

Date: 28th August, 2024

To,
The Board of Directors,
Kiri Industries Limited
7th Floor, Hasubhai Chambers,
Townhall, Ellisbridge, Ahmedabad,
Gujarat, India, 380006

Subject: Recommendation of the Fair value of Equity Shares for the proposed Preferential issue of warrants convertible into Equity Shares under Regulation 164 and 166A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

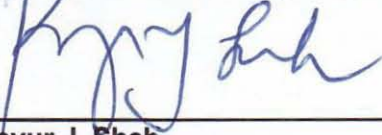
Ref: Engagement Letter dated 28th August, 2024.

We refer to our discussions on the afore-mentioned subject. As per the scope of work, we have summarized our Valuation Analysis of the equity shares of face value of Rs. 10/- each ("Equity Shares") of **Kiri Industries Limited** ("Company") for the determination of the Fair value of Equity Shares for the proposed Preferential Issue of warrants convertible into Equity Shares to selected promoters or group of the promoters of the Company together with the description of the methodology used and limitations.

The Report is enclosed herewith.

Thanking You,

For, **Atharva Valuation (OPC) Private Limited**



Keyur J. Shah
DIN: 03111182
Director/Registered Valuer
Reg. No.: IBBI/RV-E/03/2022/174



Encl: As above

ATHARVA VALUATION (OPC) PRIVATE LIMITED

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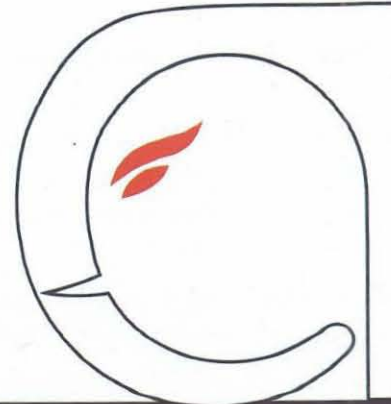
✉ keyur@atharva-valuation.com

📍 **Registered Office:**

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Ahmedabad, Gujarat, India - 380006

📍 **Corporate Office:**

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Gujarat, India - 380015



REPORT ON
FAIR VALUE OF EQUITY SHARES FOR THE PROPOSED PREFERENTIAL ISSUE
OF WARRANTS CONVERTIBLE INTO EQUITY SHARES
KIRI INDUSTRIES LIMITED

Prepared by
Atharva Valuation (OPC) Private Limited,
Registered Valuer Entity

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August, 2024

Disclaimer Clause: Utmost care has been taken while preparing this document to ensure that the facts stated are accurate and the opinions given are fair and reasonable, neither the Atharva Valuation (OPC) Private Limited, Registered Valuer Entity nor any Director/Officer/Employee of the Registered Valuer Entity shall in any way be responsible for the contents



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1. SPECIFIC INFORMATION ON THE VALUATION ASSIGNMENT

| | |
|--|--|
| Name of Company | Kiri Industries Limited (KIL) Regd Office: 7th Floor, Hasubhai Chambers, Townhall, Ellisbridge, Ahmedabad, Gujarat, India, 380006. |
| Appointing Authority | Under the relevant regulations and allied rules, the Audit Committee of the Company appointed the Valuer through Engagement Letter dated 28 th August, 2024 and Audit Committee Resolution dated 28 th August, 2024. |
| Date of Appointment of Registered Valuer | 28 th August, 2024 |
| Name and Registration No. of the Registered Valuer Entity | This report is prepared by Atharva Valuation (OPC) Private Limited , a Registered Valuer Entity, having registration no. IBBI/RV-E/03/2022/174 with the Insolvency and Bankruptcy Board of India, (hereinafter referred to as "Valuer") |
| Purpose of Valuation | Management of the Company (KIL) is desirous to determine the fair value of equity shares of KIL for fair value of equity shares for the proposed preferential issue of warrants convertible into equity shares under Regulation 164 and 166A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. |
| Valuation Date | 27 th August, 2024 |
| Method of Valuation Adopted | Cost Approach (Book Value), Market Approach and Income Approach (Not Applicable in the present case due to negative earnings) as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Comparable Companies (Market) Approach and Income Approach |
| Declaration of Interest | It is hereby declared that the Valuer acts as an independent professional for the said Valuation exercise. The Valuer is not interested or concerned, financially or otherwise, in Kiri Industries Limited or any of its group companies. |
| Compliance with Standards | The Valuer has adopted internationally accepted valuation standards (IVS) to determine the fair value of equity shares. |
| Investigation and Inspection undertaken by the Valuer | The Valuer has examined the financial statements, shareholding pattern, statutory information, documents, papers and explanations furnished by the officers and management of the Company as detailed under "Sources of Information". |
| Bases of Value | Bases of value (sometimes called standards of value) describe the fundamental premises on which the reported values will be based. The Valuer has considered Fair |



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| | |
|--|--|
| | Value (Fair Market Value) as the base for this Valuation exercise. |
|--|--|

The said valuation is conducted after considering the following International Valuation Standards (IVS) and Rules prescribed in the Companies (Registered Valuers and Valuation) Rules, 2017, which are as mentioned below:

| Provision | Particulars |
|---|--|
| IVS 101 – Scope of Work | Scope of work is as per the fundamental terms of a valuation, such as the asset(s) being valued, the purpose of the valuation and the responsibilities of parties involved in the valuation. Explained in detail under Para 1 and 4 in the Report. |
| Rule 8(3) of the Companies (Registered Valuers and Valuation) Rules, 2017 and IVS 103 - Reporting | The Contents of Valuation Report are as per the applicable Rule and standard as prescribed. Explained in detailed under para 10 (e) in the Report. |
| IVS 102 – Investigation and Compliance | The Valuer has made appropriate Investigations with the management of the Company and other financial data to derive the valuation commensurate with the IVS 102. Projections of the Company were not made available for the purpose of Valuation by the Company. |
| IVS 105 – Valuation Approaches and Method | Consideration must be given to the relevant and appropriate valuation approaches. One or more valuation approaches may be used in order to arrive at the value in accordance with the basis of value. The Valuer has duly considered the three approaches described and defined below in valuation. The approaches are based on the economic principles of price equilibrium, anticipation of benefits or substitution. The principal valuation approaches are: (a) market approach, (b) income approach, and (c) cost approach. Explained in detail under para 4 to 8 mentioned in the Report. |
| IVS 200 – Business and Business Interests | The additional requirements that apply to valuations of businesses and business interests, wherever applicable is taken into consideration. |
| IVS 220 – Non-Financial Liability | The additional requirements that apply to valuations of non-financial liabilities, wherever applicable is taken into consideration. However, as per the information made available by the management, there are no identifiable non-financial liability to the Company. |

This report shall not be used as a base for any purpose, other than that mentioned under the clause "**Purpose of Valuation**" of this report.



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While utmost care has been taken in preparing this report to ensure that the facts stated are accurate and reasonable, neither the Valuer nor any officer or employee of the Valuer shall in anyway be responsible for the contents therein.

The valuation is purely indicative and it is the prerogative of the Company to rely on the fair value of the equity shares and decide upon the same. The fair value may be higher or lower than our indicative analysis of value depending upon the circumstances and the industry practice. The final value is something that the management will have to decide upon.

2. GENERAL INFORMATION ON THE COMPANY

2.1 KIRI INDUSTRIES LIMITED

Kiri Industries Limited is a listed company incorporated on 14th May, 1998 under the Companies Act, 1956 having CIN: L24231GJ1998PLC034094. The Company has its registered office situated at 7th Floor, Hasubhai Chambers, Townhall, Ellisbridge, Ahmedabad, Gujarat, India, 380006. The company is engaged in business of Manufacturing and exporting wide range of Dyes, Dyes Intermediates and Basic Chemicals.

Following are the investments of Kiri Industries Limited in subsidiaries:

- Chemhub Trading DMCC (a wholly owned subsidiary)
- Amrat Lakshmi Foundation (a wholly owned subsidiary)
- Kiri Renewable Energy Pvt. Ltd (a wholly owned subsidiary)
- Claronex Holdings Pte. Ltd (a wholly owned subsidiary)
- Indo Asia Copper Limited (a subsidiary)

2.2 SHARE HOLDING PATTERN

Shareholding pattern of the Company as on 30th June, 2024 is as following:

| Category of shareholder | No. of fully paid-up equity shares held | Total no. shares held | Shareholding as a % of total no. of shares |
|---------------------------|---|-----------------------|--|
| Promoter & Promoter Group | 1,38,50,486 | 1,38,50,486 | 26.72 % |
| Public | 3,79,83,725 | 3,79,83,725 | 73.28 % |
| Grand Total | 5,18,34,211 | 5,18,34,211 | 100.00% |

Hence, for the purpose of fair value of Equity shares, the Valuer has considered 5,18,34,211 Equity Shares on fully diluted basis.

3. INSPECTION AND/OR INVESTIGATION UNDER TAKEN

Website of Ministry of Corporate Affairs (MCA) and stock exchanges visited to carry out the inspection of various returns and information furnished by the company with MCA. The Valuer



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has considered the audited balance sheet and other data furnished by the management of the Company.

4. CONFIDENTIALITY NOTE

The information contained in this document is privileged and confidential. It is intended only for the use of the addressee named above and for the purpose mentioned under clause 2 "**Purpose of Valuation**" of this report.

Intended party for use of report is the appointing authority and those to whom the report is addressed. The report shall not be disclosed or shared to any third party, without prior written consent of the Valuer, except as required by law. Any retention, dissemination, distribution or copying or sharing of any information from this document is strictly prohibited.

5. ABOUT THE INDUSTRY

MARKET SCENARIO - GLOBAL

According to the research report "Global Chemical Industry Outlook 2024 - Navigating the Sustainable and Disruptive Horizon of Tomorrow," published by Markets and Markets, the top seven chemical sub-industries are projected to experience significant growth, with their combined market size expected to increase from \$2.2 trillion in 2023 to \$2.4 trillion by 2024. This growth reflects a robust compound annual growth rate (CAGR) of 8%, driven by factors such as rising demand for sustainable chemical solutions, advancements in technology, and increasing investments in research and development. The report also highlights the industry's strategic shift towards greener practices and the adoption of innovative materials, positioning it for continued expansion in the face of evolving global challenges.

MARKET SCENARIO - INDIAN

India's chemical industry is poised for steady growth in the coming years, with market projections indicating it will reach \$383 billion by 2030. This represents a compound annual growth rate (CAGR) of 8.1% from its 2023 value of \$220 billion. Already a significant player on the global stage, India ranks sixth in production and 14th in exports within the industry.

6. VALUATION METHODOLOGIES

| Aspect | Income Approach | Market Approach | Cost / Asset (NAV) Approach |
|------------------------------------|--|---|--|
| Valuation Principle Applied | Discounts future cash flows to the present date or PECV Method | Values of companies Operating in the same industry are correlated | Book Values or Realizable Values of Assets after considering balance sheet |
| Relevant Parameters | Discounted Cash Flows (DCF) | Comparable Listed Companies/ Comparable | Replacement Cost Net Asset Value Realizable Value |



| Aspect | Income Approach | Market Approach | Cost / Asset (NAV) Approach |
|--|--|--|---|
| | | Transactions/ Market Price Method | |
| Appropriate situations to which the method may be applied | DCF is commonly used to value businesses or equity interests. It is appropriate for use when the wealth generating capacity of the business is determinable, going concern assumption is valid and when forecasts are available. | Market Approach is used when forecasts are not available; a set of suitable comparable companies' available and going Concern assumption is valid. It is also used as a cross-check / benchmark to DCF method. | The Cost Approach is used when going concern assumption is doubtful and liquidation is predominant or if the Company is newly incorporated. |

To carry out a valuation analysis, we consider certain fundamental factors that affect the wealth-generating capability of the company. These include:

- a) The general economic outlook as well as the current and expected conditions in the business environment and the industry's relationship with the economy.
- b) The competitive environment prevailing within related industry.
- c) The relative competitive advantages of the business in terms of service capability, management capabilities and the quality of the clients of the entity.
- d) The historical financial and operational performance of the business, etc. Accordingly, a typical valuation analysis involves review and analysis of historical financials of the company and forecasted financial projections and regards all the significant macro and micro variables like:
- e) Sales and profit growth rate assumptions.
- f) Company's profitability factors (industry competitive factors and Company's operating strategies and its competitive position in the industry), nature of internal and external (dis)economies of scale.
- g) Accounting practices and legal provisions, etc.

Valuation is not merely a matter of mathematics or science with that kind of precision or rationality. It also involves use of skills of judgment by the Valuer to bring impact of various non-quantifiable factors to bear on the valuation analysis. In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion and judgment considering all the relevant factors.

There will always be several factors, e.g., quality and integrity of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but will strongly influence the worth of a share.



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We have considered and adopted the International Valuation Standards (IVS) published by The International Valuation Standards Council (IVSC), which is the independent global standard setter for the valuation profession.

7. ASSET/BOOK VALUE APPROACH

The Asset approach considers the Net Assets/Net Worth of the company as the basis of valuation. As per Asset approach the value of a business is the Fair Value of the Net Assets of the company.

The method is highly effective for establishing the price that can be demanded when selling a company. Moreover, it assists in analysing the costs associated with recreating a comparable business or replacing all assets in accordance with the current market conditions. This approach not only helps in setting a reasonable selling price but also provides insights into the financial implications of rebuilding or replacing assets, taking into account the prevailing market dynamics and economic factors.

The Net Asset Value (NAV) is calculated by subtracting the fair value of external liabilities from the fair value of the assets.

The Valuer found it appropriate to adopt the NAV approach in the valuation exercise. Detailed workings and explanation carried out for the Company is annexed hereto in **Annexure A**.

8. INCOME METHOD

8.1 PRICE EARNINGS CAPACITY METHOD (PECV)

Price Earnings Capacity method is used to value a going concern business with a strong history of profitability. It involves determining the entity's future maintainable earnings from its regular operations. It considers historical profit to calculate the fair value of the company. Under PECV the weighted average of profit of last 3-5 years is divided by the capitalization rate to calculate the value of the company. Fundamentally, capitalization rate is a rate of return required to take on the risk of operating the business.

Capitalization rate is calculated by subtracting growth rate from the Cost of Equity. In this case the growth rate in historical years does not follow a trend and is negative. Hence the valuer has taken only cost of equity as the capitalization rate.

Considering the mature nature of the Company, the Valuer applied the PECV approach in the valuation exercise. Detailed workings and explanation carried out for the Company is annexed hereto in **Annexure B**.

8.2 DISCOUNTED CASHFLOWS APPROACH

The DCF method is one the most rigorous and commonly used approaches to determine the valuation of businesses. In this method, the future (projected) free cash flows from



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business operations are discounted at the weighted average cost of capital and sum of such discounted free cash flows determines the value of the business.

In the present case the Company's revenues are fluctuating and unpredictable. Moreover, its business plan containing projections, estimates and assumptions in respect of the future cash flows of the Company's business were not made available for the purpose of our evaluation. The management of the Company has mentioned that since the data related to the projections, estimates and assumptions of future cash flows is a forward price sensitive information, it cannot be shared. Hence, in light of unpredictable revenue/income scenarios and in absence of financial projections, **DCF Method** is not considered by the Valuer.

9. MARKET METHOD

9.1 COMPARABLE COMPANIES APPROACH

The basic premise of the relative valuation method (comparable approach) is that equity's value should bear some resemblance to other equities in a similar class. For a stock, this can simply be determined by comparing a firm to its key competitors, or at least those competitors that operate with similar business model. Market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The list of comparable peers taken into consideration for the valuation is produced below:

| Peer Group | PE | PB |
|----------------------------------|--------------|-------------|
| Sudarshan Chemicals | 62.46 | 6.26 |
| Heubach Colorants India Ltd | 41.66 | 2.67 |
| Ultramarine and Pigments Limited | 28.31 | 1.72 |
| AVERAGE | 44.14 | 3.55 |

P/E MULTIPLE

The Price Earnings Ratio (P/E Ratio) is the relationship between a company's stock price and earnings per share (EPS). It is a ratio that gives investors a sense of the value of the company. The P/E ratio shows the expectations of the market and is the price you must pay per unit of current earnings (or future earnings, as the case may be). The Valuer has considered Earnings per share as per the standalone financial statements of the company as on 31st March, 2024.

Fair value per equity share using P/E Multiple: -

| Sr. No. | Particulars | Unit | Value |
|---------|-----------------------------------|---------------|--------|
| 1 | Average P/E Multiple | Number | 44.14 |
| 2 | Earnings Per Share of the Company | INR per share | -18.16 |



| | | |
|--|---------------|---------|
| Fair value per equity share using P/E Multiple | INR per share | -801.86 |
|--|---------------|---------|

P/B MULTIPLE

The Market to Book Ratio (also called the Price to Book Ratio), is a financial valuation metric used to evaluate a company's current market value relative to its book value. The market value is the current stock price of all outstanding shares (i.e., the price that the market believes the company is worth). The book value is the amount that would be left if the company liquidated all of its assets and repaid all of its liabilities.

The book value equals the net assets of the company and comes from the balance sheet. In other words, the ratio is used to compare a business's net assets that are available in relation to the sales price of its stock. The Valuer has considered book value per share as per the standalone financial statements of the company as on 31st March, 2024.

Fair value per equity share using P/B Multiple: -

| Sr. No. | Particulars | Unit | Value |
|---------|---|----------------------|---------------|
| 1 | Average P/B Multiple | Number | 3.55 |
| 2 | Book Value Per Share of the Company | INR per share | 76.62 |
| | Fair value per equity share using P/B Multiple | INR per share | 272.00 |

WEIGHTED AVERAGE OF FAIR VALUE AS P/E MULTIPLE AND P/B MULTIPLE: -

| Particulars | Value per share | Weightage |
|--|-----------------|--------------|
| Fair value per equity share using P/E Multiple | -801.86 | Not Relevant |
| Fair value per equity share using P/B Multiple | 272.00 | 100% |
| Weighted Average Value per share | 272.00 | |

Accordingly, we have considered **Rs. 272.00** as the fair market value as per directly observable market information for our valuation exercise.

Extracts of Pricing provisions of Chapter V - Preferential Issue, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018



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166A. (1) Any preferential issue, which may result in a change in control or allotment of more than five per cent. of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price:

Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable:

Provided further that if any proposed preferential issue is likely to result in a change in control of the issuer, the valuation report from the registered valuer shall also cover guidance on control premium, which shall be computed over and above the price determined in terms of the first proviso:

Provided further that the valuation report from the registered valuer shall be published on the website of the issuer and a reference of the same shall be made in the notice calling the general meeting of shareholders.

The price computed above is in consonance with Regulation 166A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 vide Notification No. SEBI/LAD-NRO/GN/2022/63 Dated 14th January, 2022 and 25th July, 2022 which mandates that preferential issue of equity shares which may result in a change in control or allotment of more than 5% shall conform to the pricing provisions of preferential issue specified under Regulation 164 of the ICDR Regulations.

As per the information received from the company the proposed issue of shares by the company shall not result in any change in the control of the company. Considering the above the price determined does not require further adjustments towards control premium.

9.2 CALCULATION OF PRICE AS PER REGULATION 164 OF SEBI (ICDR) REGULATIONS, 2018

As per Regulation 164, 'stock exchange' means any of the recognised stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date. In the Company's case the volume of equity traded turnover on NSE is higher than the traded turnover on BSE. Therefore, we have considered the share prices quoted on NSE for determining the floor price of the Company.



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| | Total No of Equity Shares Traded on (A) | Total no. of Equity Shares of the Target Company during the Relevant Period (B) | Trading Turnover (as a % of Total Equity Shares listed during the Relevant Period) (A/B) |
|------------|---|---|--|
| NSE | 3,03,49,027 | 5,18,34,211 | 58.55% |
| BSE | 20,76,268 | 5,18,34,211 | 4% |

The value per share of the Company as per Regulation 164(1) of the SEBI ICDR Regulations, is as below:

| Valuation under Regulation 164(1) | | |
|-----------------------------------|---|----------------|
| Sr. No. | Parameters | Value (in INR) |
| 1 | The 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; | 350.58 |
| 2 | The 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date. | 368.81 |
| | Market price as per Regulation 164(1) of ICDR - Higher of the above | 368.81 |

The detailed workings under the Regulation 164(1) are mentioned in **Annexure- C**.

10. SOURCES OF INFORMATION

The following sources of information are utilized and relied upon to undertake the valuation:

- Audited Financials of the company as on 31st March, 2024;
- Shareholding pattern of the company as on 30th June, 2024 on the website of Stock Exchange;
- Peer group data available on the BSE website; and
- Historical stock price data of the company.

In addition to the above, we have also obtained such other information and explanations in writing or orally from the Management as considered relevant for the purpose of this valuation.



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It may be noted that an opportunity to review factual information in this report has been provided to the Management of the Company as a part of standard practice to ensure that factual inaccuracies/omissions/etc. are avoided.

11. EXCLUSIONS AND LIMITATIONS

11.1 Distribution of Valuation Report

Our report is subject to scope limitations detailed hereinafter. As such, the report is to be read in totality and not in parts, in conjunction with relevant documents referred to herein. Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third -party advisors whose review would be consistent with the intended use. I do not take any responsibility for the unauthorized use of this report.

This report is confidential being for use of person to whom it is issued. It is not to be used other than for the purpose outlined herein above. It is not to be distributed for any other purpose or to any other purpose without our consent. It does not form part of any offer or invitation to any section of public to subscribe for or purchase equity shares or assets or liabilities of the Company or lend money to the Company with or without security or lend money against the security of equity shares of the Company.

11.2 Accuracy of Information

We have not independently verified the underlying data, projections and assumptions in preparation of this financial information. We have used and relied solely on the data, material and other information furnished and made available by the Company.

Our work did not constitute an audit, due diligence or validation of financial statements of the Company. Our work did not constitute independent valuation of any assets or liabilities of the Company.

11.3 Reliance on the representations of the clients, their management and other third parties

Our conclusion of fair value assumes that the title to assets and liabilities of the Company as reflected in balance sheet is intact.

The client and its management warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the Company, their management and the third parties concerning the financial data and operational data.



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No responsibility is assumed for information furnished by the Company and such information is believed to be reliable.

We have not conducted visit to locations of production and/ or point of sales of the Company. The robustness of the analysis is highly dependent on reasonableness, commercial viability and achievability of assumptions underlying the forecast. We are not required to and have not validated the reasonableness and commercial viability underlying the forecasts and assumptions.

11.4 Compliance with the relevant laws

The report assumes that the company complies with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not reflected in the balance sheet provided to us.

11.5 Post Valuation Date Events

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date i.e., 27th August, 2024.

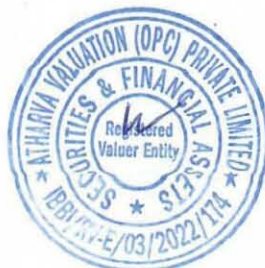
11.6 Information from reliable sources

We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data. Opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources or reproduced in its proper form and context.

11.7 Multiple factors affecting the Valuation Report

The valuation report is tempered by the exercise of judicious discretion by the RV taking into account the relevant factors. There will always be several factors, e.g., management capability, present and prospective competition, yield on comparable securities. market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.

11.8 It is to be noted that valuation is not a precise science and the responsibility for any decision would remain with the decision maker.



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- 11.9 This valuation report at best is only an 'opinion'. It is neither a recommendation nor advice to the parties to the Transaction to conclude Transaction as contemplated in this report. The parties to the Transaction may do so at their risk and responsibility after undertaking necessary due diligence and evaluation.
- 11.10 No responsibility is accepted towards any shareholder, employees, tax authorities or other third parties in respect of, or arising out of or in connection with our valuation.
- 11.11 Prior to issuance of this Valuation Report, the contents and factual accuracies of this Report was reviewed and approved by the management of the Company.
- 11.12 Our liability if any shall be restricted to fees received by us for this assignment.
- 11.13 We assume no responsibility to update report based on changes in projections and/or their achievement in future.

12. RECOMMENDATIONS

We have adopted Market Price Approach in our valuation analysis to determine the fair value of equity shares of your company. In this regard, please refer to the section titled "Valuation Methodologies" for a discussion on some of the possible methods that could be used for valuation purpose. The Articles of Association of the Company does not provide for a method of valuation which results in a floor price higher than that determined under ICDR Regulations, 2018.

As per the ICDR, 2018, the Valuer is supposed to compare the values derived under 166A as per Reg. 164. The higher value amongst the approaches adopted may be considered as the fair value for the purpose of preferential allotment. Table comparing the fair values derived as produced hereunder for reference:

| COMPARISON OF PRICES DERIVED AS PER REGULATION 164 AND 166A OF SEBI (ICDR) REGULATIONS, 2018 | | | |
|--|---|---------------|--------------|
| | Particulars | Amount (Rs.) | Weightage |
| [A] | Weighted Average Value per share as per P/E Multiple and P/B Multiple | 272.00 | 100% |
| [B] | Market Price as per Regulation 164(1) of ICDR | 368.81 | 0% |
| [C] | Book Value Per Share | 76.62 | 0% |
| [D] | Price Earnings Capacity Method (Income Method) | N.A. | Not relevant |
| | Highest Value | 368.81 | |

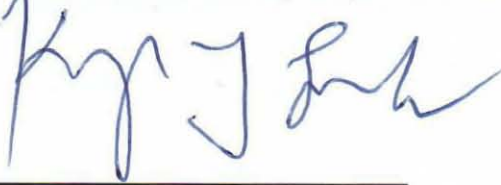


Continuation Sheet

As per the above comparison, it is evident that the price derived as per Market Price Method under Regulation 164(1) is the highest, we have given 100% weight to the value computed using Market Price Method. Therefore, we recommend Rs. 368.81 per equity share, as the fair value for the proposed preferential allotment of equity shares by the management.

In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined above in this report, in our opinion and to the best of our information and according to the explanations given to us by management, the fair value of Equity Shares of Kiri Industries Limited is **Rs. 368.81 (Rupees Three Hundred Sixty-Eight and Eighty-One Paise Only)** per equity share as on 27th August, 2024 as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, where in the face value of the equity shares as per Companies Act, 2013 is Rs. 10/- each and the company needs to comply with necessary compliances of the Companies Act, 2013 along with the Compliance of necessary regulations of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Thanking you,
For, Atharva Valuation (OPC) Private Limited



Keyur J. Shah
DIN: 03111182
Director/Registered Valuer
Reg. No.: IBBI/RV-E/03/2022/174



Date: 28th August, 2024
Place: Ahmedabad

Annexure-A
WORKINGS OF BOOK VALUE PER SHARE

| Particulars | Amount (Lakhs) |
|--|---------------------------|
| Equity Share Capital | 5,183.42 |
| Other Equity | 34,531.88 |
| Net Worth of the Company | 39,715.30 |
| No. of Shares outstanding as on valuation date | 5,18,34,211 |
| Value Per Share | 76.62 |



Annexure B
Calculations of Price Earnings Capitalization Method (PECV)

| | Standalone PAT | Weights | Product |
|-------|----------------|-------------------------|-----------|
| 23-24 | -9,355.23 | 5 | -46776.15 |
| 22-23 | -13,420.82 | 4 | -53683.28 |
| 21-22 | -931.67 | 3 | -2795.01 |
| 20-21 | -3,655.91 | 2 | -7311.82 |
| 19-20 | 5,018.62 | 1 | 5018.62 |
| | | Weighted Average PAT | -7,036.51 |

| | |
|--------------------------------------|-------------|
| Rm | 14.85% |
| Rf | 6.69% |
| Risk Premium | 8.16% |
| Beta | 0.80 |
| Company Specific Risk Premium | 1% |
| Ke | 14.24% |
| Growth Rate | -- |
| Capitalisation rate | 14.24% |
| Fair Value of the Company (in Lakhs) | N.A. |
| No of Shares | 5,18,34,211 |
| Fair Value per share | N.A. |

NOTE: Considering the negative PAT of the Company in FY 23-24 and even the negative weighted average PAT of last 5 years, the PECV method or any other method in the Income Approach will not be useful in the Company for valuation.



Annexure C

A. The 90 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date

| Date | No of Shares Traded | Total Turnover (Rs.) |
|-----------|---------------------|----------------------|
| 27-Aug-24 | 1978526 | 767595148.3 |
| 26-Aug-24 | 1422497 | 530580479.9 |
| 23-Aug-24 | 3,48,758 | 12,71,83,482.75 |
| 22-Aug-24 | 2,68,611 | 9,83,12,686.40 |
| 21-Aug-24 | 9,93,755 | 36,99,53,541.05 |
| 20-Aug-24 | 5,45,328 | 19,92,51,178.10 |
| 19-Aug-24 | 9,64,476 | 35,68,73,470.65 |
| 16-Aug-24 | 2,55,234 | 8,71,36,746.25 |
| 14-Aug-24 | 8,82,802 | 29,48,73,183.40 |
| 13-Aug-24 | 2,35,945 | 8,03,59,816.80 |
| 12-Aug-24 | 14,66,608 | 52,77,55,513.85 |
| 09-Aug-24 | 1,93,660 | 6,50,34,730.35 |
| 08-Aug-24 | 75,717 | 2,47,60,324.30 |
| 07-Aug-24 | 1,04,645 | 3,40,34,969.45 |
| 06-Aug-24 | 1,98,981 | 6,40,22,062.15 |
| 05-Aug-24 | 1,83,035 | 5,96,80,485.75 |
| 02-Aug-24 | 1,09,881 | 3,75,21,699.30 |
| 01-Aug-24 | 1,36,955 | 4,73,10,025.65 |
| 31-Jul-24 | 1,76,622 | 6,26,66,750.80 |
| 30-Jul-24 | 1,59,112 | 5,71,51,210.60 |
| 29-Jul-24 | 1,41,430 | 5,03,63,026.20 |
| 26-Jul-24 | 2,83,712 | 10,09,84,919.85 |
| 25-Jul-24 | 1,17,832 | 4,10,67,815.55 |
| 24-Jul-24 | 1,11,842 | 3,86,55,958.70 |
| 23-Jul-24 | 1,75,768 | 5,93,95,680.90 |
| 22-Jul-24 | 86,234 | 2,92,50,206.75 |
| 19-Jul-24 | 91,749 | 3,08,19,604.45 |
| 18-Jul-24 | 96,007 | 3,23,72,424.55 |
| 16-Jul-24 | 1,39,765 | 4,77,48,996.15 |



| Date | No of Shares Traded | Total Turnover (Rs.) |
|-----------|---------------------|----------------------|
| 15-Jul-24 | 1,25,155 | 4,30,99,926.15 |
| 12-Jul-24 | 2,00,834 | 6,95,67,683.55 |
| 11-Jul-24 | 80,626 | 2,87,09,243.60 |
| 10-Jul-24 | 2,16,852 | 7,67,47,697.30 |
| 09-Jul-24 | 3,48,201 | 12,50,70,362.35 |
| 08-Jul-24 | 23,81,468 | 89,05,75,880.65 |
| 05-Jul-24 | 2,51,201 | 8,47,52,200.50 |
| 04-Jul-24 | 1,11,344 | 3,67,75,827.60 |
| 03-Jul-24 | 1,44,694 | 4,79,28,272.00 |
| 02-Jul-24 | 1,62,819 | 5,39,35,489.95 |
| 01-Jul-24 | 1,53,099 | 5,02,16,792.50 |
| 28-Jun-24 | 1,24,254 | 4,07,14,902.00 |
| 27-Jun-24 | 1,24,571 | 4,10,90,077.90 |
| 26-Jun-24 | 1,28,627 | 4,30,47,061.90 |
| 25-Jun-24 | 80,992 | 2,74,75,039.25 |
| 24-Jun-24 | 1,59,357 | 5,44,96,443.70 |
| 21-Jun-24 | 1,35,907 | 4,67,63,984.10 |
| 20-Jun-24 | 1,97,693 | 6,84,39,372.30 |
| 19-Jun-24 | 3,22,801 | 11,21,30,813.90 |
| 18-Jun-24 | 4,69,288 | 16,13,69,624.50 |
| 14-Jun-24 | 6,03,575 | 20,44,62,574.10 |
| 13-Jun-24 | 2,50,902 | 8,21,42,669.95 |
| 12-Jun-24 | 3,86,012 | 12,86,37,870.70 |
| 11-Jun-24 | 2,38,859 | 8,02,84,622.10 |
| 10-Jun-24 | 12,93,143 | 43,24,25,702.85 |
| 07-Jun-24 | 1,24,470 | 3,87,27,280.90 |
| 06-Jun-24 | 2,46,171 | 7,58,56,679.30 |
| 05-Jun-24 | 1,28,125 | 3,76,26,370.30 |
| 04-Jun-24 | 2,39,700 | 7,00,10,900.15 |
| 03-Jun-24 | 2,42,119 | 7,40,36,480.40 |
| 31-May-24 | 1,12,751 | 3,43,98,688.80 |
| 30-May-24 | 5,52,127 | 17,38,35,907.85 |
| 29-May-24 | 1,40,001 | 4,32,23,906.05 |
| 28-May-24 | 1,58,695 | 4,97,46,713.95 |
| 27-May-24 | 1,15,946 | 3,65,50,307.80 |
| 24-May-24 | 2,00,924 | 6,40,95,601.65 |
| 23-May-24 | 6,01,644 | 19,74,14,080.10 |



Continuation Sheet

| Date | No of Shares Traded | Total Turnover (Rs.) |
|----------------------|---------------------|----------------------|
| 22-May-24 | 2,28,094 | 7,30,73,149.70 |
| 21-May-24 | 9,83,769 | 32,94,34,540.35 |
| 18-May-24 | 5,14,502 | 18,94,54,571.50 |
| 17-May-24 | 20,15,344 | 71,29,53,333.50 |
| 16-May-24 | 1,68,172 | 5,20,64,192.95 |
| 15-May-24 | 2,80,807 | 8,77,61,604.45 |
| 14-May-24 | 3,11,545 | 9,81,19,447.80 |
| 13-May-24 | 1,71,150 | 5,51,10,324.05 |
| 10-May-24 | 95,180 | 3,15,29,871.55 |
| 09-May-24 | 80,487 | 2,70,00,003.00 |
| 08-May-24 | 1,03,863 | 3,53,96,249.95 |
| 07-May-24 | 98,118 | 3,33,81,414.20 |
| 06-May-24 | 62,206 | 2,18,75,473.40 |
| 03-May-24 | 84,518 | 3,04,54,470.65 |
| 02-May-24 | 69,735 | 2,53,60,337.10 |
| 30-Apr-24 | 1,23,575 | 4,50,95,399.00 |
| 29-Apr-24 | 77,991 | 2,89,47,338.90 |
| 26-Apr-24 | 92,802 | 3,47,39,413.15 |
| 25-Apr-24 | 96,750 | 3,66,34,415.95 |
| 24-Apr-24 | 1,66,409 | 6,33,29,521.50 |
| 23-Apr-24 | 5,85,815 | 22,17,20,079.20 |
| 22-Apr-24 | 83,145 | 3,01,30,168.40 |
| 19-Apr-24 | 2,09,348 | 7,42,80,969.55 |
| 18-Apr-24 | 1,45,268 | 5,27,85,172.25 |
| Total | 30349027 | 10639730654 |
| Average Price | 350.58 | |



Continuation Sheet

B. The 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date

| Date | No of Shares Traded | Total Turnover (Rs.) |
|----------------------|---------------------|----------------------|
| 27-Aug-24 | 19,78,526 | 76,75,95,148.3 |
| 26-Aug-24 | 14,22,497 | 53,05,80,479.9 |
| 23-Aug-24 | 3,48,758 | 12,71,83,482.75 |
| 22-Aug-24 | 2,68,611 | 9,83,12,686.40 |
| 21-Aug-24 | 9,93,755 | 36,99,53,541.05 |
| 20-Aug-24 | 5,45,328 | 19,92,51,178.10 |
| 19-Aug-24 | 9,64,476 | 35,68,73,470.65 |
| 16-Aug-24 | 2,55,234 | 8,71,36,746.25 |
| 14-Aug-24 | 8,82,802 | 29,48,73,183.40 |
| 13-Aug-24 | 2,35,945 | 8,03,59,816.80 |
| Total | 7895932 | 2912119734 |
| Average Price | 368.81 | |

