March 31, 2028 ('Management Projections') which represents Management's best estimate of the future financial performance of Transacting Companies;
- Shareholding pattern of Transacting Companies as at report date;
- Draft scheme of amalgamation between the Transacting Companies pursuant to which proposed amalgamation is to be undertaken;

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- Terms of proposed Redeemable Preference Shares to be issued as consideration for merger of JIPL into JDOL;
- Valuation report of Commercial Property situated in Mumbai of JDIL by Kakode Associates Consulting Private Limited dated December 27, 2022;
- Publicly available market data, key trends and valuation multiple of comparable companies;

The Management has been provided with the opportunity to review the draft fairness opinion report (excluding our fairness opinion on the share exchange ratio) as part of our standard practice to make sure that factual inaccuracy/ omissions are avoided.

4. PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the opinion:

- Requested and received financial and qualitative information.
- Obtained data available of Companies in the public domain.
- Discussion with the Management to:
Understand the business and fundamental factors that affect the business including their earning generating capability and enquire about the historical financial performance, the current state of affairs, business plans and future performance estimates.
- Reviewed signed share exchange ratio report issued and prepared by Harsh Chandrakant Ruparelia, Registered Valuer- Securities or Financial Assets dated January 24, 2023;
- Reviewed the draft scheme of amalgamation between the Transacting Companies.
- Reviewed the cashflow projections provided by the Management including understanding the basis of preparation and the underlying assumptions;
- Analysis of key trends and valuation multiples of the Comparable Companies using data available in the public domain and proprietary databases; and
- Discussion with Independent Valuer on such matters which we believed were necessary or appropriate for the purpose of issuing this opinion.

5. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

The fairness opinion contained herein is not intended to represent a fairness opinion at any time other than the report date. We have no obligation to update this report.

This Report, its contents and the results herein are specific to (i) the purpose of fairness opinion agreed as per the terms of our engagement; (ii) the Report Date; (iii) the shareholding pattern of Transacting Companies (iv) audited financial statements for the year ended 31 March 2022 of

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Transacting Companies; (v) unaudited provisional financial statement for the six months period ended September 30, 2022 and (vi) draft scheme of amalgamation.

A fairness opinion of this 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. 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.

The fairness opinion rendered in this Report only represents our opinion based upon information furnished by the Companies and gathered from the public domain (and analysis thereon) and the said opinion shall be considered to be in the nature of non-binding advice. Our fairness opinion should not be used for advising anybody to take a buy or sell decision, for which specific opinion needs to be taken from expert advisors.

We have not independently audited or otherwise verified the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Management, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Transacting Companies and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the information given by/on behalf of the Transacting Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our fairness opinion.

It is understood that this opinion is solely for the benefit of confidential use by the Board of Directors of the Transferee Company and the Transferor Company for the purpose of facilitating companies to comply with SEBI master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 consolidating the SEBI circulars in relation to the Scheme of Arrangement by Listed Entities and amendment via SEBI Circular number SEBI/HO/CFD/DIL2/CIR/P/2022/11 dated February 01, 2022 (together referred to as "SEBI Circulars") read with applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time; disclosures to be made to relevant regulatory authorities including stock exchanges, SEBI, National Company Law Tribunal or as required under applicable law and it shall not be valid for any other purpose. This opinion is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

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The Report assumes that the Transacting Companies comply fully with relevant laws and regulations applicable in all its areas of operations, and that the Companies will be managed in a competent and responsible manner. Further, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not represented to us by the Management. Our fairness opinion assumes that the assets and liabilities of the companies, reflected in their respective balance sheet remain intact as of the Report date.

The Report does not address the relative merits of the proposed amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

The fee for the engagement is not contingent upon the results reported.

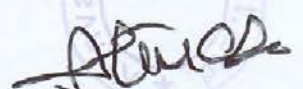
We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Transacting Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed scheme of amalgamation, without our prior written consent.

In addition, this report does not in any manner address the prices at which equity shares of JDOL will trade the following announcement of the proposed amalgamation and we express no opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the proposed amalgamation.

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6. OUR RECOMMENDATION

As stated in the Share Exchange Ratio Report dated January 24, 2023 prepared by Harsh Chandrakant Ruparelia, Registered Valuer- Securities or Financial Assets, he has recommended the following:

1. To the shareholders of JDIL

"14 (Fourteen) Equity Shares having face value of INR 1/- each of JDOL to be issued to the equity shareholders of JDIL for every 1 (One) Equity Share having face value of INR 1/- each held in JDIL"

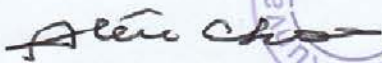
2. To the shareholders of JIPL

"252 (Two Hundred Fifty-Two) fully paid-up 2% Redeemable Non-Convertible Non-Cumulative Non-Participating Preference Shares having face value of INR 1/- each of JDOL to be issued to the equity shareholders of JIPL for every 1 Equity Share having face value of INR 1/- each held in JIPL"

The aforesaid amalgamation shall be pursuant to the draft scheme of amalgamation and shall be subject to receipt of approval from the Hon'ble National Company Law Tribunal or such other competent authority as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the amalgamation are more fully set forth in the draft scheme of amalgamation. Kunvarji has issued the fairness opinion with the understanding that the draft scheme of amalgamation shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final scheme of amalgamation alters the Proposed Transaction.

Based on the information, data made available to us, to the best of our knowledge and belief, the Share exchange ratio as recommended by Harsh Chandrakant Ruparelia, Registered Valuer- Securities or Financial Assets in relation to the proposed draft scheme of amalgamation is **fair** to the equity shareholders of JDOL, JIPL and JDIL in our opinion.

For, Kunvarji Finstock Private Limited



Mr. Atul Chokshi
Director (DIN: 00929553)

Date: January 24, 2023

Place: Ahmedabad

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