March 16, 2022

To,

Jindal Saw Limited
A-1, UPSIDC Industrial Area
Nandgaon Road, Kosi Kalan
Mathura - 281 403, Uttar Pradesh, India

Jindal Quality Tubular Limited
A-1, UPSIDC Industrial Area
Nandgaon Road, Kosi Kalan
Mathura - 281 403, Uttar Pradesh, India

Jindal Tubular (India) Limited
A-1, UPSIDC Industrial Area
Nandgaon Road, Kosi Kalan
Mathura - 281 403, Uttar Pradesh, India

Jindal Fittings Limited
A-1, UPSIDC Industrial Area
Nandgaon Road, Kosi Kalan
Mathura - 281 403, Uttar Pradesh, India

Subject: Fair Share Swap Ratio Report for the proposed Composite Scheme of Amalgamation between Jindal Quality Tubular Limited (the "Transferor Company 1"), Jindal Tubular (India) Limited (the "Transferor Company 2") and Jindal Fittings Limited (the "Transferor Company 3") with Jindal Saw Limited (the "Transferee Company") and their respective shareholders and creditors (the "Scheme").

Dear Sirs,

We refer to the engagement letter dated March 09, 2022 with **Jindal Quality Tubular Limited (the "Transferor Company 1"), Jindal Tubular (India) Limited (the "Transferor Company 2") and Jindal Fittings Limited (the "Transferor Company 3")** (Transferor Company 1, Transferor Company 2 and Transferor Company 3, collectively referred to as the "**Transferor Companies**") **and Jindal Saw Limited (the "Transferee Company")**, wherein we have been requested to provide a report for reckoning the Fair Exchange Ratio for allotment of non-convertible redeemable preference shares of the **Transferee Company** to the equity shareholders of **the Transferor Company 1, the Transferor Company 2 and the Transferor Company 3** in respect to the proposed amalgamation of the Transferor Companies into the Transferee Company, with the appointed date (*as defined in the Scheme*).

SCOPE AND PURPOSE OF THIS REPORT

Transferee Company is proposing to issue Non-Cumulative Redeemable Preference Shares ("RPS") to the equity shareholders of Transferor Company 1 and Transferor Company 3 in respect to the proposed amalgamation of Transferor Company 1 and Transferor Company 3 into Transferee Company pursuant to Sections 230 to 232 of the Companies Act, 2013. The Transferor Company 2 is a wholly owned subsidiary of the Transferee Company and consequently no shares, preference or equity, will be issued by the Transferee Company upon its amalgamation. We have been appointed as the valuer to derive the Fair Exchange Ratio in this regard. The said report is requested by the Transferor Company 1, Transferor Company 2, Transferor Company 3 and the Transferee Company for the regulatory requirements under Companies Act, 2013 and other applicable regulatory requirements with respect to the proposed amalgamation.

BACKGROUND OF THE TRANSFEROR COMPANIES AND TRANSFEREE COMPANY

Transferor Company 1

Jindal Quality Tubular Limited (Transferor Company 1) is an unlisted public limited company incorporated under the Companies Act, 2013 and has its registered office at A-1, UPSIDC Industrial Area, Nand Gaon, Kosi Kalan, Mathura -281403, Uttar Pradesh India.

It was incorporated on September 15, 2015. The corporate Identification number is U28910UP2015PLC073321.

The Transferor Company 1 is engaged in the business of manufacturing and supplier of Stainless-Steel pipes and tubes which have application in Oil & Gas industry, Pharma industry, Power and Nuclear industry, Chemical & Fertilizer industry, Automobiles and Food & Beverages industry. The Transferor Company 1 is a subsidiary of the Transferee Company.

Transferor Company 2

Jindal Tubular (India) Limited (Transferor Company 2) is an unlisted public limited company incorporated under the Companies Act, 2013 and has its registered office at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Mathura - 281403, Uttar Pradesh, India.

It was incorporated on February 05, 2015. The corporate Identification number is U28910UP2015PLC068768.

The Transferor Company 2 is engaged in operating a pipe manufacturing and coating facility and is a wholly owned subsidiary of the Transferee Company.

Transferor Company 3

Jindal Fittings Limited (Transferor Company 3) is an unlisted public limited company incorporated under the Companies Act, 1956. The Transferor Company 3 was incorporated with RoC, Delhi and Haryana. However, registered office Transferor Company 3 was shifted from National Territory of Delhi to State of Uttar Pradesh and presently, has its registered office at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Mathura - 281403, Uttar Pradesh, India.

It was incorporated on May 12, 2011. The corporate Identification number is U27100UP2011PLC155473.

The Transferor Company 3 is engaged in the business of manufacturing and supplying of Ductile Iron Fittings and is an associate company of the Transferee Company.

Transferee Company

Jindal Saw Limited (Transferee Company) is a public listed company incorporated under the Companies Act, 1956 and has its registered office at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Mathura - 281 403, Uttar Pradesh, India.

It was incorporated on October 31, 1984 with the Registrar of Companies, Kanpur, Uttar Pradesh. The corporate Identification number is L27104UP1984PLC023979.

Transferee Company is primarily engaged in the business of manufacturing various types of pipes including large diameter Submerged Arc Welded (SAW) pipes, Ductile Iron pipes, stainless steel, seamless pipes, pellets and mining among others.

Transferee Company holds investments in the Transferor Companies as mentioned below:

1. 64,10,301 equity shares of Rs. 10/- each (constituting 67% of total equity shares capital) and 31,50,000 preference shares of Rs. 100/- each (constituting 100% of total Preference share capital) in Transferor Company 1;

2. 70,50,000 equity shares of Rs. 10/- (constituting 100% of total equity shares capital) in Transferor Company 2; and

3. 178,64,804 equity shares of Rs. 10/- (constituting 45.95% of total equity shares) and 72,00,000 preference shares of Rs. 100/- each (constituting 100% of total preference shares capital) in Transferor Company 3.

BACKGROUND / RATIONALE OF THE SCHEME

The Transferee Company is engaged in the business of SAW Pipes (Submerged Arc Welded Pipes) and spiral pipes for the energy transportation sector; carbon, alloy and seamless pipes and tubes for industrial applications; and Pellets, Mining & Ductile Iron (DI) pipes & Fittings for water and wastewater transportation.

The Transferor Company 1 is engaged in the business of manufacturing and supplier of Stainless-Steel pipes and tubes which have application in Oil & Gas industry, Pharma industry, Power and Nuclear industry, Chemical & Fertilizer industry, Automobiles and Food & Beverages industry. The Transferor Company 1 is a subsidiary of the Transferee Company.

The Transferor Company 2 is engaged in operating a pipe manufacturing and coating facility and is a wholly owned subsidiary of the Transferee Company.

The Transferor Company 3 is engaged in the business of manufacturing and supplying of Ductile Iron Fittings and is an associated company of the Transferee Company.

The Transferee Company has also been actively involved in the business and operations of the Transferor Company 1 and 3 by virtue of an Operations, Maintenance and Management Agreement (OMM Agreement) entered with them. Under the OMM Agreement, the manufacturing facilities and the employees of these entities are wholly managed by the Transferee Company.

As stated above, the Transferee Company and the Transferor Companies are engaged in similar and allied business and there exists business and operational synergies in the amalgamation of the Transferor Companies with the Transferee Company. Thus, the Transferor Companies are desirous of consolidating their business under the Transferee Company which would enable the business to scale up and pursue growth opportunities in a more focused manner under the guidance and beacon of the same management.

The business of the Transferor Companies would also get access to the competitive advantage and the combined entity would be better equipped the realize the benefit of greater synergy between their businesses related to aspects like availability of raw material, distribution and marketing network, pooling of financial resources as well as managerial, technical and marketing resources.

Needless to mention, greater efficiency in cash & debt management and unfettered access to cash flow generation from combined business will maximize value to shareholders and other stakeholders.

The Scheme will also result in:

1. Consolidation of the Transferor Companies with the Transferee Company would result in simplification of the holding structure;
2. Reduction in management overlaps and elimination of legal and regulatory compliances and associated costs due to operation of multiple entities;
3. Optimization of the allocated capital and availability of funds which can be deployed more efficiently to pursue the operational growth opportunities;
4. Consolidation of businesses under the Transferee Company, which would result in synergies, pooling of financial, managerial, technical and human resources, thereby creating stronger base for future growth and value accretion for the stakeholders;
5. Elimination of the need for the inter-company transactions between the Transferor Companies and Transferee Company;
6. Sharing of best practices & cross functional learnings
7. Creation of value for the stakeholders including the respective shareholders, customers, lenders and employees.

In view of the above advantages and benefits, the Board of Directors of each of the Transferor Companies and the Transferee Company have formulated this Scheme pursuant to the provisions of Sections 230-232 and other applicable provisions of the Act.

Further, the Board of Directors of each of the Transferor Companies and the Transferee Company are of the opinion that the Scheme would be beneficial to and in the best interest of the shareholders, creditors, employees, and other stakeholders of each of the Transferor Companies and Transferee Company

The amalgamation is proposed to be effective through a Scheme of Amalgamation between the Transferor Company 1, Transferor Company 2, Transferor Company 3 and the Transferee Company under Sections 230 to 232 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

BASES & PREMISE OF VALUE

This Valuation is based on “Fair Value” as at the Valuation Date and the Premise of Value is “Going concern”.

The basis of value describes the type of value being measured and considers the perspectives of the parties to the assumed transaction.

The premise of value is driven by the purpose of the valuation and basis of value used, and generally falls into the following categories:

- A going concern premise is the most common premise of value; it presumes the continued use of the assets, and that the company would continue to operate as a business.

- An orderly or forced liquidation premise incorporates an in-exchange assumption (i.e., the assets are operated or sold individually or as a group, not as part of the existing business).

The generally accepted definition of "Fair Value" or "Market Value" is the value as applied between a hypothetical willing vendor and a hypothetical willing prudent buyer in an open market and with access to all relevant information.

DISCLOSURE AND VALUER INTEREST / CONFLICT

We do not have any interest or conflict of interest of any kind with the Company, with respect to the valuation being undertaken by us, except the shareholding of our Company / the Director signing this report in the Client as under:

Name	No. of shares held
Sundae Capital Advisors Private Limited	N/A
NitiN Somani	N/A

Our fee for this assignment is based on the engagement with the Client and not contingent upon the result or the value of business or in any other manner.

DATE OF APPOINTMENT, VALUATION AND REPORT.

Date of appointment	March 09, 2022
Date of valuation	December 31, 2021
Date of report	March 16, 2022

SOURCE OF INFORMATION AND REPRESENTATIONS

For the purpose of deriving the Fair Exchange Ratio, we have relied on the discussions with the Management of the Transferor Company 1, Transferor Company 2, Transferor Company 3 and the Transferee Company and the following information and documents made available to us:

- Audited Financial Statements of the Transferor Company 1, Transferor Company 2, Transferor Company 3 and Transferee Company for the Financial Year March 31, 2021;
- Audited Financial Statements of Transferor Company 1, Transferor Company 2, Transferor Company 3 for the period ended September 30, 2021;
- Provisional Financial Statements of Transferor Company 1, Transferor Company 2, Transferor Company 3 for the period ended December 31, 2021;
- Limited reviewed financial statements of the Transferee Company for the period ended December 31, 2021;
- Projected balance sheet and profit and loss statement of the Transferor Company 1 for financial years till March 31, 2030, Transferor Company 3 for financial years till March 31, 2027;
- Existing Shareholding Pattern of the Transferor Company 1, Transferor Company 2, Transferor Company 3 and Transferee Company as on March 31, 2021 and as on December 31, 2021;
- Scheme of Amalgamation;
- Management representation confirming the correctness and completeness of the information provided during the course of exercise and;
- Other information as available in public domain.

We have obtained explanations and information considered reasonably necessary for my exercise, from the executives and representatives of the Transferor Company 1, Transferor Company 2, Transferor Company 3 and Transferee Company. The Transferor Company 1, Transferor Company 2, Transferor Company 3 and Transferee Company has been provided with the opportunity to review the draft Report for this engagement to make sure that factual inaccuracies are avoided in our final Report. My analysis considers those facts and circumstances present at the Transferor Company 1, Transferor Company 2, Transferor Company 3 and Transferee Company at the date of this Report.

APPROACHES TO VALUATION

In developing the valuation, the three most common valuation approaches used globally are:

- Income (Income-based) approach
- Market (Market-based) approach
- Asset (Asset-based) approach (used for businesses, business ownership interests, and securities) or cost approach (used for intangible assets)

Income Approach
A general way of determining a value indication of a business, business ownership interest, security, or intangible asset by using one or more methods through which anticipated benefits are converted into value. Methods include discounted cash flow. The income approach should be applied and afforded significant weight under the following circumstances:

- The income-producing ability of the asset is the critical element affecting value from a participant perspective.
- Reasonable projections of the amount and timing of future income are available to the subject asset, but there are few, if any, relevant market comparable.

A fundamental basis for the income approach is that investor expects to receive a return on their investments and that such a return should reflect the perceived level of risk in the investment. One of the advantages that the Income Approach has over the other two approaches is that it is more flexible in addressing firms or assets that are in different stages of their life-cycle. This is because this approach factors in varying operating conditions over the projected period. The Income Approach is also able to cater to the differing investment or ownership needs of the buyer and seller, by measuring risks through its discount or capitalization rate, or by including cost synergies in its projections. Since sufficient information is available regarding the future projections of the Companies, hence we have used Income approach for valuation of equity shares of Transferor Companies. Further, the Transferee Company has proposed to allot Non-Cumulative Redeemable Preference Shares, the redemption value is considered as fair value. Please refer to the annexure for detailed working.

Market Approach
Market approach provides an indication of value by comparing the asset with identical or comparable assets for which price information is available. The Market approach should be applied and afforded significant weight under the following circumstances:

- The subject asset has recently been sold in a transaction appropriate for consideration under the basis of value.
- The subject asset or substantially similar assets are actively publicly traded.
- There are frequent and/or recent observable transactions in substantially similar assets.

Limitations to the market approach are as follows:

- It is difficult to identify transactions or companies that are comparable. There is usually a lack of a sufficient number of comparable companies or transactions.
- It is less flexible compared to other methods.
- The method raises question on how much data is available and how good the data is.

There are three valuation methods in Market Approach which are as follows:

1. Market Price Method:

The market price of an equity shares as quoted on a stock exchange is considered as the value of the equity share of the company, with appropriate adjustments where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the share. But there could be situation where value of the share as quoted on the market would not be regarded as proper index of fair value of share, especially where market values are fluctuating in the volatile capital market.

Transferor Companies being unlisted Private Companies, their shares are not listed on any stock exchange. Therefore, we have not considered market prices for Transferor Companies as it is not applicable. The equity shares of Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited. However, the Transferee Company proposes to issue Non-Cumulative Redeemable Preference Shares.

2. Comparable Companies Method ('CCM'):

Under this method, value of equity shares of the Company is arrived at by using multiple derived from valuation of comparable companies, as manifest through stock market valuation of listed Companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiple need to be chosen carefully and adjusted for differences between the circumstances. As per our understanding, there is no listed Company is carrying on similar business will similar size of operations and therefore we have not used CCM method for valuation of Equity shares of Transferor Companies.

3. Comparable Transaction Method ('CTM'):

Under this method, value of equity shares of the Company is arrived at by using multiple derived from valuation of comparable companies, as manifest through transaction valuations. Relevant multiple need to be chosen carefully and adjusted for differences between the circumstances. CTM valuation has not been adopted for purpose of my valuation as there are very limited transactions in the said business segment. Also, transactions may include acquirer-specific considerations such as synergy benefits, control premium and minority adjustments, on which sufficient information is not available in public domain. Therefore, CTM method not used for valuation of equity shares of Transferor Companies.

Asset Approach

A general way of determining a value indication of a business, business ownership interest, security, or intangible asset using one or more methods based on the value of the assets net of liabilities.

Methods include net asset value. The cost approach should be applied and afforded significant weight under the following circumstances:

1. Partners would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not willing to pay a significant premium for the ability to use the subject asset immediately.
2. The asset is not directly income generating and the unique nature of the asset makes using an income approach or market approach unfeasible and/ or
3. The basis of value being used is fundamentally based on replacement cost, such as replacement value.

Asset Value Method does not consider the future stream of benefits and hence this approach has not been considered for valuation of equity shares of **Transferor Companies** and **Transferee Company**. However please refer to the valuation analysis for more information.

SCOPE, LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement (ii) the date of this report and (iii) are based on the financial statements provided to us by the Management of the Transferor Company 1, Transferor Company 2, Transferor Company 3 and the Transferee Company. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this report.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information as at the date of this report, furnished by the Companies and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (Our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data.

In accordance with the terms of my engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this report and (ii) the accuracy of information made available to us by the Companies. In accordance with our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, or otherwise investigated the historical 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 Companies, have been given to understand by the Companies that they have not omitted any relevant and material factors 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 conclusions are based on the assumptions and information given by/on behalf of the Companies. The respective Managements of the Companies have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect my valuation analysis / results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report. Also, we assume no responsibility for technical information (if any) furnished by the Companies. However, nothing has come to my attention to indicate that the information provided was materially mis-stated / incorrect or would not afford reasonable ground upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquires could have verified any matter, which a more extensive examination might disclose.

The Report assumes that the Companies complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation 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 recorded in the audited / unaudited balance sheet of the Companies.

This report does not look into the business / commercial reasons behind the Transaction nor likely benefits arising out of the same. Similarly, it does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation of the Companies' claims to title of assets has been made for the purpose of this report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. The book values of the assets and liabilities of the Companies have been considered as representative of their intrinsic value in the absence of any report of external valuers.

We own responsibility to only the Board of Directors of the Transferor Company 1, Transferor Company 2, Transferor Company 3 and the Transferee Company, under the terms of the engagement letter and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other to the Transferor Company 1, Transferor Company 2, Transferor Company 3 and the Transferee Company.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion.

This valuation report is subject to the laws of India.

Neither the valuation 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, without our prior written consent. 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 Transaction.

BASIS FOR DETERMINATION OF FAIR EXCHANGE RATIO

The Scheme contemplates the amalgamation of the Transferor Company 1 and Transferor Company 3 into the Transferee Company which would require determining value of each business undertaking separately and then consolidating for arriving at the value of equity shares of Transferee Company.

These values are to be determined independently, but on relative basis, and without considering the current transaction. Further, the Transferor Company 2 is a wholly owned subsidiary of the Transferee Company and consequently no shares, preference or equity, will be issued by the Transferee Company upon its amalgamation.

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. My choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and my reasonable judgement, in an independent and bona fide manner based on my previous experience of assignments of a similar nature.

SELECTION OF APPROACH AND VALUATION METHOD

Our estimate of the valuation of the company was on the basic assumption of a going concern entity and with reference to discussion with the management of the Company along with information and explanation provided and considering the nature of business operation, we considered Income approach with discounted cash flow method.

Basis of approaches not selected:

Asset approach
Asset Value Method does not consider the future stream of benefits and hence this approach has not been considered for valuation of equity shares of **Transferor Companies**. Since the preference shares to be issued by the **Transferee Company** are redeemable at par, the same has been considered as fair value of Redeemable Preference Shares.

Market Approach
Due to unavailability of similar peer companies with similar size of operations and similar recent transactions on this scale in this industry this approach has not been considered for valuation of equity shares of **Transferor Companies** and redeemable preference shares of **Transferee Company**.

Valuation Analysis:
The Fair exchange ratio has been arrived at on the basis of a relative equity valuation **Transferor Company 1, Transferor Company 3** and **Transferee Company**. Further, the **Transferor Company 2** is a wholly owned subsidiary of the Transferee Company and consequently no shares, preference or equity, will be issued by the Transferee Company upon its amalgamation.

The Fair exchange ratio is based on the methodologies explained herein earlier and various qualitative factors relevant to each Company and the business dynamics and growth protentional of the businesses of the Companies, having regard to information, key underlying assumptions and limitations.

For the purpose of the current valuation exercise, we have provided following weights to the valuation methodologies based on our understanding of the financial position and other various factors relevant to the valuation exercise:

Name	Jindal Quality Tubular Limited ("Transferor Company 1")			Jindal Fittings Limited ("Transferor Company 3")			Jindal SAW Limited ("Transferee Company")		
Methods	Value per share in INR	Weightage (Wgt)	Value x Wgt	Value per share in INR	Weightage (Wgt)	Value x Wgt	Value per share in INR	Weightage (Wgt)	Value x Wgt
Market Approach	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Income Approach	40.55	100%	40.55	10.18	100%	10.18	N.A.	N.A.	N.A.
Asset Approach	0	0%	0	0	0%	0	100.00	100%	100.00
Weighted Average Value in INR	**40.55**			**10.18**			**100.00**		

The **Transferor Company 2** is a wholly owned subsidiary of the Transferee Company and consequently no shares, preference or equity, will be issued by the Transferee Company upon its amalgamation.

Notes:
1. Please refer to Annexure 1, Annexure 2 and Annexure 3 for more detail on valuations of above companies.
2. Though the book value for the Transferor Company 1 and Transferor Company 3 have been derived using adjusted NAV method but 0 (zero) weightage has been given to the same due to the premise that the book value is negative and it does not give the true value / fair value for a going concern business, as the same is mainly used in cases where the asset base dominates earnings capability. But for **Transferee Company** considering the nature of the instrument, i.e., non-cumulative redeemable preference shares, Asset approach is the best suitable approach.
3. Multiple approach is not used as there are no listed peers of the **Transferor Company 1** and **Transferor Company 3** available.

FAIR EXCHANGE RATIO

Based on the above, the following proposed exchange ratio is fair to the shareholders of the **Transferor Company 1** and the Transferee Company in respect to the proposed Scheme of Amalgamation:

"***For every 10,000 (Ten Thousand) equity shares of face value of Rs. 10/- (Rupees Ten only) each held in the 'Transferor Company 1' shall be issued 4,055 (Four Thousand Fifty-Five) 8% non-cumulative redeemable preference shares of face value of Rs. 100/- (Rupees One Hundred only) each as fully paid-up in the Transferee Company.***

The Transferee Company, as on the date of the Fair Exchange Ratio Report, holds 64,10,301 equity shares of Rs. 10/- each (constituting 67% of total equity shares capital) and 31,50,000 preference shares of Rs. 100/- each (constituting 100% of total Preference share capital) in Transferor Company 1. Upon the effective date, pursuant to amalgamation of the Transferor Company with the Transferee Company, 64,10,301 equity shares of Rs. 10/- each and 31,50,000 preference shares of Rs. 100/- each of Transferor Company 1 held by the Transferee Company will be cancelled.

Further, the **Transferor Company 2** is a wholly owned subsidiary of the Transferee Company and consequently no shares, preference or equity, will be issued by the Transferee Company upon its amalgamation.

Further, the following proposed Fair exchange ratio is fair to the shareholders of the **Transferor Company 3** and the Transferee Company in respect to the proposed Scheme of Amalgamation:

"***For every 10,000 (Ten Thousand) equity shares of face value of Rs. 10/- (Rupees Ten only) each held in the 'Transferor Company 3' shall be issued 1,018 (One Thousand Eighteen) 8% non-cumulative redeemable preference shares of face value Rs. 100/- (Rupees One Hundred) each as fully paid-up in the Transferee Company".***

The Transferee Company, as on the date of the Fair Exchange Ratio Report, holds 178,64,804 equity shares of Rs. 10/- (constituting 45.95% of total equity shares) and 72,00,000 preference shares of Rs. 100/- each (constituting 100% of total preference shares capital) in Transferor Company 3. Upon the effective date, pursuant to amalgamation of the Transferor Company with the Transferee Company, 178,64,804 equity shares of Rs. 10/- and 72,00,000 preference shares of Rs. 100/- each of Transferor Company 3 held by the Transferee Company will be cancelled.

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 specified companies, their directors, employees or agents. In no circumstances shall we be liable for, relating to the services provided in connection with the engagement set out in this report exceed the amount paid to me in respect of the fees charged for these services.

for ***Sundae Capital Advisors Private Limited***
(IBBI Regn. No IBBI/RV-E/03/2021/136)

SUNDAE Digitally signed by NITIN SOMANI
Date: 2022.03.16 10:57:03 +05'30'

NitiN Somani
Registered Valuer (S&FA)
Registration No.- IBBI/RV/05/2020/13127

Annexure 1

Valuation Workings

Jindal Quality Tubular Limited (Transferor Company 1)
Income Approach

				All figures in INR Lakhs			
Particulars	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**Perpetuity**
			Perpetuity Growth Rate				4.00%
Discounting Period	0.12	0.75	1.75	2.75	3.75	4.75	5.25
EBIT	450.14	1,816.88	1,816.88	2,824.91	(1,487.63)	5,393.99	
Less: Other Incomes	-	-	-	-	-	-	
EBIT excluding other income	450.14	1,816.88	1,816.88	2,824.91	(1,487.63)	5,393.99	
Less: Effective Tax @ 26%	**(35.14)**	**(390.49)**	**(390.49)**	**(652.58)**	**468.68**	**(1,320.54)**	
EBIT*(1-T)	415.00	1,426.39	1,426.39	2,172.33	(1,018.95)	4,073.45	4,698.07
Add: Depreciation	235.23	940.92	940.92	946.68	954.75	954.75	-
Capex	(7.55)	-	-	(344.14)	-	-	-
Changes in Non-Cash working capital	(56.87)	270.45	(296.01)	(4,630.67)	(7,419.90)	(1,175.63)	(2,000.00)
FCFF	**585.82**	**2,637.76**	**2,071.30**	**(1,855.79)**	**(7,484.09)**	**3,852.57**	**2,698.07**
Terminal Value							26,060.77
Discount Rate - WACC	14.77%	14.77%	14.77%	14.77%	14.77%	14.77%	14.77%
Discounting Factor	0.98	0.90	0.79	0.69	0.60	0.52	0.49
Discounted Cash flows	575.95	2,380.00	1,628.42	(1,271.27)	(4,467.13)	2,003.66	12,651.76

Sum of Discounted Cashflows	13,501.39
Enterprise Value	**13,501.39**
Less: Total Debt as on Dec 31, 2021	(7,736.07)
Less: Preference Shares Capital	(3,150.00)
Less: Contingent Liabilities	-
Add: Cash and Bank balance as on Dec 31, 2021	616.07
Add: Deposits	392.61
Add: Tax Benefit on Net Block on the basis of FY 2027	256.03
Equity Value	**3,880.02**
Total Number of outstanding shares as on Sept 30, 2021	95,67,613.00
Value per shares (in Rs.)	**40.55**

Cost of Capital Calculation:

Particulars	Value	Source
Risk-Free Rate (Rf)	6.80%	https://www.ccilindia.com.
Excepted return on the market E(Rm)	15.86 %	Calculated CAGR on BSE 500 from inception till date of valuation.
Equity Risk Premium (ERP)	9.1%	Calculated as: E(Rm)-Rf
Re-levered Beta (β)	4.12	Refer below table
Cost of Equity	44.1%	Calculated as: Rf- β*(ERP)
Cost of Equity (ke)	**44.14 %**	
Weight of Equity (We)	16%	Calculated based on average D/E ratio for projected period & as on date of valuation.
Cost of Equity (ke)	44.1%	An input from above.
Weighted cost of equity	**7.02%**	Calculated as: (We)*(Ke)
Weight of Debt (Wd)	59%	Calculated based on average D/E ratio for projected period & as on date of valuation.
Cost of debt (kd)	12.00 %	Given by the management of the company
Cost of debt (1-t)	8.88%	Calculated as: (Wd)*(1-t)
Weighted cost of debt	**5.24%**	Calculated as: (Wd)*(1-t)*(Kd)
Weight of Preference capital (Wp)	25.10 %	
Weighted cost of Preference capital	10.00 %	Given by the management of the company
Weighted cost of Preference capital	**2.51%**	
Weighted Average Cost of Capital (WACC)	**14.77 %**	

Calculation of Re- levered Beta		
Unlevered Beta	0.84	Unlevered Beta of steel Industry taken from www.damodaran.com.
Tax Rate	26.00%	Effective tax rate on the company.
Debt/Equity Ratio	5.29	Average D/E ratio for projected period & as on date of valuation.
Re-Levered Beta	4.12	

Asset Approach:

Adjusted NAV Method:

Particulars	Amount as on 31 Dec 2021 in INR Lakhs
Non-current Assets	9,478.45
Current Assets	3,265.54
Total Assets (A)	12,744.00
Non-current Liabilities	9,135.55
Current Liabilities	5,344.44
Total Liabilities (L)	14,479.99
A-L	**(1,735.99)**

Annexure 2

Jindal Fittings Limited (Transferor Company 3)
Income Approach

All figures in INR Lakhs

Particulars	From Dec 31, 2021 till March 31, 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Perpetuity
Perpetuity Growth Rate										4.00%
Discounting Period	0.12	0.75	1.75	2.75	3.75	4.75	5.75	6.75	7.75	8.25
EBIT	262	1,401	1,298	1,198	1,079	951	730	4,744	5,438	
Less: Other Incomes	-	-	-	-	-	-	-	-	-	
EBIT excluding other income	262	1,401	1,298	1,198	1,079	951	730	4,744	5,438	
Less: Effective Tax @ 26%	-	(304)	(287)	(270)	(256)	(243)	(190)	(1,150)	(1,331)	
EBIT *(1-T)	262	1,097	1,011	928	823	708	540	3,594	4,107	4,259
Add: Depreciation	110	417	392	364	354	354	352	348	318	-
Capex	(330)	(0)	0	0	(0)	0	(0)	0	0	-
Changes in Non-Cash working capital	43	177	3	3	3	3	5	(5,097)	1,825	(50)
FCFF	85	1,690	1,406	1,294	1,180	1,065	896	(1,155)	6,250	4,209
Terminal Value										39,939
Discount Rate - WACC	14.96%	14.96%	14.96%	14.96%	14.96%	14.96%	14.96%	14.96%	14.96%	14.96%
Discounting Factor	0.98	0.90	0.78	0.68	0.59	0.52	0.45	0.39	0.34	0.34
Discounted Cash flows	83	1,523	1,102	882	700	550	402	(451)	2,122	13,563

Sum of Discounted Cashflows	20,477
Enterprise Value	20,477
Less: Total Debt as on valuation date	(9,674)
Less: Preference Shares Capital	(7,200)
Less: Contingent Liabilities	-
Add: Cash and Bank balance as on valuation date	10
Add: Deposits	168
Add: Tax Benefit on Net Block on the basis of FY 2030	177
Equity Value	3,958
Total Number of outstanding shares as on March 31, 2021	3,88,80,007
Value per shares (in INR)	10.18

Cost of capital calculation:

Particulars	Value	Source
Risk-Free Rate (Rf)	6.80%	https://www.ccilindia.com.
Excepted return on the market E(Rm)	15.86%	Calculated CAGR on BSE 500 from inception till date of valuation.
Equity Risk Premium (ERP)	9.1%	Calculated as: E(Rm)-Rf
Re-levered Beta (β)	6.85	Refer below table
Cost of Equity	68.8%	Calculated as: Rf- β*(ERP)
Cost of Equity (ke)	**68.79%**	
Weight of Equity (We)	9%	Calculated based on average D/E ratio for projected period.
Cost of Equity (ke)	68.79%	An input from above.
Weighted cost of equity	**6.44%**	Calculated as: (We)*(Ke)
Weight of Debt (Wd)	49%	Calculated based on average D/E ratio for projected period.
Cost of debt (kd)	12.00%	Given by the management of the company
Cost of debt (1-t)	8.88%	Calculated as: (Wd)*(1-t)
Weighted cost of debt	**4.34%**	Calculated as: (Wd)*(1-t)*(Kd)
Weight of Preference capital (Wp)	**41.77%**	Calculated based on average D/E ratio for projected period.
Cost of Preference capital	**10.00%**	Given by the management of the company
Weighted cost of Preference capital	**4.18%**	
Weighted Average Cost of Capital (WACC)	**14.96%**	

Calculation of Re- levered Beta		
Unlevered Beta	0.84	Unlevered Beta of steel Industry taken from www.damodaran.com.
Tax Rate	26.00%	Effective tax rate on the company.
Debt/Equity Ratio	9.67	Average D/E ratio for projected period & as on date of valuation.
Re-Levered Beta	6.85	

Asset Approach:
Adjusted NAV Method:

Particulars	Amount as on 31 Dec 2021 in INR Lakhs
Non-current Assets	10,648.22
Current Assets	415.23
Total Assets (A)	11,063.45
Non-current Liabilities	11,855.95
Current Liabilities	5,352.95
Total Liabilities (L)	17,208.90
A-L	**(6,145.45)**