

CA Harsh Chandrakant Ruparelia

Registered Valuer – Securities or Financial Assets

(IBBI Registration No. IBBI/RV/05/2019/11106 and

Membership No. ICMAI RVO/S&FA/00054)

STRICTLY PRIVATE & CONFIDENTIAL

To,

The Audit Committee and the Board of Directors,

Jaysynth Dyestuff (India) Limited

JD Orgochem Limited

301 Sumer Kendra, P B Marg,

Worli, Mumbai – 400 018.

AND

The Board of Directors,

Jaysynth Impex Private Limited

E-16 Everest, Tardeo Road,

Mumbai – 400034.

Sub: Report on recommendation of Fair Share Exchange Ratio for the proposed amalgamation of Jaysynth Dyestuff (India) Limited and Jaysynth Impex Private Limited with and into JD Orgochem Limited

Dear Sirs,

I refer to my engagement letter, whereby CA Harsh Chandrakant Ruparelia, Registered Valuer – Securities or Financial Assets (hereinafter referred to as “the Valuer” or “I”) has been appointed by the management of Jaysynth Dyestuff (India) Limited [CIN: L24114MH1985PLC035564] (hereinafter referred to as “JDIL” or “the Transferor Company 1”); Jaysynth Impex Private Limited [CIN:U29200MH1969PTC014266] (hereinafter referred to as “JIPL” or “the Transferor Company 2”); and JD Orgochem Limited [CIN: L24100MH1973PLC016908] (hereinafter referred to as “JDOL” or “the Transferee Company”) to issue a report containing recommendation of Fair Share

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CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

Exchange Ratio for the proposed amalgamation of JDIL and JIPL with and into JDOL under the Proposed Scheme (defined hereinafter).

JDIL and JIPL are collectively referred to as "Transferor Companies" AND JDIL, JIPL and JDOL are hereinafter individually referred to as "the Company" and collectively referred to as "Companies", as the case maybe in terms of the Scheme and the context stated therein.

I am a Registered Valuer as notified under section 247 of the Companies Act, 2013. I hereby further state that I have carried out the valuation exercise in my capacity as an Independent Valuer. I further state that I am not related to the Companies or their promoters or their directors or their relatives. I have no interest or conflict of interest with respect to the valuation under consideration.

In the following paragraphs, I have summarized my understanding of the key facts; key information relied upon, basis of recommendation and limitations to my scope of work.

The report is structured as under:

1. Purpose of this Report
2. Background
3. Sources of Information
4. Valuation Approach
5. Share Exchange Ratio
6. Exclusions and Disclaimers

1. PURPOSE OF THIS REPORT

- 1.1 I understand that the management of the Companies are contemplating a Scheme of Amalgamation under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules & regulations framed thereunder for the proposed amalgamation of JDIL and JIPL with and into JDOL in accordance with Section 2(1B) of the Income-tax Act, 1961 ("the Proposed Scheme" or "the Draft Scheme"). The merger is proposed to take effect from the appointed date as provided in the Scheme.
- 1.2 In this regard, CA Harsh Chandrakant Ruparelia, Registered Valuer – Securities or Financial Assets has been appointed by the Companies for recommendation of Fair Share Exchange Ratio for the proposed amalgamation of the Companies. The recommendation of Fair Share Exchange Ratio for the Scheme has been carried out as on 30th September 2022, being the valuation date. The valuation

exercise is undertaken in accordance with the Indian Valuation Standards issued by the Institute of Chartered Accountants of India (ICAI), wherever applicable as per procedures laid down therein.

2. BACKGROUND

2.1 JAYSYNTH DYESTUFF (INDIA) LIMITED

2.1.1 JDIL was incorporated on 8th March 1985 under the erstwhile provisions of the Companies Act, 1956. The registered office of JDIL is currently situated at 301 Sumer Kendra, P B Marg, Worli, Mumbai – 400 018 in the State of Maharashtra.

2.1.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of JDIL as on the date of this report is as under:

Particulars	Amount in INR
<u>Authorised Share Capital</u>	
11,00,00,000 Equity Shares of INR 1/- each	11,00,00,000
7,00,000, 5%, Non Convertible Non Cumulative Preference Shares of INR 10/- each	70,00,000
43,00,000 Unclassified Shares of INR 10/- each	4,30,00,000
Total	16,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
86,89,700 Equity Shares of INR 1/- each, fully paid-up	86,89,700
Total	86,89,700

2.1.3 The equity shareholding pattern of JDIL as on the date of this report is as under:

Sr No.	Name of the Shareholder	No. of equity shares held	Shareholding (%)
1	Promoter and Promoter Group	64,95,888	74.75%
2	Public	21,93,812	25.25%
Total		86,89,700	100.00%

2.1.4 JDIL is engaged in manufacturing of dyes, pigment and ink. The manufacturing facilities are located at Taloja and Patalganga, Maharashtra. JDIL is listed on BSE Limited.

2.2 JAYSYNTH IMPEX PRIVATE LIMITED

2.2.1 JIPL was incorporated on 25th April 1969 under the erstwhile provisions of the Companies Act, 1956. The registered office of JIPL is currently situated at E-16 Everest, Tardeo Road, Mumbai – 400 034 in the State of Maharashtra.

2.2.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of JIPL as on the date of this report is as under:

Particulars	Amount in INR
<u>Authorised Share Capital</u>	
1,50,00,000 Equity Shares of INR 1/- each	1,50,00,000
Total	1,50,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
25,00,000 Equity Shares of INR 1/- each, fully paid-up	25,00,000
Total	25,00,000

2.2.3 The equity shareholding pattern of JIPL as on the date of this report is as under:

Sr No.	Name of the Shareholder	No. of equity shares held	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	22.50%
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%
6	Urvi Parag Kothari j/w Parag S Kothari	115	0.00%
Total		25,00,000	100.00%

2.2.4 JIPL 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.

2.3 JD ORGOCHEM LIMITED

2.3.1 JDOL was incorporated on 5th October 1973 under the erstwhile provisions of the Companies Act, 1956. The registered office of JDOL is currently situated at 301 Sumer Kendra, P B Marg, Worli, Mumbai – 400 018 in the State of Maharashtra.

2.3.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of JDOL as on the date of this report is as under:

Particulars	Amount in INR
<u>Authorised Share Capital</u> 30,00,00,000 Equity Shares of INR 1/- each	30,00,00,000
Total	30,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u> 1,32,50,000 Equity Shares of INR 1/- each, fully paid-up	1,32,50,000
Total	1,32,50,000

2.3.3 The equity shareholding pattern of JDOL as on the date of this report is as under:

Sr No.	Name of the Shareholder	No. of equity shares held	Shareholding (%)
1	Promoter and Promoter Group	84,57,886	63.83%
2	Public	47,92,114	36.17%
Total		1,32,50,000	100.00%

2.3.4 JDOL is engaged in the business of manufacturing and trading of dyes and chemicals. JDOL is listed on BSE Limited.

2.4 PROPOSED SCHEME

The Proposed Scheme would help in achieving benefits as provided for in Rationale to the Draft Scheme.

3. SOURCES OF INFORMATION

For the purpose of the recommendation of the Share Exchange Ratio, I have relied upon the following information provided by the management of the Companies:

- (a) Audited financial statements of the Companies for the year ended 31st March 2022;
- (b) Unaudited provisional financial statements of the Companies for the six months period ended 30th September 2022;
- (c) Financial projections of the Companies comprising of Balance Sheet and Profit & Loss Statement and material assumptions for the period 1st October 2022 to 31st March 2023 and for the financial years 2023-24 to 2027-28;

- (d) Other publicly available information relating to market price, market comparables and other related information necessary for the valuation exercise;
- (e) Latest shareholding pattern of the Companies;
- (f) Draft Scheme of Amalgamation;
- (g) Terms of proposed Redeemable Preference Shares to be issued as consideration for merger of JIPL into JDOL;
- (h) Other relevant details of the Companies such as their history, past and present activities, future plans and prospects, and other relevant information; and
- (i) Such other information and explanations as required and which have been provided by the management of the Companies.

Besides the above information and documents, there may be other information provided by the Companies which may not have been perused by me in any detail, if not considered relevant for the defined scope. The Companies have been provided with the opportunity to review the draft report as part of the standard practice to make sure that factual inaccuracy & omissions are avoided in the final report.

I have been informed that Kunvarji Finstock Private Limited have been appointed by the Companies, to provide fairness opinion on the Share Exchange Ratio for the purpose of the aforementioned Scheme. Further, I have had discussions with fairness opinion providers appointed by Companies on the valuation approach.

4. VALUATION APPROACH

- 4.1. "Value is a word of many meanings". The term "value" can have different connotations depending upon the purpose for which it is intended to be used. The Valuation of equity shares of any Company would need to be based on a fair value concept. The purpose of fair value is to enable valuer to exercise his discretion and judgement in light of all circumstances, in order to arrive at a value, which is fair to all parties.
- 4.2. For the purpose of the valuation exercise, generally the following valuation approaches are adopted:
 - (a) the 'Underlying Asset' approach;
 - (b) the 'Income' approach; and
 - (c) the 'Market' approach.
- 4.3. 'Underlying Asset' Approach
 - (a) In case of the 'Underlying Asset' approach, the value per equity share is determined by arriving at the Net Assets (Assets Less Liabilities) of the

Company. The said approach is considered taking into account fair value of assets and liabilities, to the extent possible, the respective asset would fetch or liability is payable as on the Valuation Date. The following adjustments be made to arrive at the Fair Value per Share as per the 'Underlying Asset' Approach at Fair Values:

- The Fair Value of Quoted Shares held by the Company, if any, be considered at Market Value of such shares;
- The Fair Value of Unquoted Shares held by the Company, if any, in other entities be arrived at as per suitable approach to that entity to arrive at Fair Value of Investments held by the Company;
- The Fair Value of Immovable properties, if any, held by the Company be considered at Market Value / Ready Reckoner Value as on the Valuation Date, made available by the management of the Company;
- Adjustments may be made to book value of any other assets for their recoverability on conservative basis after taking into account the management representations and their estimate of the recoverability of the same;
- Liabilities of the company be considered at their respective Book Values or their payable amounts as on the Valuation Date; and
- Potential Contingent Liability, if any, be considered based on the discussions with the management and their reasonable estimate of the outflow on account of the same.

(b) Alternatively, the value may be determined considering the book value of the net assets (Assets Less Liabilities) of the Company and/or replacement cost basis, to the extent possible.

4.4. 'Income' Approach

Under the 'Income' approach, the equity shares of the company can be valued using Discounted Cash Flow (DCF) method – FCFF approach or FCFE approach or such other approaches.

DCF Method – FCFF Approach (for instance)

(i) Under the DCF method, the projected free cash flows from business operations after considering fund requirements for projected capital expenditure, incremental working capital and other adjustments are discounted at the Weight Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.

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(ii) Using the DCF method involves determining the following:

- *Estimating the future free cash flows:*

Future Free cash flows are the cash flows expected to be generated by the entity that are available to the providers of entity's capital. The free cash flows under the FCFF method are determined by adjusting the Profit after tax for Depreciation and other Non-Cash Items, Interest, Incremental working capital requirements and capital expenditure.

- *Time Frame of such cash flows:*

The time frame for free cash flows is determined by separating the value of the business in the explicit projection period and the post explicit projection period.

- *Appropriate Discount rate (WACC):*

Under DCF-FCFF Method, the time value of money is recognized by applying a discount rate viz. WACC to the future free cash flows to arrive at their present value as on the date of valuation. WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the company. In other words, WACC is generally the weighted average of the company's cost of equity capital and debt. Normally, in stable growth companies, the cost of equity is determined by using Capital Asset Pricing Model ('CAPM').

- *Terminal or perpetuity value:*

The Perpetuity value of an ongoing business is determined as present value of the estimated future free cash flows by capitalizing the free cash flows of the last year of the explicit projection period into perpetuity using an appropriate rate of return and perpetual growth rate.

- *Valuation of Investment in other entities:*

The investment of the Company in other entities, if any is to be valued as per the valuation methodologies suitable to that entity.

- *Value for Equity Shareholders:*

The Value of Business so arrived considering the Net Present Value of the explicit period and Terminal value is adjusted for net cash & cash equivalents, investments and debt & debt like items, etc. as on the Valuation Date to arrive at the value for equity shareholders as on the Valuation Date.

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4.5. 'Market' Approach

(a) Market Price Method ("MP Method")

Since the Companies are not listed on any stock exchange, the market price of the equity share of the Companies are not available and the said method is not applicable for the current valuation exercise.

(b) Comparable Companies Multiple Method ("CCM Method")

Under the CCM method, the value of the equity share of an unlisted company is determined based on publicly available information of the market valuations of the comparable companies on the basis of multiples derived from such market information. This method is applied on the premise that markets are perfect and have captured all the information and factors, which are reflected through their market valuations.

(c) Comparable Transaction Method ("CTM")

Under the CTM, the value of the equity share of an unlisted company is determined considering the past transactions of similar companies as well as the market value of comparable companies that have an equivalent business model to the company being valued.

4.6. The value so arrived at under any of the approaches is divided by the outstanding number of equity shares (on fully diluted basis) to arrive at the value per equity share (on fully diluted basis) of the Company(ies).

4.7. Valuation Approach for JDIL

For valuation of the JDIL, the present valuation is undertaken on a going concern basis, i.e., proceeding on the basis that there is no intention of disposing off its material operating assets. Based on review of projected financial statements made available to me by JDIL, I am of the view that 'Income' approach may be appropriate for the current valuation exercise for arriving at fair value per equity share of JDIL as the value of assets may not provide true reflection of the earning capacity of JDIL.

Further, considering the nature of business of JDIL and based on review of market parameters of JDIL and other market comparables, I am of the view that 'Market' approach as per Comparable Companies Method may also be appropriate for the current valuation exercise for arriving at fair value per equity share of JDIL. I have considered it appropriate to consider Enterprise Value ('EV') / Earnings before Interest, Taxes, Depreciation and Amortization ('EBITDA') of Comparable Companies available in the Public Domain and apply the adjusted multiple of the Comparables to the Trailing Twelve Months ('TTM') EBITDA of JDIL for CCM. The Enterprise Value so arrived considering the EV /

EBITDA Multiple is adjusted for net cash & cash equivalents, investments and debt & debt like items, etc. as on the Valuation Date to arrive at the value for equity shareholders as on the Valuation Date.

Also, as the equity shares of JDIL are listed on the BSE Limited, I am of the view that 'Market Price Method' needs consideration. I have considered it appropriate to consider the volume weighted average price based on the total turnover and number of shares traded during the period of 90 trading days prior to the date of this report, for the purpose of arriving value per share under the 'Market Price Method'.

4.8. Valuation Approach for JIPL

For valuation of the JIPL, the present valuation is undertaken on a going concern basis, i.e., proceeding on the basis that there is no intention of disposing off its material operating assets. Based on review of projected financial statements made available to me by JIPL, I am of the view that 'Income' approach may be appropriate for the current valuation exercise for arriving at fair value per equity share of JIPL as the value of assets may not provide true reflection of the earning capacity of JIPL.

Further, considering the nature of business of JIPL and based on review of market comparables, I am of the view that 'Market' approach as per Comparable Companies Method may also be appropriate for the current valuation exercise for arriving at fair value per equity share of JIPL. I have considered it appropriate to consider Enterprise Value ('EV') / Earnings before Interest, Taxes, Depreciation and Amortization ('EBITDA') of Comparable Companies available in the Public Domain and apply the adjusted multiple of the Comparables to the Trailing Twelve Months ('TTM') EBITDA of JIPL for CCM. The Enterprise Value so arrived considering the EV / EBITDA Multiple is adjusted for net cash & cash equivalents, investments and debt & debt like items, etc. as on the Valuation Date to arrive at the value for equity shareholders as on the Valuation Date.

4.9. Valuation Approach for JDOL

For valuation of the JDOL, the present valuation is undertaken on a going concern basis, i.e., proceeding on the basis that there is no intention of disposing off its material operating assets.

For the purpose of current valuation exercise, as the value as per the 'Underlying Asset' approach is negative and also as JDOL has ongoing business operations, the assets may not provide true reflection of the earning capacity of the Company. Further, the projected business plan and financials as provided by the management of JDOL are reflecting negative cashflows and therefore, placing reliance on 'Income' approach – Discounted Cash Flow Method, may not be appropriate. Also, based on the analysis and in my opinion, it may not be appropriate to consider CCM or CTM methods for the current valuation exercise, since the present nature or size of operations, financial parameters, etc. of JDOL may not reflect the true potential of business operations of JDOL as that of the comparables.

As the equity shares of JDOL are listed on the BSE Limited, I am of the view that 'Market Price Method' needs consideration. I have considered it appropriate to consider the volume weighted average price based on the total turnover and number of shares traded during the period of 90 trading days prior to the date of this report, for the purpose of arriving value per share under the 'Market Price Method'.

- 4.10. It is universally recognized that the valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. The application of any particular method of valuation depends upon various factors including nature of its business, overall objective of the transaction and the purpose of valuation.

5. SHARE EXCHANGE RATIO

- 5.1 It is recognized that valuation of any company or assets as a matter is inherently subjective and subject to various factors, which are difficult to predict and beyond control. Valuation exercise involves various assumptions with respect to the specific industry, general business and economic conditions, which are beyond the control of the Companies. The assumptions and analysis of market conditions, comparables, prospects of the Industry as a whole and the Company, which influences the valuation of companies are subject to change over a period of time and even differ between the valuers at the given point of time.
- 5.2 In the ultimate analysis, recommendation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g., present and prospective competition, yield on comparable securities and market sentiments, etc. which are not

evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'

5.3 I have arrived at value per equity share of JDIL under Income approach, Market Price Method and CCM approach by providing equal weights to each method as under:

Valuation Approach	Value Per Share (INR)	Weights
Income Approach – DCF Method (FCFF Approach) - <u>Refer Annexure A</u>	91.96	1/3
Market Price Method - <u>Refer Annexure B</u>	84.40	1/3
Market Approach – Comparable Companies Method - <u>Refer Annexure C</u>	130.93	1/3
Fair Value per share of JDIL by assigning weight to each applicable method (rounded-off)	102.43	

5.4 I have arrived at value per equity share of JIPL under Income approach and CCM approach by providing equal weights to each method as under:

Valuation Approach	Value Per Share (INR)	Weights
Income Approach – DCF Method (FCFF Approach) - <u>Refer Annexure D</u>	216.63	1/2

Market Approach – Comparable Companies Method - <i>Refer Annexure E</i>	287.50	1/2
Fair Value per share of JIPL by assigning weight to each applicable method (rounded-off)	252.06	

- 5.5 I have arrived at value per equity share of JDOL under Market Price Method by providing entire weight to the said method, which works out to INR 7.41 per equity share - *Refer Annexure F*.
- 5.6 The fair basis of Share Exchange Ratio for the amalgamation under the Scheme would have to be determined after taking into consideration all the factors and approach mentioned hereinabove. It is however important to note that in doing so, I am not attempting to arrive at the absolute value per share of the Company(ies). The exercise is to work out relative value of the Transferor Companies and the Transferee Company to facilitate the determination of a share exchange ratio solely for the purpose of the proposed amalgamation.
- 5.7 In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report (including disclaimer and exclusions given below), in my opinion, I recommend that the share exchange ratio for the proposed amalgamation of JDIL with JDOL as given under, would be fair and reasonable:

"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"

The Share Exchange Ratio as provided hereinabove with respect to amalgamations has been rounded off to nearest integer, wherever relevant.

- 5.8 In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report (including disclaimer and exclusions given below) and considering the terms of Redeemable Preference Shares to be issued as consideration for merger of JIPL into JDOL, in my opinion, I recommend that the share exchange ratio for the proposed amalgamation of JIPL with JDOL as given under, would be fair and reasonable:

"252 (Two Hundred Fifty-Two) Redeemable 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 Share Exchange Ratio as provided hereinabove with respect to amalgamations has been rounded off to nearest integer, wherever relevant.

5.9 Accordingly, valuation approaches as indicated in the format as prescribed under Para I(A)(4) of Annexure I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated 10th March 2017 and as prescribed by circular number LIST/COMP/02/2017-18 (as may be amended from time to time), for the purpose of the current exercise, I have provided following weights to the valuation methodologies and other various factors relevant to the valuation exercise for recommendation of Share Exchange Ratio:

Particulars	JDIL		JIPL		JDOL	
	Value per Share (INR)	Weights	Value per Share (INR)	Weights	Value per Share (INR)	Weights
Cost / Asset Approach *	NA	NA	NA	NA	NA	NA
Market Approach						
- Market Price Method	84.40	33.33%	NA **	NA	7.41	100%
- CCM	130.93	33.33%	287.50	50.00%	NA ***	NA
Income Approach	91.96	33.33%	216.63	50.00%	NA ***	NA
Relative Value per share		102.43		252.06		7.41
Exchange Ratio (rounded-off)		14.00		^ 252.00		

NA = Not Adopted / Not Applicable

* I have not considered it appropriate to determine value / provide weight to the Cost / Asset Approach as the value of assets may not provide true reflection of the earning capacity of the Companies.

** As the shares of the Company are not listed on the stock exchanges, this approach is Not Applicable.

*** Considering and based on the review of the historical and projected financial information of the Company, it is not feasible to arrive at value based on the CCM and Income Approach.

^ Considering the terms of Redeemable Preference Shares to be issued as consideration.

6. EXCLUSIONS AND DISCLAIMERS

- 6.1 The report is subject to the exclusions 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.
- 6.2 No investigation of the title of assets of the Companies has been made for the purpose of my recommendation and their claim to such rights has been assumed to be valid as represented by the management of the Companies. Therefore, no responsibility is assumed for matters of a legal nature.
- 6.3 The recommendation is based on the estimates of future financial performance as projected by the management of the Companies, which represents their view

of reasonable expectation at the point of time when they were prepared, after giving due considerations to the commercial and financial aspects of the Companies and the industry in which the Companies operates. But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the projected financial statements may vary from those contained in the statement and the variation may be material. The fact that I have considered the projections in this valuation exercise should not be construed or taken as I being associated with or a party to such projections.

- 6.4 The work does not constitute certification of the historical financial statements including the working results of the Companies referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report is as per agreed terms of the engagement. It may not be valid or used for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 6.5 A valuation of this nature involves consideration of various factors based on prevailing stock market, financial, economic and other conditions including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the Companies have drawn my attention to all material information, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on my opinion, on the fair value of the shares of the Companies, including any significant changes that have taken place or are likely to take place in the financial position, subsequent to the report date. I have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 6.6 The valuation analysis was completed as on the date of this report, a date subsequent to the Valuation Date and accordingly I have taken into account such valuation parameters and over such period, as I considered appropriate and relevant, up to a date close to such completion date.
- 6.7 This Report does not look into the business / commercial reasons behind the proposed transaction or address any potential synergies to the Companies and other parties connected thereto.
- 6.8 In the course of issuing this report, I was provided with both written and verbal information. I have evaluated the information provided to me by the management of the Companies through broad inquiry, analysis and review. I

assume no responsibility for any errors in the above information furnished by the management of the Companies and consequential impact on the recommendation of the Share Exchange Ratio. I do not express any opinion or offer any assurance regarding accuracy or completeness of any information made available to me.

- 6.9 The report is not, nor should it be construed as me opining or certifying any compliance with the provisions of any law, whether in India or any other country including companies, taxation and capital market related laws or as regards any legal implications or issues arising from any transaction proposed to be contemplated based on this Report.
- 6.10 The information contained herein and the report is confidential. Any person/party intending to provide finance/invest in the shares/businesses of the Companies, 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 to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, can be done only with prior permission in writing. However, no such permission would be required in matters relating to giving effect of the Scheme once the same is approved by the NCLT like quoting it in official communication, in notes to the financial statements etc.
- 6.11 This report is prepared exclusively for the Board of Directors of the Transferor Companies and the Transferee Company for the purpose of recommending the fair share exchange ratio for the proposed amalgamation and for submission to the regulatory authorities, court, tribunal and such other authorities, regulators, if required under the applicable provisions of the governing law in relation to the aforesaid Scheme of Amalgamation. Further, the fees for this engagement is not contingent upon the recommendation considering the facts and purpose of recommendation.
- 6.12 The decision to carry out the transaction (including consideration thereof) lies entirely with the management / Board of Directors of the Companies and the work and the finding shall not constitute recommendation as to whether or not the management / the Board of Directors of the Companies should carry out the transaction.
- 6.13 By its very nature, my work cannot be regarded as an exact science, the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions / approach, opinions may differ due to application of the facts and assumptions / approach, formulas used and numerous other factors. There is, therefore, no indisputable single or standard

CA Harsh C. Ruparelia
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methodology / approach for arriving at my recommendation. Although the conclusions are in my opinion reasonable, it is quite possible that others may not agree.

6.14 CA Harsh Chandrakant Ruparelia, nor its employees or agents or any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the report is issued. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the report. I am not liable to any third party in relation to issue of this report. In no event, I shall be liable for any loss, damage, cost or expense arising in any way from any acts carried out by the Companies referred herein or any person connected thereto.

If you require any clarifications on the above, I would be happy to clarify the same. I am thankful to your team for kind co-operation and support during this assignment.

Thanking you,
Yours faithfully,

CA HARSH CHANDRAKANT RUPARELIA

REGISTERED VALUER – Securities or Financial Assets

IBBI Registration No. IBBI/RV/05/2019/11106

Membership No. ICMAI RVO/S&FA/00054

ICAI Membership No. 160171

Date: 24th January 2023

Place: Mumbai

UDIN: 23160171BGQNXN2588

CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

Annexure A – Valuation of JDIL as per 'Income' approach – DCF Method

Particulars	INR in Lakhs							TV
	1 Oct 22 to 31 Mar 23	31-03-24	31-03-25	31-03-26	31-03-27	31-03-28		
PAT	175.66	450.15	560.99	688.16	813.51	974.33	1,023.05	
Depreciation	78.90	146.66	128.68	110.69	107.67	91.79	96.38	
Finance Cost (net of tax)	13.30	26.18	29.67	32.04	34.49	37.34	39.21	
Other Income	(40.02)	(21.53)	(22.94)	(24.41)	(25.83)	(27.44)	(28.81)	
Adjustments:								
Adjustments for Working Capital	329.66	507.21	(196.61)	(405.94)	(443.47)	(493.26)	(311.55)	
Additions to Fixed Assets (Net)	(25.03)	(100.08)	(100.08)	(100.08)	(100.08)	(100.08)	(96.38)	
Net Inflows/(Outflows)	532.46	1,008.58	399.71	300.47	386.30	482.69	721.90	
Discounting Factor (WACC)	16%	0.96	0.87	0.75	0.65	0.56	0.49	
Net Present Value of Inflows/(Outflows)	513.62	873.23	299.63	195.01	217.07	234.83		

Calculation for Perpetuity	INR in Lakhs
FCFF for Perpetuity	721.90
Growth Rate	5%
Total Capitalised Value	6,875.21
Discount Factor	0.49
Present Value of Perpetuity	3,344.84

Equity Value of Company	INR in Lakhs
Net Present Value of Explicit Period	2,333.39
Present Value of Perpetuity	3,344.84
FCFF	5,678.23
Add/(Less): Adjustments	
Cash and bank balances	831.37
Investment in Mutual Funds	848.04
Investment in Jaysynth (Europe) Ltd.	654.47
Investment Property	72.45
Borrowings	(93.09)
Equity Value for Shareholders	7,991.47
No. of Equity Shares	8,689,700
Value per Share (INR)	91.96

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Annexure B – Valuation of JDIL as per 'Market Price Method

Date	Volume	Turnover	Date	Volume	Turnover	Date	Volume	Turnover
23-Jan-23	1,852	130,542	12-Dec-22	2,553	182,611	28-Oct-22	1,841	148,267
20-Jan-23	1,089	75,555	09-Dec-22	1,733	126,524	27-Oct-22	5,949	486,214
19-Jan-23	859	60,226	08-Dec-22	3,130	224,276	25-Oct-22	2,912	242,610
18-Jan-23	814	58,309	07-Dec-22	1,497	108,312	24-Oct-22	481	39,597
17-Jan-23	2,118	150,283	06-Dec-22	1,523	112,604	21-Oct-22	11,075	886,405
16-Jan-23	1,030	73,680	05-Dec-22	1,042	75,895	20-Oct-22	3,923	329,310
13-Jan-23	5,545	391,065	02-Dec-22	8,189	582,575	19-Oct-22	2,193	185,432
12-Jan-23	1,248	87,481	01-Dec-22	7,165	519,642	18-Oct-22	3,453	290,382
11-Jan-23	224	16,107	30-Nov-22	5,115	366,811	17-Oct-22	3,575	302,892
10-Jan-23	442	31,572	29-Nov-22	4,534	326,617	14-Oct-22	6,742	585,624
09-Jan-23	1,187	84,341	28-Nov-22	2,771	200,218	13-Oct-22	4,926	432,855
06-Jan-23	99	7,145	25-Nov-22	1,820	133,526	12-Oct-22	8,898	782,833
05-Jan-23	1,063	76,492	24-Nov-22	598	44,165	11-Oct-22	6,264	559,834
04-Jan-23	2,344	169,218	23-Nov-22	2,760	204,663	10-Oct-22	33,530	3,029,524
03-Jan-23	1,633	118,731	22-Nov-22	1,086	81,401	07-Oct-22	10,603	943,279
02-Jan-23	1,082	78,991	21-Nov-22	1,044	76,907	06-Oct-22	35,011	3,155,133
30-Dec-22	4,378	319,060	18-Nov-22	2,519	184,296	04-Oct-22	142,545	12,875,652
29-Dec-22	3,633	256,791	17-Nov-22	2,464	182,362	03-Oct-22	3,379	283,100
28-Dec-22	215	15,678	16-Nov-22	1,712	127,599	30-Sep-22	27,340	2,339,079
27-Dec-22	2,373	166,963	15-Nov-22	1,665	123,700	29-Sep-22	3,777	310,089
26-Dec-22	1,003	70,117	14-Nov-22	7,117	527,802	28-Sep-22	3,169	267,609
23-Dec-22	2,999	205,644	11-Nov-22	7,701	593,612	27-Sep-22	2,243	193,061
22-Dec-22	4,539	313,827	10-Nov-22	7,268	571,858	26-Sep-22	7,357	631,143
21-Dec-22	1,295	93,414	09-Nov-22	8,088	647,671	23-Sep-22	46,335	4,162,491
20-Dec-22	766	54,777	07-Nov-22	5,726	482,750	22-Sep-22	37,468	3,269,034
19-Dec-22	1,544	111,100	04-Nov-22	1,781	141,009	21-Sep-22	8,958	739,130
16-Dec-22	2,354	170,249	03-Nov-22	4,536	355,661	20-Sep-22	2,229	182,028
15-Dec-22	865	63,415	02-Nov-22	2,750	217,497	19-Sep-22	2,798	220,571
14-Dec-22	4,896	364,110	01-Nov-22	5,039	397,857	16-Sep-22	2,038	165,012
13-Dec-22	1,332	97,297	31-Oct-22	1,979	160,947	15-Sep-22	17,820	1,497,376
AVERAGE PRICE (In INR) - 90 TRADING DAYS							84.40	

Annexure C – Valuation of JDIL as per ‘Market’ approach – CCM

Particulars	INR in Lakhs
Adjusted TTM Operating EBITDA as at 30 Sep 2022	1,066.35
Operating EV/EBITDA multiple	8.5
Operating Enterprise Value	9,063.97
<i>Adjustments:</i>	
Cash and bank balances	831.37
Investment in Mutual Funds	848.04
Investment in Jaysynth (Europe) Ltd.	654.47
Investment Property	72.45
Borrowings	(93.09)
Equity Value for Shareholders	11,377.21
Number of Equity Shares (on fully diluted basis)	8,689,700
Value per Equity Share (in INR)	130.93

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Annexure D – Valuation of JIPL as per 'Income' approach – DCF Method

Particulars	INR in Lakhs						
	1 Oct 22 to 31 Mar 23	31-03-24	31-03-25	31-03-26	31-03-27	31-03-28	TV
PAT	167.42	289.47	318.85	341.71	364.50	387.67	407.05
Depreciation	46.01	67.28	53.89	50.67	48.99	48.33	50.74
Adjustments:							
Adjustments for Working Capital	(196.38)	63.11	24.55	(82.31)	(86.67)	(91.27)	(148.96)
Additions to Fixed Assets (Net)	(25.00)	(50.00)	(50.00)	(50.00)	(50.00)	(50.00)	(50.74)
Net Inflows/(Outflows)	(7.95)	369.86	347.30	260.07	276.82	294.72	258.10
Discounting Factor (WACC)	14%	0.97	0.88	0.77	0.67	0.59	0.52
Net Present Value of Inflows/(Outflows)	(7.70)	324.44	267.24	175.54	163.90	153.07	

Calculation for Perpetuity	INR in Lakhs
FCFF for Perpetuity	258.10
Growth Rate	5%
Total Capitalised Value	2,867.73
Discount Factor	0.52
Present Value of Perpetuity	1,489.41

Equity Value of Company	INR in Lakhs
Net Present Value of Explicit Period	1,076.49
Present Value of Perpetuity	1,489.41
FCFF	2,565.89
Add/(Less): Adjustments	
Cash and bank balances	222.47
Investment in Mutual Funds	691.30
Investment in ZCD	1,936.15
Borrowings	-
Equity Value for Shareholders	5,415.82
No. of Equity Shares	2,500,000
Value per Share (INR)	216.63

Annexure E – Valuation of JIPL as per 'Market' approach – CCM

Particulars	INR in Lakhs
Adjusted TTM Operating EBITDA as at 30 Sep 2022	578.33
Operating EV/EBITDA multiple	7.5
Operating Enterprise Value	4,337.48
<i>Adjustments:</i>	
Cash and bank balances	222.47
Investment in Mutual Funds	691.30
Investment in ZCD	1,936.15
Borrowings	-
Equity Value for Shareholders	7,187.40
Number of Equity Shares (on fully diluted basis)	2,500,000
Value per Equity Share (in INR)	287.50

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Annexure F – Valuation of JDOL as per 'Market Price Method

Date	Volume	Turnover	Date	Volume	Turnover	Date	Volume	Turnover
23-Jan-23	2,753	17,832	12-Dec-22	300	1,849	14-Oct-22	4,181	30,174
20-Jan-23	112	711	09-Dec-22	1,200	7,164	13-Oct-22	7,305	56,123
19-Jan-23	417	2,585	08-Dec-22	791	4,500	12-Oct-22	8,603	62,060
18-Jan-23	1,037	6,747	07-Dec-22	7,032	38,763	11-Oct-22	10,464	74,079
17-Jan-23	3,263	22,526	06-Dec-22	357	1,988	10-Oct-22	4,577	30,895
16-Jan-23	150	1,047	05-Dec-22	3,790	22,098	07-Oct-22	73	475
13-Jan-23	17	118	02-Dec-22	1,215	7,447	06-Oct-22	2,942	18,392
12-Jan-23	104	692	01-Dec-22	650	4,192	04-Oct-22	2,700	17,576
11-Jan-23	3,232	20,804	28-Nov-22	114	772	03-Oct-22	1,203	7,470
10-Jan-23	1,427	9,864	25-Nov-22	1,470	10,481	30-Sep-22	1,592	8,724
09-Jan-23	7,331	51,236	24-Nov-22	30	225	29-Sep-22	5,416	30,744
06-Jan-23	3,295	23,963	22-Nov-22	5,635	44,460	28-Sep-22	1,420	8,434
05-Jan-23	4,802	34,363	17-Nov-22	15	124	27-Sep-22	6,421	38,263
04-Jan-23	515	3,792	14-Nov-22	500	4,365	26-Sep-22	1,911	11,488
03-Jan-23	18,570	129,940	11-Nov-22	5	45	23-Sep-22	2,050	13,575
02-Jan-23	3,853	25,435	07-Nov-22	2,000	19,318	22-Sep-22	5,697	37,409
30-Dec-22	6,060	42,516	04-Nov-22	12,091	108,623	21-Sep-22	11,283	72,469
29-Dec-22	3,480	25,046	03-Nov-22	3	27	20-Sep-22	2,829	16,569
28-Dec-22	4,861	33,796	02-Nov-22	6,824	64,815	19-Sep-22	1,223	7,209
27-Dec-22	5,604	39,904	01-Nov-22	25,464	246,626	16-Sep-22	1,688	11,099
26-Dec-22	3,289	22,744	31-Oct-22	11,750	107,951	15-Sep-22	653	4,051
23-Dec-22	1,263	8,818	28-Oct-22	15,875	139,533	14-Sep-22	4,562	29,078
22-Dec-22	4,538	30,421	27-Oct-22	14,395	117,771	13-Sep-22	4,212	29,216
21-Dec-22	4,315	28,980	25-Oct-22	6,662	53,694	12-Sep-22	2,865	18,453
20-Dec-22	3,686	23,999	24-Oct-22	8,730	72,270	09-Sep-22	5,483	36,845
19-Dec-22	5,799	38,324	21-Oct-22	658	5,221	08-Sep-22	4,855	34,469
16-Dec-22	1,928	12,658	20-Oct-22	9,041	74,253	07-Sep-22	2,284	17,182
15-Dec-22	930	5,914	19-Oct-22	4,978	38,997	06-Sep-22	7,832	57,839
14-Dec-22	6,112	38,261	18-Oct-22	2,440	18,336	05-Sep-22	4,246	30,440
13-Dec-22	1,847	11,026	17-Oct-22	12,673	89,521	02-Sep-22	1,469	9,975
AVERAGE PRICE (In INR) - 90 TRADING DAYS						7.41		