KPMG Valuation Services LLP
Registered Valuer
Registration No. IBBI/RV-E/06/2020/115

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Mr. S. Sundar Raman
Registered Valuer
Registration No. IBBI/RV/06/2019/11185

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Prachar Sabha Street, T. Nagar,
Chennai - 600017

Dated: 19 May 2026

Board of Directors
Kothari Petrochemicals Limited
Kothari Buildings, No.115,
Mahatma Gandhi Salai, Nungambakkam, Chennai,
Tamil Nadu 600034

Board of Directors
Kothari Sugars & Chemicals Limited
Kothari Buildings, No.115,
Mahatma Gandhi Salai, Nungambakkam, Chennai,
Tamil Nadu 600034

Re: Recommendation of swap ratio for the proposed amalgamation of Kothari Sugars and Chemicals Limited with and into Kothari Petrochemicals Limited ("Proposed Transaction").

Dear Sir / Madam,

We refer to the respective engagement letters ("LoE") of KPMG Valuation Services LLP ("KPMG") and Mr. S Sundar Raman ("SSR") whereby KPMG and SSR are appointed by Kothari Petrochemicals Limited ("KPL" or "Transferee Company") and Kothari Sugars and Chemicals Limited ("KSCL" or "Transferor Company") (together referred to as the "Clients" or the "Companies" or "you" or "your") to assist in the recommendation of a fair share swap ratio corresponding to the Proposed Transaction.

KPMG and SSR are hereinafter jointly referred to as the "Valuers" or "We" or "us" and individually referred to as the "Valuer" in this Valuation Report. KPL and KSCL are hereinafter jointly referred to as the "Companies" or the "Valuation Subjects".

The swap ratio refers to the number of equity shares of KPL which would be issued to the equity shareholders of KSCL pursuant to the Proposed Transaction.

Our deliverable for this engagement would be a report expressing opinion on the fair share swap ratio for the Proposed Transaction ("Share Swap Ratio Report" or the "Report") with 31 March 2026 being the "Valuation Date". The valuation is based on a going concern premise.

BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

Kothari Petrochemicals Limited, was incorporated on April 28, 1989 under the provisions of the Companies Act, 1956, and is a public limited company within the meaning of the Act, having corporate identification number L11101TN1989PLC017347. Its registered and corporate office is at Kothari Building, No.115, Nungambakkam High Road, Chennai, Tamilnadu, India - 600034. The Transferee Company is engaged in the business of manufacturing of Polyisobutylene and is present in segments such as Lubricant & Dispersant, Fuel Additive, Grease, Adhesive, Sealant, Rubber Manufacturing, Personal Care, Masterbatch Compounding, PVC Pipe & Fitting, etc. The equity shares of KPL are listed on the National Stock Exchange of India Limited.

Kothari Sugars and Chemicals Limited, was incorporated on November 07, 1960 under the provisions of the Companies Act, 1956, and is a public limited company within the meaning of the Act, having corporate identification number L15421TN1960PLC004310. Its registered office and corporate office is at Kothari Building, 115, Nungambakkam High Road, Chennai, Tamilnadu, India - 600034. KSCL is engaged in the business of manufacturing of sugar, industrial alcohol, co-generation of power, bio-compost etc. The equity shares of the KSCL are listed on the National Stock Exchange of India Limited.

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We understand that the managements of KSCL and KPL (the "Managements") are evaluating a Scheme of Amalgamation ("Scheme") under the provisions of Sections 230 to 232, and other relevant provisions of the Companies Act, 2013, including the rules and regulations issued thereunder, as may be applicable, involving transfer by way of amalgamation of KSCL with and into KPL.

In this connection the Clients have approached the Valuers for recommending a share swap ratio for the Proposed Transaction ("Engagement") for the consideration of the Board of Directors including audit committees of the Clients in accordance with the applicable Securities Exchange Board of India (SEBI), the relevant stock exchanges', and relevant laws, rules and regulations. To the extent mandatorily required under the applicable laws of India, this Report may be produced before the judicial, regulatory, or government authorities, stock exchanges, shareholders or any stakeholders in connection with the Proposed Transaction.

Our appointment as a registered valuer for this Engagement is as per Section 247 to be read with Section 230 to 232 of the Companies Act, 2013 and the extant SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 including the Master Circular (SEBI/HO/CFD/POD-2/P/CIR/2023/93) dated 20 June 2023 issued by the Securities and Exchange Board of India ("Master Circular") and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (last amended on 05 December 2025) requirements including any other applicable laws, rules, and/or regulations thereunder as in force for the time being (all collectively referred to as "the Act").

The scope of our services is to conduct a valuation of the equity shares of KPL and KSCL on a relative basis and report the share swap ratio for the Proposed Transaction.

We as Valuers have independently performed our analysis on the valuation of the Companies and have arrived at different values per share for them. However, to arrive at the consensus on the Ratios for the Proposed Transaction, appropriate minor adjustments/rounding off have been done by the Valuers.

We have been provided with the audited financials of the Companies as discussed below. Further, we have taken into consideration the current market parameters in our analysis and have made adjustments for additional facts made known to us till the date of our Report. Further, we have been informed that all material information impacting the Companies has been disclosed to us.

We have considered financial information up to 31 March 2026 in our analysis and made adjustments for facts made known to us till the date of our report, including taking into consideration current market parameters, which will have a bearing on the valuation analysis. The Management has informed us that they do not expect any events which are unusual or not in normal course of business up to the effective date of the Proposed Transaction, other than the events specifically mentioned in this report. We have relied on the above while arriving at the share swap ratio for the Proposed Transaction.

This report dated 19 May 2026 ("Report Date") is our deliverable in respect of our recommendation of the share swap ratio for the Proposed Transaction.

This Report is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

DISCLOSURE OF INTEREST / CONFLICT

- The Valuers are not affiliated with the Clients in any manner whatsoever.
- We do not have financial interest in the businesses/ companies which are the subject of this Report.
- Valuers' fee is not contingent on an action or event resulting from the analyses, opinions or conclusions in this Report.
- Further, the information provided by the Managements have been appropriately reviewed in carrying out the valuation. Sufficient time and information were provided to us to carry out the valuation.

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SOURCES OF INFORMATION

In connection with this exercise, we have used the following information shared with us during the course of the Engagement:

- Draft Scheme of Amalgamation highlighting the salient features of the Proposed Transaction,
- Valuation Report dated 12 May 2026 issued by R. Sugumar (Registered Valuer) for the surplus land & building valuation of KPL,
- Valuation Report dated 15 April 2026 issued by Balaji & Associates (Registered Valuer) for the surplus building valuation of KSCL,
- Valuation Report dated 11 May 2026 issued by Assetology Valuers LLP (Registered Valuer) for the surplus land, building, plant & machinery valuation for research and development unit of KSCL,
- Audited Balance Sheet as on the Valuation Date for the Companies,
- Historical audited financials of the Companies,
- Number of equity shares of the Companies as on the Valuation Date and as at the date of this Report,
- Projections of the Companies, as applicable,
- Other relevant information and documents for the purpose of this engagement provided through emails or during discussions,
- Discussion with the Managements in connection with the operations, past and present activities, future plans and prospects, share capital and shareholding pattern of the Companies,
- For our analysis, we have relied on published and secondary sources of data, whether or not made available by the Companies. We have not independently verified the accuracy or timeliness of the same, and
- Such other analyses and enquiries, as we considered necessary.

We have also obtained the explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise from the Management and representatives of the Companies. The Client has been provided with the opportunity to review the draft report (excluding the recommended share swap ratio) for this Engagement to make sure that factual inaccuracies are avoided in our final report.

PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the valuation.

- Requested and received financial and qualitative information, and clarifications regarding past financial performance of the Companies
- Considered data available in public domain related to the Companies and their peers.
- Discussions (over call/emails/conferences) with the Management to understand the business, key value drivers, historical financial performance and projected financial performance of the Companies.
- Undertook Industry Analysis
  - Researched publicly available market data including economic factors and industry trends that may impact the valuation.
  - Analyzed key trends and valuation multiples of comparable companies using proprietary databases subscribed by us or our network firms.
- Selected internationally accepted valuation methodology/(ies) as considered appropriate by us, in accordance with the ICAI Valuation Standards/International Valuation standards published by the International Valuation Standards Council.
- Arrived at the valuation of the Companies in order to conclude our analysis on the share swap ratio for the Proposed Transaction.

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MAJOR FACTORS THAT WERE CONSIDERED DURING THE VALUATION

- Growth in Revenue, EBITDA Margins achieved historically of the Companies.
- Representations by the Management on the current status of operation of the Companies.
- Key operating / financial parameters of the Companies and the risks associated with their businesses.
- Financial Projections of the Companies provided to us.
- Discussion with the Managements of the Companies on future business aspects

LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS, AND DISCLAIMERS

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

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 Report can only be regarded as relevant as at the Valuation Date.

This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our Clients are the only authorized users of this Report and use of the Report is restricted for the purpose indicated in the respective engagement letters. This restriction does not preclude the Clients from providing a copy of the Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for the unauthorized use of this Report.

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the Clients' existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

This Report, its contents and the results herein are specific to (i) the purpose of relative valuation agreed as per the terms of our Engagement; (ii) the Valuation Date; (iii) and are based on the audited financials of the Companies as at 31 March 2026 (as applicable), other information provided by the Managements and (iv) other information obtained by us from time to time.

An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The Clients and their Managements/representatives stated 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 owners/Clients, their Managements and other third parties, if any, concerning the financial data, operational data and other information, except as specifically stated to the contrary in the Report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the Companies, their directors, employees or agents.

The Valuers are not aware of any contingency, commitment or material issue which could materially affect the Companies' economic environment and future performance and therefore, the equity value of the Companies.

We do not provide assurance on the achievability of the results forecast by the Managements as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on the actions, plans and assumptions of the Managements.

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The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all their areas of operations 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 litigation and other contingent liabilities that are not disclosed in the audited/ unaudited balance sheets of the Companies, if any provided to us.

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

The valuation analysis and results are governed by the concept of materiality.

It has been assumed that the required and relevant policies and practices have been adopted by the Companies and would be continued in the future.

The actual share swap ratio may be higher or lower than our recommendation depending upon the circumstances of the transaction, the nature of the business. The knowledge, negotiating ability and motivation of the buyers and sellers will also affect the exchange ratio achieved. Accordingly, our recommended share swap ratio will not necessarily be the share exchange ratio at which actual transaction will take place.

We have also relied on data from external sources to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of 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 and /or reproduced in its proper form and context.

This Report and the information contained herein is absolutely confidential. The Report will be used by the Client only for the purpose, as indicated in the LoE for which we have been appointed. The results of our valuation analysis and our Report cannot be used or relied upon by the Clients for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person/ party for any decision of such person/ party based on this Report. Any person/ party intending to provide finance/ invest in the shares/ businesses of the Companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, 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 Clients) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to us. 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.

The recommendation rendered in this report only represents our recommendation based upon information received from the Companies till this report is issued and other sources and the said recommendation 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). You acknowledge and agree that you have the final responsibility for the determination of the share swap ratio at which the Proposed Transaction shall take place and factors other than our Valuation report will need to be taken into account in determining said share swap ratio; these will include your own assessment of the Proposed Transaction and may include the input of other professional advisors.

The Report including, (for the avoidance of doubt) the information contained in it is absolutely confidential and intended only for the sole use and information of the Clients. Without limiting the foregoing, we understand that the Clients may be required to submit the report to or share the report as per terms agreed in the LoE in connection with the Proposed Transaction. We hereby give consent to the disclosure of the report to such

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recipients as permitted under the terms of the LoE, subject to the Client ensuring that any such disclosure shall be subject to the condition and understanding that:

- it will be the Clients' responsibility to review the report and identify any confidential information that it does not wish to or cannot disclose.
- we owe responsibility to only the Clients that have engaged us and nobody else, and to the fullest extent permitted by law.
- we do not owe any duty of care to anyone else other than the Clients and accordingly that no one other than the Clients is entitled to rely on any part of the report.
- we accept no responsibility or liability towards any third party (including, the recipients as permitted under the terms of the LoE) to whom the Report may be shared with or disclosed or who may have access to the report pursuant to the disclosure of the Report to the recipients as permitted under the terms of the LoE. Accordingly, no one other than the Clients have any recourse to us with respect to the Report.
- we shall not under any circumstances have any direct or indirect liability or responsibility to any party engaged by the Clients or to whom the Clients may disclose or directly or indirectly permit the disclosure of any part of the report and that by allowing such disclosure We do not assume any duty of care or liability, whether in contract, tort, breach of statutory duty or otherwise, towards any of the third parties.

It is clarified that reference to this valuation report in any document and / or filing with tribunal / judicial / regulatory authorities / government authorities/ stock exchanges / courts / professional advisors / merchant bankers, in connection with the Proposed Transaction, shall not be deemed to be an acceptance by us of any responsibility or liability to any person / party other than the Board of Directors of the Clients.

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

This Report is subject to the laws of India.

Any discrepancies in any table / annexure between the total and the sums of the amounts listed are due to rounding-off.

Though the Valuers are issuing a joint report, notwithstanding the issuance of this joint report, it is clarified that KPMG / SSR are not responsible for the acts or omissions of SSR / KPMG in connection with this engagement. Further, we will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions or advice given by any other person.

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SHAREHOLDING PATTERN / SHARE CAPITAL DETAILS

KPL

As at 31 March 2026, the paid-up equity value of KPL is INR 588 million consisting of 58,846,400 shares of face value of INR 10/- each fully paid up.

Category	No. of shares	% shareholding
Promoter & Promoter group	42,497,005	72.2%
Public	16,349,395	27.8%
Total	**58,846,400**	**100.0%**

Source: Management

KSCL

As at 31 March 2026, the paid-up equity value of KSCL is INR 829 million consisting of 82,888,580 shares of face value of INR 10/- each fully paid-up.

Category	No. of shares	% shareholding
Promoter & Promoter group	60,947,600	73.5%
Public	21,940,980	26.5%
Total	**82,888,580**	**100.0%**

Source: Management

APPROACH FOR RECOMMENDATION OF SHARE SWAP RATIO

Basis of Share Swap Ratio for the Amalgamation *(Proposed Transaction)*

The report has been prepared on the basis of "Fair Value" as at Valuation Date. The generally accepted definition of "Fair Value" is the value as applied between a hypothetical willing vendor and a hypothetical willing prudent buyer in an open market and with access to all relevant information.

The Scheme contemplates the amalgamation of KSCL into KPL. Arriving at the share swap ratio for the Proposed Transaction would require determining the value of the equity shares of the Companies on a relative basis. These values are to be determined independently, but on a relative basis for the Companies, without considering the effect of the Proposed Transaction.

The valuation approaches adopted by KPMG and SSR are given in Annexure IA and IB respectively (together referred to as "Annexures").

The determination of a share swap ratio / valuation is not a precise science, and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single share swap ratio/ equity value estimate. While We have provided our recommendation of the share swap ratio(s) based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the same.

The final responsibility for the determination of the share swap ratio at which the Proposed Transaction shall take place will be with the Board of Directors of the respective Companies who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

We have independently applied approaches/methods discussed in the Annexures, as considered appropriate, and arrived at the value per share of the Companies. To arrive at the consensus on the share swap ratio for the Proposed Transaction, suitable minor adjustments/ rounding off have been done.

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In light of the above, and upon the consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, We recommend the following share swap ratio:

1 equity share of KPL for every 5 shares of KSCL.

It should be noted that We have not examined any other matter including economic rationale for the Proposed Transaction per se or accounting, legal or tax matters involved in the Proposed Transaction.

Respectfully submitted,	Respectfully submitted,
KPMG Valuation Services LLP Registered Valuer Registration No. IBBI/RV-E//06/2020/115	**Mr. S. Sundar Raman** Registered Valuer Registration No. IBBI/RV/06/2019/11185
Mahek Vikamsey Partner IBBI Membership No: IBBI/RV/05/2019/11313 Asset Class: Securities or Financial Assets Date: 19 May 2026	**S Sundar Raman** Registered Valuer IBBI Membership No: IBBI/RV/06/2019/11185 Asset Class: Securities or Financial Assets Date: 19 May 2026

ANNEXURE IA: VALUATION APPROACH – KPMG

The report has adopted "Going Concern Value" as the premise of value in the given circumstances. The generally accepted definition of Going concern value is the value of a business enterprise that is expected to continue to operate in the future.

We have carried out the valuation in accordance with the principles laid out in the ICAI Valuation Standards/International Valuation Standards, as applicable to the purpose and terms of this Engagement.

The three main valuation approaches are the market approach, income approach and asset approach. There are several commonly used and accepted methods within the market approach, income approach and asset approach, for determining the relative fair value of the equity shares of a company, which can be considered in the present valuation exercise, to the extent relevant and applicable, to arrive at the share swap ratio for the purpose of the Proposed Transaction, such as:

- Asset Approach - Net Asset Value (NAV) Method
- Income Approach - Discounted Cash Flow (DCF) Method
- Market Approach - Market Price Method; Comparable Companies Multiples (Coco) Method; Comparable Transactions Method (CTM)

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made 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, the conditions and prospects, financial and otherwise, of the companies/ businesses, and other factors which generally influence the valuation of companies and their assets.

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

The basis of the Proposed Transaction would have to be determined after taking into consideration all the factors, approaches and methods considered appropriate by the Valuer. Though different values may have been arrived at under each of the above approaches/ methods, for the purposes of recommending the share swap ratio it is necessary to arrive at a single value for the shares of the companies involved in a transaction such as the Proposed Transaction. It is, however, important to note that in doing so, We are not attempting to arrive at the absolute values of the shares of the Companies but at their relative values to facilitate the determination of a share swap ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approach/ method.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgments taking into account all the relevant factors. There will always be several factors, e.g. quality 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 which will strongly influence the worth of a share. The determination of a share swap ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. This concept is also recognized in judicial decisions.

Asset Approach - Net Asset Value Method

Under the asset approach, the net asset value (NAV) method is considered, which is based on the underlying net assets and liabilities of the company, taking into account operating assets and liabilities on a book value basis and appropriate adjustments for, inter alia, value of surplus/ non-operating assets.

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Income Approach

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cashflows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

Under the DCF method, the projected free cash flows from business operations available to all providers of capital are discounted at the weighted average cost of capital to such capital providers, on a market participant basis, and the sum of such discounted free cash flows is the value of the business from which value of debt and other capital is deducted, and other relevant adjustments made to arrive at the value of the equity - Free Cash Flows to Firm (FCFF) technique; The discount rate which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of DCF valuation, the free cash flow forecast is based on projected financials as provided by the Management. While carrying out this Engagement, We have relied on historical information made available to us by the Management of the Companies and the projected financials for future related information. Although We have read, analyzed and discussed the Management Business Plan for the purpose of undertaking a valuation analysis, We have not commented on the achievability of the assumptions/ projections provided to us save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of the assignment. We have assessed and evaluated the reasonableness of the projections based on procedures such as analyzing industry data, historical performance, expectations of comparable companies, analyst reports etc.

Market Approach

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

- Market Price Method: Under this method, the value of the shares of a company is determined by taking the average of the market capitalisation of the equity shares of such company as quoted on a recognised stock exchange over reasonable periods of time where such quotations are arising from the shares being regularly and frequently traded in an active market, subject to the element of speculative support that may be inbuilt in the market price. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share, especially where the market values fluctuate in a volatile capital market. Further, in the case of a merger/ demerger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard. This method would also cover any other transactions in the shares of the company including primary/ preferential issues/ open offer in the shares of the company available in the public domain.
- Comparable Companies Multiples (CCM) Method: Under this method, one attempts to measure the value of the shares/ business of company by applying the derived market multiple based on market quotations of comparable public/ listed companies, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company/ business (based on past and/ or projected working results) after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. These valuations are based on the principle that such 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.

- Comparable Transaction Multiples (CTM) Method: Under this method, the value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable transactions. This valuation is based on the principle that transactions 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.

The valuation approaches / methods used, and the values arrived at using such approaches / methods by us has been placed in this Annexure of the Report.

VALUER NOTES IN RELATION TO THE PROPOSED TRANSACTION

The valuation of both KPL and KSCL has been carried out using the DCF method under the Income Approach and the Market Price method under the Market Approach.

The DCF method has been adopted as detailed financial projections are available from Management, and Management has good clarity on the future outlook of the business, which provides a reasonable basis for estimating future cash flows for valuation purposes.

The Market Price Method has been considered as both companies are listed and frequently traded, thereby providing observable market-based inputs for valuation.

We have not adopted / attributed any weightage to the Asset Approach or NAV considering the nature and stage of the Companies (i.e. mature & operating businesses) where the value lies in the ongoing operations.

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, We recommend a share swap ratio of:

1 equity share of KPL for every 5 shares of KSCL.

The computation of the share swap ratio has been presented in the tables below.

Valuation Summary	KPL	Weight	KSCL	Weight
Fair Value (INR Mn)				
Income Approach	8,725	50.0%	2,602	50.0%
Market Price Method	8,444	50.0%	2,250	50.0%
Asset Approach	NA	NA	NA	NA
Concluded Fair Value	8,584		2,426	
No of shares	58,846,400		82,888,580	
Value	**INR 145.9 per equity share**		**INR 29.3 per equity share**	
Share Swap Ratio	0.20 : 1.00			
1 equity share of KPL for every 5 shares of KSCL.				

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ANNEXURE IB: VALUATION APPROACH – SSR

This Report has been prepared on the basis of Going Concern Value as the premise of value. Going Concern Value is the value of a business enterprise that is expected to continue to operate in the future. Accordingly, the valuation of Kothari Petrochemicals Limited ("KPL" or "Transferee Company") and Kothari Sugars and Chemicals Limited ("KSCL" or "Transferor Company") has been carried out on a going concern basis as at 31 March 2026 ("Valuation Date").

1. OVERVIEW OF VALUATION APPROACHES

The three internationally recognised valuation approaches are the Market Approach, the Income Approach and the Asset Approach, each encompassing several accepted methods for determining the fair value of equity shares of a company on a relative basis.

1.1 Market Approach

The Market Approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities (such as a business). The methods under this approach include:

- **Market Price Method**

Under this method, the value of the equity shares of a company is determined with reference to the market capitalisation of such shares as quoted on a recognised stock exchange over a reasonable period of time, where such quotations arise from shares being regularly and freely traded in an active market, subject to adjustment for any speculative element built into the market price.

For the purpose of this Report, the Market Price Method has been applied in accordance with Regulation 164(1) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").

- **Comparable Companies Multiples ("CCM") Method**

Under this method, value is measured by applying market multiples derived from publicly listed comparable companies with similar attributes to the relevant financial parameters of the company being valued, with appropriate adjustments for dissimilarities in size, liquidity, growth and risk.

- **Comparable Transaction Multiples ("CTM") Method**

Under this method, value is derived from multiples implied by comparable mergers and acquisition transactions, reflecting the price that informed buyers and sellers have agreed upon in arm's length dealings.

1.2 Income Approach

The Income Approach converts maintainable or projected future amounts (such as cash flows or earnings) to a single current (i.e., discounted or capitalised) amount. The value measurement reflects current market expectations about those future amounts.

Under the Discounted Cash Flow ("DCF") Method, the projected free cash flows to the firm ("FCFF") available to all providers of capital are discounted at the Weighted Average Cost of Capital ("WACC") to arrive at the Enterprise Value. The value of equity is then derived by deducting net debt and making other relevant adjustments. The WACC reflects the opportunity cost to all capital providers, weighted by their relative contribution to the total capital of the company.

For the purpose of DCF valuation, the free cash flow projections are based on the financial forecasts provided by the Management of the respective Companies. We have reviewed, analysed and discussed the Management Business Plan and assessed the reasonableness of projections by reference to industry data, historical

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performance, expectations of comparable companies and analyst reports. However, we do not provide assurance on the achievability of such projections.

1.3 Asset Approach

Under the Asset Approach, the Net Asset Value ("NAV") Method determines value based on the underlying net assets and liabilities of a company, taking into account operating assets and liabilities at book value, with appropriate adjustments for surplus or non-operating assets at fair value.

2. METHODOLOGY SELECTED AND RATIONALE

The choice of valuation methodology depends on the purpose for which the valuation is undertaken. We have arrived at the choice of methodology using conventional methods adopted for transactions of a similar nature, based on independent and bona fide judgment and previous experience of assignments of a similar nature.

For the present valuation exercise, we have considered it appropriate to apply the following methods for the valuation of KPL and KSCL:

- DCF Method – under the Income Approach; and
- Market Price Method – under the Market Approach.

The rationale for selection and exclusion of methods is as follows:

The DCF Method has been adopted as it captures the intrinsic value of each Company based on its expected future free cash flow generation potential, duly reflecting the specific operating characteristics, capital structure and long-term growth prospects of each business.

The Market Price Method has been adopted as the equity shares of both KPL and KSCL are listed on the National Stock Exchange of India Limited ("NSE") and are regularly and freely traded, making market prices a relevant and observable indicator of value on a relative basis.

The NAV / Asset Approach has not been adopted as both KPL and KSCL are mature and operating businesses where value lies in their ongoing earning capacity and not in the underlying book value of net assets.

The CCM and CTM Methods have not been adopted as we consider the DCF and Market Price Methods to be more appropriate and reliable for the Proposed Transaction, given the availability of Company-specific projections and active, liquid market prices for both Companies.

Although different values may have been arrived at under each of the above approaches / methods, it is important to note that we are not attempting to arrive at the absolute values of the shares of the Companies but at their relative values to facilitate the determination of a fair share swap ratio.

3. WEIGHTAGE ASSIGNED TO EACH METHOD

Having regard to the nature of the Proposed Transaction, the maturity and operating stage of the Companies, the availability of reliable market data, and the Company-specific financial projections, we have assigned equal weightage to both methods as set out below:

Valuation Method	Weightage – KPL	Weightage – KSCL
DCF Method	50%	50%
Market Price Method	50%	50%
Total	100%	100%

We have exercised professional judgment in assigning equal weightage to both methods, considering that each method captures a materially different dimension of value - intrinsic cash flow-based value versus observable

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market consensus value - and that, in the context of listed companies with active market prices and reliable projections, neither method should be accorded primacy over the other.

4. VALUATION SUMMARY AND RECOMMENDED SHARE SWAP RATIO

We have applied the DCF Method and the Market Price Method independently to each Company and arrived at the value per equity share of each Company on a standalone basis, without considering the effect of the Proposed Transaction. The weighted average value per equity share of each Company has been used to compute the implied share swap ratio, as presented in the table below:

Particulars	KPL	KSCL
Valuation Approach	DCF Method & Market Price Method	DCF Method & Market Price Method
Weightage – DCF Method	50%	50%
Weightage – Market Price Method	50%	50%
Value per Share – DCF Method (INR)	144.3	30.6
Value per Share – Market Price Method (INR)	143.5	27.1
Weighted Average Value per Share (INR)	**143.9**	**28.9**
Implied Share Swap Ratio (KSCL : KPL)	*1 equity share of KPL for 5 shares of KSCL*	

5. VALUER NOTES

For the present valuation analysis, we have considered it appropriate to use the DCF Method under the Income Approach and the Market Price Method under the Market Approach for the valuation of KPL and KSCL.

No weightage has been attributed to the Asset Approach / NAV Method, given that both KPL and KSCL are mature and operating businesses where value lies in their ongoing operations and not in the book value of their underlying net assets.

The determination of a share swap ratio is not a precise science and the conclusions arrived at are, of necessity, subjective and dependent on the exercise of individual judgement. This concept is also recognised in judicial decisions. There is, therefore, no indisputable single share swap ratio or equity value estimate.

We have provided our recommendation based on the information available as at the Valuation Date and within the scope and constraints of this Engagement; others may have a different opinion as to the same.

6. CONCLUSION

In our opinion, and based on the analysis carried out and subject to the assumptions, limitations and qualifications contained herein, the following share swap ratio is fair and reasonable from a valuation perspective for the Proposed Transaction:

1 equity share of KPL for every 5 shares of KSCL.

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Kothari PETROCHEMICALS LTD

Kothari Petrochemicals Limited
Regd. off.: "Kothari Building", No.115, M.G.Salai, Nungambakkam, Chennai - 600 034.
Phone : 044-35225500 / 501, www.kotharipetrochemicals.com

HCK GROUP

To

29th May 2026

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

Symbol: KOTHARIPET

Dear Sir / Madam,

Sub: Application for obtaining approval under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") for the proposed Scheme of Amalgamation of Kothari Sugars and Chemicals Limited ("KSCL" or "Transferor Company") with and into Kothari Petrochemicals Limited ("KPL" or "Transferee Company") and their respective shareholders and creditors ("Draft Scheme"), presented under Section 230-232 read with other applicable provisions of the Companies Act, 2013 and the relevant rules framed thereunder and the regulations and circulars issued by the Securities and Exchange Board of India (in each case including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

In terms of the Part I, Paragraph A(2)(b) of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and in connection with the above said application, we confirm that no material event impacting the valuation has occurred during the intervening period of filing the Scheme documents with the National Stock Exchange of India Limited and period under consideration for valuation.

Yours faithfully,
for **Kothari Petrochemicals Limited**

Kothari Petrochemicals Limited Chennai 600 034

K. Priya

K. Priya
Company Secretary & Compliance Officer