



**Fair Share Exchange Ratio and
Share Entitlement Ratio
in relation to the
'Composite Scheme of Arrangement'**

December 2024



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HO
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Senapati Bapat Marg, Dadar (W),
Mumbai 400028, INDIA

Ref. No.: MG/Dec13-232/2024

December 13, 2024

To,

The Board of Directors

JK Paper Limited

Nehru House 3rd Floor,
4 Bahadur Shah Zafar Marg,
New Delhi 110002

The Board of Directors

Horizon Packs Private Limited

Ashford Centre, 2nd Floor, Shankar Rao Naram
Marg, Lower Parel (West), Delisle Road, Mumbai,
Maharashtra, India 400013

The Board of Directors

Enviro Tech Ventures Limited

P.O. Central Pulp Mills Fort Songadh,
Fort Songadh, Surat, Gujarat - 394660

The Board of Directors

**JKPL Utility Packaging Solutions Private Limited
(Formerly Manipal Utility Packaging Solutions
Private Limited)**

Plot No. 19B, Shivalli Industrial Area, Manipal,
Udupi, Udupi, Karnataka, India 576104

The Board of Directors

Securipax Packaging Private Limited

Gulab Bhawan, 3rd Floor (Rear Block),
6A, Gulab Bhawan, Bahadur Shah Zafar Marg,
New Delhi, India - 110002

The Board of Directors

PSV Agro Products Private Limited

Patriot House, 3, Bahadur Shah Zafar Marg, New
Delhi, North Delhi, Delhi, India, 110002

Dear Sir(s)/ Madam(s),

Subject: Recommendation of Fair Share Exchange Ratio and Share Entitlement Ratio in relation to the Proposed Composite Scheme of Arrangement between JKPL Utility Packaging Solutions Private Limited, Securipax Packaging Private Limited, Horizon Packs Private Limited, Enviro Tech Ventures Limited, PSV Agro Products Private Limited and JK Paper Limited and their respective shareholders under Sections 230 to 232 read with Section 66 of the Companies Act, 2013

We, BDO Valuation Advisory LLP ("BDO Val" or "We" or "Us") bearing LLP identity no. AAN 9463, have been appointed jointly by JK Paper Limited, JKPL Utility Packaging Solutions Private Limited, Securipax Packaging Private Limited, Horizon Packs Private Limited, Enviro Tech Ventures Limited and PSV Agro Products Private Limited (jointly referred to as "Client" or "You") vide engagement letter dated November 18, 2024 bearing reference number MG/Nov182/2024 to recommend the Fair Share Exchange Ratio and Fair Share Entitlement Ratio as per the Proposed Composite Scheme of Arrangement and their respective shareholders under sections 230 to 232 read with section 66 of the Companies Act, 2013 ('the Act') and other applicable provisions of the Act and the Rules made thereunder ("the Proposed Scheme").

We understand that the Proposed Scheme envisages as under:

- Amalgamation of JKPL Utility Packaging Solutions Private Limited ("JKPL UPSPL" or "Transferor Company 1"), Securipax Packaging Private Limited ("SPPL" or "Transferor Company 2"), Horizon Packs Private Limited ("HPPL" or "Transferor Company 3") into the Transferee Company.

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- B. Reduction and conversion of Redeemable Preference Shares of Enviro Tech Ventures Limited to unsecured loan;
- C. Demerger of the demerged undertaking of Enviro Tech Ventures Limited (“Demerged Company”) into PSV Agro Products Private Limited (“PSV” or “Resulting Company”) on a going concern basis; and
- D. Amalgamation of residual Enviro Tech Ventures Limited (“ETVL” or “Transferor Company 4”) with paper and paper related trading business including shares of The Sirpur Paper Mills Limited (“SPML”) with the Transferee Company.

Hereinafter, JKPL, JKPL UPSPL, HPPL, SPPL, PSV & ETVL are collectively referred to as “the Companies”.

We are pleased to present herewith our report (‘Report’) on the same. We have determined the Fair Share Exchange Ratio and Fair Share Entitlement Ratio for the Proposed Scheme as at the December 12, 2024 (‘Valuation Date’).

We hereby confirm that we have no present or planned future interest in the Companies except to the extent of our appointment as a registered valuer for this Report.

We have considered the valuation base as ‘Fair Value’ and the premise of value is ‘current use/existing use’ for estimating the value of the Companies. We hereby confirm that the valuation is carried out as per International Valuation Standards (“IVS”). Any change in the valuation base or the premise could have a significant impact on the outcome of the valuation exercise, and therefore, this Report.

A summary of the analysis is presented in the accompanying Report, as well as description of the methodology and procedure we used, and the factors we considered in formulating our opinion.

We believe that our analysis must be considered as a whole. Selecting portion of our analysis or the factors we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

This letter should be read in conjunction with the attached report.

For BDO Valuation Advisory LLP

IBBI Regn No.: IBBI/RV-E/02/2019/103



VRN Number: IOVRVF/BDO/2024-2025/4418

Name: Mandar Vikas Gadkari

Designation: Partner

IBBI Regn No.: IBBI/RV/06/2018/10500

Encl: As Above



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1. Brief Background of the Proposed Scheme

- 1.1. The Proposed Scheme under Section 230-232 read with Section 66 and other applicable provisions of the Companies Act, 2013 (“the Act”) and the rules and regulations made thereunder *inter alia* for:
- i. Amalgamation of Transferor Company 1, Transferor Company 2, and Transferor Company 3 with and into the Transferee Company with effect from Appointed Date 1¹ (“Part C” of the Proposed Scheme);
 - ii. Reduction and conversion of Redeemable Preference Shares of ETVL to unsecured loan (“Part D” of the Proposed Scheme) with effect from Appointed date 2;
 - iii. Demerger of demerged undertaking (as defined in the Proposed Scheme) of ETVL into the Resulting Company with effect from Appointed date 2² (“Part E” of the Proposed Scheme); and
 - iv. Amalgamation of ETVL (with the “Residual Business”³ as defined in the Proposed Scheme) with and into the Transferee Company with effect from Appointed Date 2 (“Part F” of the Proposed Scheme).

2. Brief Background of the entities

JK Paper Limited ('JKPL' or 'the Transferee Company')

- 2.1. JKPL having CIN L21010GJ1960PLC018099, is a public limited company domiciled in India and incorporated on July 04, 1960, under the provisions of the Companies Act, 1956.
- 2.2. The Transferee Company is a manufacturer of branded papers with more than 80 years of experience in the field. It operates in the markets of office paper, writing and printing, packaging boards, coated paper, and specialty paper.
- 2.3. JKPL has production facilities situated in various parts of the country: Unit CPM in the west (Songadh), Unit JKPM in the east (Rayagada, Odisha) and Gujarat. It sells throughout India and exports to a number of nations.
- 2.4. The equity shares of JKPL are listed on BSE Limited ('BSE') and on National Stock Exchange of India Limited ('NSE'). BSE and NSE shall collectively be referred to as “Stock Exchanges”.

¹ “Appointed Date 1” means April 1, 2024 or such other date as may be approved by the Honorable National Company Law Tribunal(s), for the purposes of this Scheme;

² “Appointed Date 2” means April 1, 2025 or such other date as may be approved by the Honorable National Company Law Tribunal(s), for the purposes of this Scheme;

³ “Residual Business” means the business of the Demerged Company related to paper and packaging including the shares held in The Sirpur Paper Mills Limited (“SPML”)



- 2.5. The authorised share capital and the issued, subscribed and fully paid-up share capital of JKPL, as on September 30, 2024 was as follows:

Particulars	INR Mn
Authorised Share Capital	
Equity Shares - 30,00,00,000 of INR 10.0 each	3,000.0
Redeemable Preference Shares - 2,00,00,000 of INR 100.0 each	2,000.0
Total	5,000.0
Issued, Subscribed & Fully Paid-up Share Capital	
Equity Shares - 16,94,02,344 of INR 10.0 each	1,694.0
Total	1,694.0

Source: Management of JKPL

- 2.6. The summarized shareholding pattern of JKPL as on September 30, 2024 is as follows:

Shareholder Category	No. of Equity Shares	% Holding
I. Promoter and Promoter Group	8,40,80,211	49.63%
II. Public	8,53,22,133	50.37%
Total	16,94,02,344	100.00%

Source: <https://www.bseindia.com/>

- 2.7. The Transferee Company is the holding company of Transferor Company 1, Transferor Company 2 and Transferor Company 3 and as of September 30, 2024 holds 100.0% of their paid-up share capital.
- 2.8. The Transferee Company is the holding company of Transferor Company 4, and as of September 30, 2024 holds 96.1% of the equity shares and remaining 3.9% of the equity shares being held by Promoter/ Promoter Group of the Transferee Company.

JKPL Utility Packaging Solutions Private Limited (“JKPL UPSPL” or “Transferor Company 1”)

- 2.9. JKPL UPSPL was incorporated as a private limited company under the provisions of the erstwhile Companies Act, 1956 on 15th February 2008 vide CIN U21014KA2008PTC045299, having registered office at Plot No. 19B, Shivalli Industrial Area, Manipal, Udupi, Karnataka, India - 576104. It is under process to shift its registered office from State of Karnataka to State of Gujarat.
- 2.10. Transferor Company 1 is engaged in the business of manufacturing of folding cartons, Corrugated boxes and labels and pre-press activities.
- 2.11. The authorised share capital and the issued, subscribed and fully paid-up share capital of JKPL UPSPL, as on September 30, 2024, was as follows:



Particulars	INR Mn
<u>Authorised Share Capital</u>	
Equity shares - 4,70,00,000 of INR 10.0 each	470.0
Total	470.0
<u>Issued, Subscribed & Fully Paid-up Share Capital</u>	
Equity shares - 4,07,00,810 of INR 10.0 each	407.0
Total	407.0

Source: Management of JKPL

Securipax Packaging Private Limited ("SPPL" or "Transferor Company 2")

- 2.12. SPPL was incorporated as a private limited company under the provisions of the erstwhile Companies Act, 1956 on 15th September 1980 vide CIN U74999DL1980PTC122583, having registered office at Gulab Bhawan, 3rd Floor (Rear Block), 6A, Gulab Bhawan, Bahadur Shah Zafar Marg, New Delhi, India - 110002. It is under process to shift its registered office from New Delhi to State of Gujarat.
- 2.13. Transferor Company 2 is engaged in the business of manufacturing corrugated boxes, corrugated sheet and other packaging related work.
- 2.14. The authorised share capital and the issued, subscribed and fully paid-up share capital of SPPL, as on September 30, 2024, was as follows:

Particulars	INR Mn
<u>Authorised Share Capital</u>	
Equity shares - 5,50,000 of INR 100.0 each	55.0
Total	55.0
<u>Issued, Subscribed & Fully Paid-up Share Capital</u>	
Equity shares - 5,45,000 of INR 100.0 each	54.5
Total	54.5

Source: Management of JKPL

Horizon Packs Private Limited ("HPPL" or "Transferor Company 3")

- 2.15. HPPL was incorporated as a private limited company under the provisions of the erstwhile Companies Act, 1956 on 20th August 2001 vide CIN U21014MH2001PTC133116, having registered office at Ashford Centre, 2nd Floor, Shankar Rao Naram Marg, Lower Parel (West), Delisle Road, Mumbai, Maharashtra - 400013. It is under process to shift its registered office from State of Maharashtra to State of Gujarat.
- 2.16. Transferor Company 3 is engaged in the business of manufacturing corrugated boxes, corrugated sheet and other packaging related work.
- 2.17. The authorised share capital and the issued, subscribed and fully paid-up share capital of HPPL, as on September 30, 2024, was as follows:



Particulars	INR Mn
<u>Authorised Share Capital</u>	
Equity shares - 33,89,66,629 of INR 10.0 each	3,389.7
Total	3,389.7
<u>Issued, Subscribed & Fully Paid-up Share Capital</u>	
Equity shares - 31,67,53,999 of INR 10.0 each	3,167.5
Total	3,167.5

Source: Management of JKPL

Enviro Tech Ventures Limited (“ETVL” or “Demerged Company” or “Transferor Company 4”)

- 2.18. ETVL was incorporated as an unlisted public limited company under the provisions of the erstwhile Companies Act, 1956 on 19th December 2007 vide CIN U73100GJ2007PLC075963, having registered office at PO Central Pulp Mills, Fort Songadh, District Tapi, Gujarat, India - 394660.
- 2.19. Transferor Company 4 is engaged in the business of trading of all types of goods on wholesale basis in India or elsewhere. ETVL is the holding company of SPML and holds 95.1% stake in SPML. SPML is involved in the paper manufacturing business.
- 2.20. The authorised share capital and the issued, subscribed and fully paid-up share capital of ETVL, as on September 30, 2024, was as follows:

Particulars	INR Mn
<u>Authorised Share Capital</u>	
Equity shares - 5,50,00,000 of INR 10.0 each	550.0
Preference Shares - 2,80,00,000 of INR 100.0 each	2,800.0
Total	3,350.0
<u>Issued, Subscribed & Fully Paid-up Share Capital</u>	
Equity shares - 2,12,65,400 of INR 10.0 each	212.6
Redeemable Preference Shares - 2,11,00,000 of INR 100.0 each	2,110.0
Compulsorily Convertible Preference Shares (CCPS)# - 63,00,000 of INR 100.0 each	630.0
Total	2,952.6

Source: Management of JKPL



Brief w.r.t the CCPS

Series of CCPS	No of CCPS	Face Value	Conversion Ratio
CCPS(Series-1)	30,00,000	INR 100	CCPS are convertible into equity shares of the company having nominal value of Rs. 10 each, at a conversion price of Rs.12 per equity share (including premium of Rs 2 per equity share) at any time upto 7 years which is further extendable with mutual consent of the company and the shareholders.
CCPS(Series-2)	10,00,000	INR 100	
CCPS(Series-3)	23,00,000	INR 100	
Total	63,00,000		

We have been informed by the Management of JKPL and ETVL that basis the terms of the issue of the Compulsorily Convertible Preference Shares, on a fully diluted basis, the shareholding pattern of ETVL shall be as under:

Particulars	Number of shares	Number of shares (Fully Diluted Basis)
Equity Shares	2,12,65,400	2,12,65,400
CCPS (Series 1)	30,00,000	2,50,00,000
CCPS (Series 2)	10,00,000	83,33,333
CCPS (Series 3)	23,00,000	1,10,57,692
Total	2,75,65,400	6,56,56,425

PSV Agro Products Private Limited (“PSV” or “Resulting Company”)

2.21. PSV Agro Products Private Limited was incorporated as a private limited company under the provisions of the Companies Act, 2013 on 03rd November 2017 vide CIN U01820DL2017PTC325611., having registered office at Patriot House, 3, Bahadur Shah Zafar Marg, New Delhi, North Delhi, Delhi, India, 110002.



- 2.22. Currently, the Resulting Company has, as its main objects, to be engaged in the business of agriculture, hunting and related services. The objects of the Resulting Company are also under process of being changed and consequently, the Resulting Company will be engaged in the business of trading all types of goods on a wholesale basis.
- 2.23. Additionally, the Resulting Company is under process to shift its registered office from New Delhi to State of Gujarat.
- 2.24. The authorised share capital and the issued, subscribed and fully paid-up share capital of PSV, as on September 30, 2024, was as follows:

Particulars	INR Mn
<u>Authorised Share Capital</u>	
Equity shares - 1,00,000 of INR 10.0 each	1.0
Total	1.0
<u>Issued, Subscribed & Fully Paid-up Share Capital</u>	
Equity shares - 10,000 of INR 10.0 each	0.1
Total	0.1

Source: Management of JKPL

3. Rationale of the Proposed Scheme

As per the Proposed Scheme, the rationale is as under:

- 3.1. **Rationale for amalgamation of Transferor Company 1, Transferor Company 2, Transferor Company 3 with and into Transferee Company:**
- 3.1.1. The Transferor Company 1, Transferor Company 2, Transferor Company 3, and the Transferee Company are engaged in similar line of business, and the Board of the respective companies (defined hereinafter) has decided to consolidate all packaging business, manufacturing, and trading entities under the Transferee Company. The proposed consolidation of business operations through amalgamation will therefore lead to more efficient utilization of capital assets, supply chain, and customer relationships, thereby creating a stronger base for future growth;
- 3.1.2. Facilitate flexibility in funding the capex of the Transferor Company 1, Transferor Company 2, Transferor Company 3, eliminate intra-group transactions and consequent cash flow blockages which shall result in efficient utilization of capital at a group level;
- 3.1.3. Assist in rationalizing the corporate structure and reduction of shareholding tiers;
- 3.1.4. Reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company 1, Transferor Company 2, Transferor Company 3 and Transferee Company;
- 3.1.5. Result in savings of administration and other costs associated with managing separate entities;



- 3.2. **Rationale for reduction and conversion of redeemable preference shares held by the Transferee Company in the Transferor Company 4 into unsecured loan:**
- 3.2.1. The reduction and conversion⁴ of redeemable preference shares in the manner proposed in the Scheme would enable the Transferee Company to reflect the true nature of investment in the Transferor Company 4 i.e., as a liability, and thereby, facilitate the demerger from the Transferor Company 4 (as a part of this Scheme);
- 3.2.2. Facilitate support for organic growth opportunities and eliminating intra-group transactions and consequent cash flow blockages which shall result in efficient utilization of capital at a group level; The Scheme would not affect the ability or liquidity of the Transferor Company 4 to meet its obligations / commitments in the normal course of business upon effectiveness of the Part D of the Scheme.
- 3.3. **Rationale for demerger of Demerged Undertaking into Resulting Company:**
- 3.3.1. Facilitate segregation of the Demerged Undertaking from the Demerged Company so that the Resulting Company may focus and expand the business of the Demerged Undertaking subsequent to the demerger;
- 3.3.2. The demerger shall allow the Demerged Company to merge the residual business (related to paper and packaging business) with the Transferee Company in Part F of the Scheme, thereby consolidating all paper and packaging business, manufacturing, and trading entities under the Transferee Company as part of the overall objective of the restructuring scheme.
- 3.4. **Rationale for merger of Transferor Company 4 into Transferee Company:**
- 3.4.1. Upon effectiveness of Part E of the Scheme Transferor Company 4 / Demerged Company would be left with paper and packaging business and management of Transferor Company 4 and Transferee Company are engaged in the same line of business, and so the Board of the respective companies have decided to consolidate all paper and packaging business, manufacturing, and trading entities under the Transferee Company.
- 3.4.2. Assist in rationalizing the corporate structure and reduction of shareholding tiers;

⁴ The Redeemable Preference Shares (RPS) issued by Transferor Company 4 (or the Demerged Company) shall, upon the effectiveness of Part D of the Scheme, be converted into an unsecured loan. Furthermore, upon the effectiveness of Part F of the Scheme, whereby Transferor Company 4 is merging with the Transferee Company, such unsecured loan, previously arising from the conversion of the RPS, shall stand cancelled without any further act, deed, or instrument;



- 3.4.3. Reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by both the Transferor Company 4 and Transferee Company; and
- 3.4.4. Result in savings of administration and other costs associated with managing separate entities.

4. Purpose of Valuation

4.1. The Proposed Scheme envisages as under:

- A. Amalgamation of Transferor Company 1, Transferor Company 2, Transferor Company 3 with and into the Transferee Company.

The Transferor Company 1, Transferor Company 2 and Transferor Company 3 are wholly owned subsidiaries of the Transferee Company and therefore there shall be no issue of shares as consideration for the amalgamation of the Transferor Company 1, Transferor Company 2 and Transferor Company 3 with the Transferee Company.

Further, upon the Proposed Scheme becoming effective, all equity shares of the Transferor Company 1, Transferor Company 2 and Transferor Company 3 held by the Transferee Company shall stand cancelled. Therefore, no separate valuation is required as there is no change in the shareholding pattern of the Transferee Company.

- B. Share Entitlement Ratio shall be required for the Demerger of the demerged undertaking (as defined in the Proposed Scheme) of ETVL (“Demerged Company”) into the Resulting Company;
 - C. Share Exchange Ratio for the amalgamation of ETVL (“Transferor Company 4”) with the Transferee Company.
 - D. Further, according to the Proposed Scheme, there shall be a reduction and conversion of redeemable preference shares held by the Transferee Company in Transferor Company 4 into unsecured loan.
- 4.2. In this regard, we have been appointed to undertake the valuation to recommend the Fair Share Entitlement Ratio and Fair Share Exchange Ratio for the demerger and amalgamation per the Proposed Scheme.
- 4.3. The Appointed Date for the Scheme is Appointed Date 1 being April 01, 2024 for the purpose of Part C of the Proposed Scheme and Appointed Date 2 being April 01, 2025 for the purpose of Part D, Part E and Part F of the Proposed Scheme, or such other date as may be approved by the Honorable National Company Law Tribunal(s), for the purposes of the Proposed Scheme.



5. Terms of Engagement

Context and Purpose

- 5.1. BDO Val has been appointed to determine the Fair Share Exchange Ratio and Share Entitlement Ratio for the Proposed Scheme as mentioned in para 4 of this Report. This valuation exercise and Valuation Report are solely for the purpose mentioned in the Report.

Restricted Audience

- 5.2. This Report and the information contained herein are absolutely confidential and are intended for the use of the Client only for submitting to the statutory authorities for compliance under section sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 and applicable provisions and circular issued by SEBI applicable to the Proposed Scheme. The results of our valuation analysis and our Report cannot be used or relied by the Companies for any other purpose or by any other party for any purpose whatsoever.
- 5.3. This Report will be placed before the Audit Committee/the Board of Directors/Independent Directors Committee of JKPL and intended only for their sole use and information only. To the extent mandatorily required under applicable laws of India, this Report maybe produced before judicial, regulatory or government authorities, in connection with the Proposed Scheme. We are not responsible to any other person or party, for any decision of such person or party based on this Report. Any person or party intending to provide finance/ invest in the shares/ business of the Companies or their holding companies, subsidiaries, associates, joint ventures 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. If any person/ party (other than the Client) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to BDO Val.
- 5.4. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this Report or any part thereof, except for the purpose as set out earlier in this Report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so.
- 5.5. Without limiting the foregoing, we understand that the Client may be required to share this Report with regulatory or judicial authorities including stock exchanges, SEBI, Regional Director, Registrar of Companies, National Company Law Tribunal, professional advisors of the Client including merchant banker providing fairness opinion on the Fair Share Exchange Ratio, in connection with the Proposed Scheme ('Permitted Recipients'). We hereby give consent to such disclosure of this Report, on the basis that we owe responsibility only to the Client that has engaged us, under the terms of the engagement, and no other person; and that, to the fullest extent permitted by law, we accept no responsibility or liability to any other party, in connection with this Report. It is clarified that reference to this Report in any document and/or filing with Permitted Recipients, in



connection with the Proposed Scheme, shall not be deemed to be an acceptance by us of any responsibility or liability to any person/ party other than the Client.

6. Caveats, Limitations and Disclaimers

- 6.1. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 6.2. This Report, its contents, and the analysis herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement, (ii) the Valuation Date and (iii) based on the data detailed in the section - Sources of Information. The management of the Companies have represented that the business activities of the Companies have been carried out in the normal and ordinary course till the Report date and that no material changes are expected in their respective operations and financial position to occur up to the Report date.
- 6.3. We were provided with sufficient information and time to form our opinion for this valuation exercise. However, our opinion may change if any material information is not disclosed / hidden from us during our valuation exercise.
- 6.4. The scope of the assignment did not include performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was used during the course of the work. Accordingly, we express no audit opinion or any other form of assurance on this information on behalf of the Companies. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence or legal title search of the assets or liabilities of the Companies and have considered them at the value as disclosed by the Companies in their regulatory filings or in submissions, oral or written, made to us.
- 6.5. Further, this valuation Report is based on the extant regulatory environment and the financial, economic, monetary and business/market conditions, and the information made available to us or used by us up to the date hereof, which are dynamic in nature and may change in future, thereby impacting the valuation of the Companies. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and we shall not be obliged to update, review or reaffirm this Report if the information provided to us changes. Further 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.
- 6.6. We have no present or planned future interest in the Companies or any of their group entities.
- 6.7. The recommendation contained herein is not intended to represent value at any time other than the Valuation Date.
- 6.8. This Report is subject to the laws of India.
- 6.9. The fee for this engagement is not contingent upon the outcome of the Report.



- 6.10. In rendering this Report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.
- 6.11. This Report is based on the information received from the sources mentioned herein and discussions with the representatives of the Companies. We have assumed that no information has been withheld that could have influenced the purpose of our Report.
- 6.12. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us, we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Companies. Nothing has come to our knowledge to indicate that the material provided to us was mis-stated or incorrect or would not provide reasonable grounds upon which to base our Report.
- 6.13. For the present valuation exercise, we have also relied upon information available in the public domain; however, the accuracy and timeliness of the same has not been independently verified by us.
- 6.14. In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out here in which may occur subsequent to the date of our Report or by virtue of fact that the details provided to us are incorrect or inaccurate.
- 6.15. We have arrived at a relative value based on our analysis. Any transaction price may however be significantly different and would depend on the negotiating ability and motivations of the respective buyers and sellers in the transaction.
- 6.16. Our scope is limited to the recommendation of Fair Share Exchange Ratio and Fair Share Entitlement Ratio. The Report should not be construed as our opinion or certifying the compliance of the Proposed Scheme with the provisions of any law including the Companies Act 2013, Foreign Exchange Management Act, 1999, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from the Proposed Scheme.
- 6.17. The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all their areas of operation 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 Report has given no consideration to matters of legal nature, including issues of legal title and compliance with local laws, litigation and other contingent liabilities that are not recorded in the financial statements of the Companies.
- 6.18. This Report does not look into the business/commercial reasons behind the Proposed Scheme nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Scheme as compared with any other alternative business transaction or any other alternatives, whether or not such alternatives could be achieved or are available. The assessment of commercial and investment merits in the Companies is sole responsibility of the investors of the

Companies and we don't express opinion on the suitability or otherwise of entering into any financial or other transactions with the Companies.

- 6.19. Valuation and determination of a Fair Share Exchange Ratio and Fair Share Entitlement Ratio is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value. While we have provided an assessment of the value based on an analysis of information available to us and within the scope of our engagement, others may place a different opinion.
- 6.20. Whilst we have conducted analysis of the financial projections of the Companies, for arithmetic and logical consistency, our review was not in the nature of an audit/ due diligence. We do not express an opinion as to how closely the actual revenues, expenses, cash flows and position of assets and liabilities will correspond to these financial projections. There will usually be differences between predicted and actual results and those differences may be material. The Clients have provided us with a set of financial projections that are based on internal estimates including growth expectations of end user industries, cost estimations, etc. and represent their best estimate of the expected performance of the Companies going forward. We take no responsibility for the achievement of the predicted results.
- 6.21. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither us, nor any of our partners, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all liabilities which may arise based upon the information used in this Report.
- 6.22. We owe responsibility to only the Board of Directors of the Client and nobody else. 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 party to the 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. In the particular circumstances of this case, our liability, if any (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, howsoever the loss or damage caused, shall be limited to the amount of fees actually received by us from the Client as laid out in the engagement letter, for such valuation work.
- 6.23. 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 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.
- 6.24. This Report does not in any manner address the prices at which equity shares of the Companies will trade following the announcement and/or implementation of the Proposed Scheme and we



express no opinion or recommendation as to how the shareholders of the Companies should vote at the shareholders' meeting(s) to be held in connection with the Proposed Scheme.

- 6.25. The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Companies (or its representatives) 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).

7. Sources of Information

- 7.1. For the purpose of undertaking this valuation exercise, we have relied on the following sources of information provided by the management and representatives of the Companies/ available in public domain:

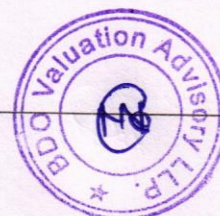
- Annual report of JKPL available from public domain for FY24;
- Limited Review Consolidated Financial Statements of JKPL as on September 30, 2024;
- Audited standalone Financial Statements of JKPL, HPPL, SPPL, JKPL UPSPL, ETVL, SPML and PSV as on September 30, 2024;
- Consolidated Financial Projections of JKPL from October 01, 2024 to March 31, 2029;
- Financial Projections of ETVL and SPML from October 01, 2024 to March 31, 2029;
- Income Tax computation and Income Tax Depreciation Schedule for the Companies and SPML on a standalone basis;
- NAV statement of Mutual Fund Investments held by JKPL on a consolidated basis as on September 30, 2024;
- Valuation report dated December 12, 2024, of surplus property issued by Phul Kumar Gaur, registered valuer for Land and Building Asset class having registration number IBBI/RV/11/2019/12698.
- Detailed business profile and information of current business operations of the Companies and SPML;
- Carved out Balance Sheet of ETVL (with Resulting business) as on September 30, 2024;
- Latest shareholding details of the Companies and SPML;
- Relevant data and information provided to us by the management and representatives of the Client either in written or oral form or in form of soft copy and information available in public domain;



- Information provided by leading database sources (proprietary databases subscribed by us or our network firm), market research reports and other published data (including the Stock Exchanges); and
 - Draft of the Proposed Scheme.
- 7.2. We have also obtained the explanations, information and representations, which we believe were reasonably necessary and relevant for our exercise from the Management of the Companies. Client has been provided with the opportunity to review the draft Report (excluding the recommended Fair Share Exchange Ratio and Share Entitlement Ratio) as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in our final Report.
- 7.3. The management of Companies has informed us that there would be no significant variation between the draft Proposed Scheme and the final scheme approved and to be submitted with the relevant authorities.

8. Procedures Adopted

- 8.1. Procedures used in our analysis included such substantive steps as we considered necessary under the circumstances, including but not limited to the following:
- Requested and received financial information;
 - Reviewed the draft Composite Scheme of Arrangement between the Companies;
 - Reviewed the financial results/statements of the Companies and SPML as stated in the 'Source of information'
 - Reviewed the shareholding pattern of the Companies and SPML as at September 30, 20204;
 - Obtained data available in public domain;
 - Undertook industry analysis such as researching publicly available market data including economic factors and industry trends that may impact the valuation;
 - Detailed analysis of Comparable Companies for the business similar to the Companies and SPML;
 - Reviewed the third-party report w.r.t immoveable property;
 - Discussions (over call/emails/conferences) with the management of the Companies and SPML to understand the business and fundamental factors;
 - Selection of valuation methodology/(ies) as per International Valuation Standards, 2022 and the internationally accepted valuation methodologies;
 - Determined the Fair Share Exchange Ratio and Fair Share Entitlement Ratio based on a relative basis using the selected methodology.





For the purpose of arriving at the valuation of the Companies we have considered the valuation base as 'Fair Value' and the premise of value as 'current use / existing use'. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this report.

- 8.2. The Client has informed us that ICICI Securities Limited has been appointed to provide fairness opinion on the recommended Fair Share Exchange Ratio for the purpose of aforementioned Proposed Scheme. Further at the request of the Client, we have had discussions with the Fairness Opinion provider on the valuation approach adopted and assumptions made by us.
- 8.3. As stated earlier, our scope is to undertake relative (and not absolute) valuation of the shares of the Companies and recommend Fair Share Exchange Ratio for the merger and Share Entitlement Ratio for the demerger as per the Proposed Scheme.

9. Valuation Approaches

- 9.1. It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain 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 the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the companies/businesses, and other factors which generally influence the valuation of the companies, its businesses and assets.
- 9.2. 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. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, analysis of businesses, in an independent and bona fide manner based on our previous experience of assignments of similar nature.
- 9.3. It may be noted that BDO Val is enrolled with IOV Registered Valuers Foundation, which has recommended to follow International Valuation Standards ("IVS") for undertaking valuation and accordingly we have considered the International Valuation Standards issued by International Valuation Standards Council ('IVSC') in carrying out the valuation exercise.
- 9.4. Valuation date is December 12, 2024 ('Valuation Date'). For valuation exercise, market parameters have been considered up to and including December 12, 2024.
- 9.5. There are three generally accepted approaches to valuation:
 - (a) "Asset" / "Cost" Approach
 - (b) "Income" Approach



(c) "Market" Approach

Within these three basic approaches, several methods may be used to estimate the value. An overview of these approaches is as follows:

Asset / Cost Approach

Summation Method

The summation method, also referred to as the underlying asset method, is typically used for investment companies or other types of assets or entities for which value is primarily a factor of the values of their holdings.

This valuation approach is mainly used in case where the assets base dominates earnings capability.

Income Approach

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

Discounted Cash Flow Method

Under the Discounted Cash Flow ('DCF') method, the value of the undertaking is based on expected 'cash flows for future, discounted at a rate, which reflects the expected returns and the risks associated with the cash flows as against its accounting profits. The value of the undertaking is determined as the present value of its future free cash flows.

Free cash flows are discounted for the explicit forecast period and the perpetuity value thereafter. Free cash flows represent the cash available for distribution to both the owners and creditors of the business.

Discount rate is the Weighted Average Cost of Capital ('WACC'), based on an optimal vis-à-vis actual capital structure. It is appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk and also debt-equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business's potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth (for perpetuity) in the cash flows over the last year of the forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business's future operations.



The Business/Enterprise Value so derived, is further reduced by value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of business. The surplus assets / non-operating assets are also adjusted.

In case of free cash flows to equity, the cash available for distribution to owners of the business is discounted at the Cost of Equity and the value so arrived is the Equity Value before surplus/ non-operating assets. The surplus assets / non-operating assets are further added to arrive at the Equity Value.

Market Approach

Under the Market approach, the valuation is based on the market value of the company in case of listed companies and comparable companies trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

i. Market Price Method

Under this method, the market price of an equity shares of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the trading. The market value reflects the investors' perception about the true worth of the company.

ii. Comparable Companies Multiple Method

Under the Comparable Companies Multiple ('CCM') method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations 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 multiples need to be chosen carefully and adjusted for differences between the circumstances.

To the value of the business so arrived, adjustments need to be made for the value of contingent assets/liabilities, surplus Asset and dues payable to preference shareholders, if any, in order to arrive at the value for equity shareholders.

iii. Comparable Transactions Multiple Method

Under the Comparable Transactions Multiple ('CTM') method, the value of a company can be estimated by analyzing the prices paid by purchasers of similar companies under similar circumstances. This is a valuation method where one will be comparing recent market transactions in order to gauge the current valuation of target company. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. This valuation approach is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.



10. Conclusion on Valuation Approach

10.1. In order to consider reasonable methods for the valuation exercise, we have referred to the International Valuation Standards and the specific information/explanations available of the Companies and SPML. We have considered the following respective methods for the valuation.

JKPL, Transferor Company 4 and SPML

10.2. We have valued JKPL on a consolidated basis (“Consolidated JKPL”). Since ETVL is the holding company of SPML, we have valued SPML on a stand-alone basis and up-streamed the value while valuing Transferor Company 4.

10.3. In the present case, the shares of JKPL are listed on the Stock Exchanges and there are regular transactions in their equity shares with reasonable volumes on NSE. Hence, Market Price Method under the Market Approach has been considered for valuation of JKPL. The volume weighted average share price observed on NSE for JKPL over a reasonable period has been considered for determining value under the market price methodology.

Comparable Companies Multiple Method (“CCM”) is also used for determining and arriving at the fair value of Consolidated JKPL and SPML, since there are comparable companies operating in similar businesses in India. We have selected comparable companies and the multiples based on business description, size, profitability, etc. in comparison with JKPL and SPML respectively. Considering the stage of operations of the Companies, industries within which it operate, and their current and historical profitability status, we have considered EV/EBITDA multiple of various listed comparable companies. Further, CTM method has not been used due to lack of information in the public domain for comparable transactions of similar scale. Further the transaction multiples may include acquisition specific considerations, synergy benefits, etc.

In a ‘going concern’ scenario, for an operating entity, the earning power, as reflected under the Income and Market approaches, are of greater importance to the basis of amalgamation, than the value arrived on the net asset basis, which is of limited relevance. Therefore, we have not considered Asset / Cost approach for valuation since the asset / cost approach does not reflect the intrinsic value of the business operations in a “going concern scenario”.

Further, the Discounted Cash Flow Method under the Income Approach has also been considered for Consolidated JKPL, the Transferor Company 4 and SPML as the Management has provided us the information related to future profit and loss account, balance sheet and cash flows.

Demerged Company

In the present case, the shares of the Demerged Company are not listed on the Stock Exchanges. Hence Market Price Method under the Market Approach has not been considered for valuation.

As there are no major operations of the Demerged Company, we have not considered CCM or CTM Method for valuation purposes.



NAV method is appropriate in cases where the major strength of the business is its asset base rather than its capacity or potential to earn profits. This valuation approach is used in cases where the asset base dominates earnings capability or going concern aspect of the entity is uncertain. Since the Demerged Company does not have any material business operations, we have considered Summation Method to be the appropriate method of valuation.

Further, the Discounted Cash Flow Method under the Income Approach has not been considered considering the Demerged Company does not have any material business operations.

Also, considering the identical and mirror shareholding of the Demerged Company and the Resulting Company (on a fully diluted basis), any share entitlement ratio can be considered appropriate and fair for the Proposed Demerger as the proportionate shareholding of any shareholder pre-demerger and post-demerger would remain same and not vary. We have therefore not carried out any independent valuation of the subject business.

Summary of Valuation Approaches Considered:

Name	Methods Adopted
Consolidated JKPL	Market Price Method, CCM Method and DCF Method
Transferor Company 4 (For the purpose of amalgamation with JKPL) *	DCF Method

** As mentioned above, we have valued SPML using DCF Method and CCM Method and up-streamed the value of the stake held by Transferor Company 4, which added to the enterprise value of Transferor Company 4 computed using the DCF Method to arrive at the fair equity value of Transferor Company 4.*

11. Basis of Fair Share Exchange Ratio and Share Entitlement Ratio

Amalgamation of Transferor Company 1, Transferor Company 2, Transferor Company 3 with and into the Transferee Company.

- 11.1. As stated earlier, Transferor Company 1, Transferor Company 2 and Transferor Company 3 are wholly owned subsidiaries of the Transferee Company.
- 11.2. Upon the Proposed Scheme becoming effective, all equity shares of the Transferor Company 1, Transferor Company 2 and Transferor Company 3 held by the Transferee Company shall stand cancelled and there shall be no issue of shares as consideration for the amalgamation of the Transferor Company 1, Transferor Company 2 and Transferor Company 3 with the Transferee Company.
- 11.3. Therefore, no separate valuation is required as there is no change in the shareholding pattern of the Transferee Company.



Demerger of the demerged undertaking (as defined in the Proposed Scheme) of ETVL ("Demerged Company") into the Resulting Company

- 11.4. As mentioned earlier, as per the Proposed Scheme, the Demerged Undertaking is proposed to be demerged from Demerged Company into Resulting Company. Demerged Company has identified all the assets and liabilities which are to be taken over by and transferred to Resulting Company. Also, as a part of the same Scheme all the outstanding issued and paid-up share capital of Resulting Company ('Pre-Demerger Equity Share Capital') would be cancelled by way of capital reduction. Post the said capital reduction, pursuant to the Proposed Scheme, the Resulting Company will not have any assets or liabilities (including contingent liabilities).
- 11.5. We understand that, upon the scheme being effective, all the shareholders of Demerged Company would also become the shareholders of Resulting Company and with the entire outstanding issued and paid-up share capital of Resulting Company ('Pre-Demerger Equity Share Capital') getting cancelled by way of a capital reduction as part of the same scheme, their shareholding in Resulting Company would mirror their existing shareholding in Demerged Company prior to the demerger.
- 11.6. Taking into account the above facts and circumstance, any share entitlement ratio can be considered appropriate and fair for the Proposed Demerger as the proportionate shareholding of any shareholder pre-demerger and post-demerger would remain same and not vary. We have therefore not carried out any independent valuation of the subject business.
- 11.7. Based on the aforementioned and upon the Proposed Scheme becoming effective (post demerger), the set of shareholders and holding proportion in the Demerged Company shall be identical to that of Resulting Company. The beneficial economic interest of Demerged Company shareholders in Resulting Company will remain same as at the time of demerger (pre-demerger) and hence would not have any impact on the economic interest of the shareholders of the Demerged Company. The share entitlement ratio would not have any impact on the ultimate value of the shareholders of Demerged Company and the Proposed Demerger will be value-neutral to the Demerged Company's shareholders.
- 11.8. Further the Proposed Schemes provides that the current CCPS shareholders of the Demerged Company shall be issued equity shares of the Resulting Company. Also based on the current terms of the CCPS issued by the Demerged Company, the current outstanding 63,00,000 CCPS of face value INR 100 each are convertible into 4,43,91,025 equity shares of face value of INR 10 each, of the Demerged Company.
- 11.9. Our Report and fair share entitlement ratio is based on the current share capital structure of ETVL (on a fully diluted basis) and envisaged share capital of PSV.

Amalgamation of ETVL ("Transferor Company 4") with the Transferee Company.

- 11.10. Transferor Company 4 (consisting of the Resulting Business) shall be merged into the Transferee Company and the current stakeholders of the Transferor Company 4 shall be issued shares of the Transferee Company as per the Fair share exchange ratio.
- 11.11. The basis of the Fair Share Exchange Ratio and Share Entitlement Ratio for the Proposed Scheme would have to be determined after taking into consideration all the factors and methods mentioned hereinabove and to arrive at a final value for the shares of each company. It is, however, important to note that in doing so, we are not attempting to arrive at the absolute values of the Companies, but at their relative values to facilitate the determination of the Fair Share Exchange Ratio and Share Entitlement Ratio.
- 11.12. We have independently applied methods discussed above, as considered appropriate, and arrived at our assessment of value per share of the Companies.
- 11.13. The Fair Share Exchange Ratio and Share Entitlement Ratio has been arrived at on the basis of a combination of valuation methodologies based on the various approaches/methods explained herein earlier and various qualitative factors relevant to each Company and the business dynamics and growth potentials of the businesses, having regard to information base, key underlying assumptions and limitations. For this purpose, we have assigned appropriate weights to the values arrived at under each approach/method.

12. Major factors that were considered during the valuation

- 12.1. The equity shares of JKPL are listed on the Stock Exchanges;
- 12.2. Key operating/ financial parameters of the Companies and SPML;
- 12.3. Nature of operations of the Companies and SPML.

13. Conclusion

- 13.1. In the ultimate analysis, valuation 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 Honorable 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 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".

- 13.2. On the basis of the foregoing, considering the proposed Capital Structure of Resulting Company as informed to us by the Management and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, a share entitlement ratio in the event of the demerger of the demerged business of the Demerged Company into the Resulting Company would be as follows:

"1 fully paid Equity Share of INR 10/- (Indian Rupees Ten) each in the Resulting Company for every 1 fully paid Equity Share of INR 10/- (Indian Rupees Ten) each held in the Demerged Company"

"2,50,00,000 fully paid Equity Share of INR 10/- (Indian Rupees Ten) each in the Resulting Company for every 30,00,000 fully paid Series 1 CCPS of INR 100/- (Indian Rupees Hundred) each held in the Demerged Company"

"83,33,333 fully paid Equity Share of INR 10/- (Indian Rupees Ten) each in the Resulting Company for every 10,00,000 fully paid Series 2 CCPS of INR 100/- (Indian Rupees Hundred) each held in the Demerged Company"

"1,10,57,692 fully paid Equity Share of INR 10/- (Indian Rupees Ten) each in the Resulting Company for every 23,00,000 fully paid Series 3 CCPS of INR 100/- (Indian Rupees Hundred) each held in the Demerged Company"

- 13.3. Our Report and fair share entitlement ratio is based on the current share capital structure of the Demerged Company and envisaged share capital of the Resulting Company as mentioned above. Any variation in the share capital structure of the Demerged Company and the Resulting Company apart from the above-mentioned may have an impact on the fair share entitlement ratio.

- 13.4. We would like to emphasize that as per the proposed demerger envisaged in the Proposed Scheme, Demerged business shall be demerged into the Resulting Company and upon cancellation of the entire outstanding issued and paid up share capital by way of capital reduction as a part of the Scheme of Resulting Company, fresh issue of shares would be made to the existing shareholders of the Demerged Company on a proportionate basis such that their existing/implied holding in the Demerged Company is replicated in Resulting Company. Accordingly, we believe that any fair share entitlement ratio can be considered appropriate and fair for the proposed demerger as the inter-se proportionate shareholding of any shareholder pre-demerger and post-demerger would remain same and not vary and we have therefore not carried out any independent valuation of the subject business.



13.5. Accordingly, considering the approach and the rationale for the fair share entitlement ratio discussed in para 11.4 to 11.9 and 13.2 above, the valuation approaches as indicated in the format (as shown below) as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not applicable in the instant case:

Valuation Approach	Valuation Method	Demerged Company		Resulting Company	
		Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Cost Approach	Summation Method	NA	NA	NA	NA
Income Approach	DCF Method	NA	NA	NA	NA
Market Approach	MP Method	NA	NA	NA	NA
Market Approach	CCM Method	NA	NA	NA	NA
Relative Value Per Share		NA		NA	
Fair Share Entitlement Ratio (Rounded Off)		NA		NA	

NA = Not Applicable

13.6. As discussed earlier, we have arrived at the recommended Fair Share Exchange Ratio for amalgamation of the Transferor Company 4 into Transferee Company, using the earlier stated valuation methodologies as follows:

Valuation Approach	Valuation Method	Transferee Company		Transferor Company 4	
		Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Cost Approach ¹	Summation Method	310.0	NA	121.7	NA
Income Approach ²	DCF Method	447.4	50%	123.9 ⁵	100%
Market Approach ³	MP Method	470.1	25%	NA	NA
Market Approach ⁴	CCM Method	420.0	25%	NA	NA
Relative weighted average Value Per Share		446.2		123.9	
Value per share considered for Swap		470.1 ⁶		123.9	
Fair Share Exchange Ratio (Rounded Off)		2,635		10,000	



NA means Not Adopted / Not Applicable.

1. Since Summation Method under 'Cost Approach' does not reflect the intrinsic value of the business of the Transferee Company and Transferor Company 4 in a 'going concern scenario', we have not considered Asset / Cost Approach for this valuation exercise.
2. Discounted Cash Flow Method ("DCF") under the Income Approach has been considered for valuation of the Transferee Company and Transferor Company 4 as the true worth of their businesses would be reflected in their future earnings potential.
3. Transferee Company is listed on NSE and BSE. However, it is traded in high volumes on NSE, hence, we have considered market price on NSE for valuing JKPL. Transferor Company 4 is not listed on any Indian stock exchange, hence, Market Price Method under Market Approach is not considered.
4. For Transferee Company, under Market Approach, Comparable Companies Multiple ("CCM") Method is considered being the most appropriate method.
5. Transferor Company 4, mainly derives value from its investment in SPML, accordingly the fair value of its stake held in SPML has been considered in the valuation of Transferor Company 4. DCF Method under Income Approach and CCM Method under Market Approach has been considered for valuation of SPML.
6. As per SEBI (ICDR)(Amendment) Regulations, 2018, if the equity shares of the issuer are listed on a recognised stock exchange, the price of the equity shares to be allotted shall be not less than higher of 90 trading days VWAP or 10 trading days VWAP. In the current case, 90 trading days VWAP has been considered, being higher than the 10 trading days VWAP.

13.7. Following is the recommended Fair Share Exchange Ratio:

"2,635 fully paid Equity Share of INR 10/- (Indian Rupees Ten) each in the Transferee Company for every 10,000 fully paid Equity Share of INR 10/- (Indian Rupees Ten) each held in the Transferor Company 4"

"21,958 fully paid Equity Share of INR 10/- (Indian Rupees Ten) each in the Transferee Company for every 10,000 fully paid Series 1 CCPS of INR 100/- (Indian Rupees Hundred) each held in the Transferor Company 4"

"21,958 fully paid Equity Share of INR 10/- (Indian Rupees Ten) each in the Transferee Company for every 10,000 fully paid Series 2 CCPS of INR 100/- (Indian Rupees Hundred) each held in the Transferor Company 4"

"12,668 fully paid Equity Share of INR 10/- (Indian Rupees Ten) each in the Transferee Company for every 10,000 fully paid Series 3 CCPS of INR 100/- (Indian Rupees Hundred) each held in the Transferor Company 4"



JK PAPER LTD.

Nehru House, 4 Bahadur Shah Zafar Marg, New Delhi-110002



To,
Manager - Listing Compliance
National Stock Exchange of India Limited
Exchange Plaza'. C-1, Block G, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

NSE Scrip Code: JKPAPER

Series: EQ

Dear Sir,

Sub: Declaration under Part 1 Para A 2(b) of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ["SEBI Master Circular"]

In connection with our application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("LODR Regulations") for draft Composite Scheme of Arrangement proposed to be filed under Sections 230-232 read with section 66 of the Companies Act, 2013, and other provisions, as may be applicable for amalgamation of JKPL Utility Packaging Solutions Private Limited (Formerly Manipal Utility Packaging Solutions Private Limited) ("Transferor Company 1"), Securipax Packaging Private Limited ("Transferor Company 2"), Horizon Packs Private Limited ("Transferor Company 3") with and into JK Paper Limited ("Transferee Company") and reduction and conversion of Redeemable Preference Shares of Enviro Tech Ventures Limited ("Demerged Company for Part 'E' of the Scheme" and "Transferor Company 4 for Part 'F' of the Scheme") into unsecured loan and Demerger of Demerged Undertaking of Enviro Tech Ventures Limited ("Demerged Company for Part 'E' of the Scheme" and "Transferor Company 4 for Part 'F' of the Scheme") into PSV Agro Products Private Limited ("Resulting Company") and amalgamation of Enviro Tech Ventures Limited ("Demerged Company for Part 'E' of the Scheme" and "Transferor Company 4 for Part 'F' of the Scheme") with and into JK Paper Limited ("Transferee Company") and re-organization of reserves of the Transferee Company post effectiveness of the Scheme.

We have obtained Valuation Report from Registered Valuer, BDO Valuation Advisory LLP, dated 13th December 2024 for determining share swap ratio for proposed arrangement. The Valuation is based on Audited Financial Statement of the Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4, Transferee Company and Resulting Company for the period ended 30th September 2024.

As required under aforesaid SEBI Circular, we hereby undertake that no material event impacting the Valuation has occurred during the intervening period of filing the Scheme documents with BSE and period under considered for valuation.

Thanking you
Yours faithfully,
For JK Paper Limited

Pradeep Joshi
Company Secretary & Compliance Officer
Membership No. F4959

Date: 27.12.2024

Place: New Delhi



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