

FAIRNESS OPINION REPORT

FOR THE COMPOSITE SCHEME OF ARRANGEMENT

AMONGST

KASHIPUR HOLDINGS LIMITED

(Transferor Company)

AND

INDIA GLYCOLS LIMITED

("Transferee Company" or "Demerged Company")

AND

ENNATURE BIO PHARMA LIMITED

("Resulting Company 1")

AND

IGL SPIRITS LIMITED

("Resulting Company 2")

UNDER SECTION 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013





**Corporate
Professionals**



Strictly Private & Confidential

Ref. No: CPC/MB/197A/2024-25
SEBI Reg. No: INM000011435

To,
The Board of Directors
India Glycols Limited
A-1, Industrial Area, Bazpur Road, Kashipur,
Udham Singh Nagar, Uttarakhand, India – 244713

Dear Sir/Ma'am,

Subject: Fairness Opinion on Recommendation of equity swap ratio for the amalgamation of Kashipur Holdings Limited into India Glycols Limited and share entitlement ratio for the demerger of Biopharma Undertaking and Spirits & Biofuel Undertaking of India Glycols Limited into Ennature Bio Pharma Limited and IGL Spirits Limited.


We, **Corporate Professionals Capital Private Limited** (SEBI Registered Category I Merchant Banker), have been appointed by **India Glycols Limited** ("**Transferee Company**" / "**IGL**" / "**Demerged Company**") to provide a Fairness Opinion on the Valuation report issued by **TRC Corporate Consulting Private Limited** through their Director **Mr. Kshitij Goel**, Registered Valuer (Reg. No: IBBI/RV/02/2024/15672), dated 04th February 2025, in connection with the Composite Scheme of Arrangement for the amalgamation of **Kashipur Holdings Limited** ("**Transferor Company**" / "**KHL**") into India Glycols Limited and share entitlement ratio for the demerger of **Biopharma Undertaking** and **Spirits & Biofuel Undertaking** (collectively referred to as "**Demerged Undertakings**") of India Glycols Limited into **Ennature Bio Pharma Limited** ("**Resulting Company 1**" / "**EBPL**") and **IGL Spirits Limited** ("**Resulting Company 2**" / "**IGSL**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

In terms of our engagement, we are enclosing our opinion along with this letter. All comments as contained herein must be read in conjunction with the caveats to this opinion. The opinion is confidential and has been made in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") read with SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, it should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of **Corporate Professionals Capital Private Limited**, such consent will only be given after full consideration of the circumstances at the time. We are however aware that the conclusion in this report may be used for the purpose of disclosure to be made to the stock exchanges, Securities and Exchange Board of India, Hon'ble National company Law Tribunal ("NCLT") and notices to be dispatched to the shareholders and creditors for convening the meeting pursuant to the directions of Hon'ble NCLT and we provide consent for the same.

Trust the above meets your requirements. Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully

For **Corporate Professionals Capital Private Limited**


[Authorized Signatory]

Place: New Delhi

Date: 04 February 2025

Corporate Professionals Capital Private Limited

CIN - U74899DL2000PTC104508

D 28, South Extn. Part- I, New Delhi 110049, India | T: +91 11 40622200 | F: +91 11 40622201 | E: mb@indiacp.com

www.corporateprofessionals.com

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CONTEXT AND BACKGROUND

BRIEF OF THE COMPANIES INVOLVED UNDER THIS ARRANGEMENT

1. **Kashipur Holdings Limited** (hereinafter also referred to as 'KHL' or 'Transferor Company'), is a public company incorporated on 01st November 1996 under the Companies Act 1956, having registration number U67120UR1996PLC020938 and having its registered office at A-1 Industrial Area Bazpur Road Kashipur, Uttarakhand, India - 244713.

PARTICULARS	INR
Issued, Subscribed and Paid-up Share Capital	
30,68,632 equity shares of INR 100 each/- as on 04 th February 2025	30,68,63,200
Total	30,68,63,200

2. **India Glycols Limited** (hereinafter also referred to as 'IGL' or 'Transferee Company' or 'Demerged Company'), is a public company incorporated on 19 November 1983 under the Companies Act 1956, having registration number L24111UR1983PLC009097, and having its registered office at A-1 Industrial Area Bazpur Road Kashipur, Uttarakhand, India - 244713.

PARTICULARS	INR
Issued, Subscribed and Paid-up Share Capital	
3,09,61,500 Equity Shares of ₹ 10/- each fully paid up each as on 04 th February 2025	30,96,15,000
Total	30,96,15,000

3. **Ennature Bio Pharma Limited** (hereinafter also referred to as 'EBPL' or 'Resulting Company 1'), is a public company incorporated on 01 October 2021 under the Companies Act 2013, having registration number U24290UR2021PLC013005, and having its registered office at P. No. 4 Pharma City Selaqui, Dehradun, Uttarakhand, India, 248197.

PARTICULARS	INR
Issued, Subscribed and Paid-up Share Capital	
10,000 equity shares of INR 10 each/- as on 04 th February 2025	1,00,000
Total	1,00,000

Resulting Company 1 is a wholly owned subsidiary of the Demerged Company. The equity shares of the Resulting Company 1 are not listed on any Stock Exchange in India or elsewhere.

4. **IGL Spirits Limited** (hereinafter also referred to as 'IGSL' or 'Resulting Company 2'), is a public company incorporated on 25 November 2024 under the Companies Act 2013, having registration number U11011UT2024PLC018229, and having its registered office at A-1 Industrial Area, Bazpur Road Kashipur, Udham Singh Nagar, Uttarakhand, India, 244713.

PARTICULARS	INR
Issued, Subscribed and Paid-up Share Capital	
10,000 equity shares of INR 10 each/- as on 04 th February 2025	1,00,000
Total	1,00,000

Resulting Company 2 is a wholly-owned subsidiary of the Demerged Company. The equity shares of the Resulting Company 2 are not listed on any Stock Exchange in India or elsewhere.

(Resulting Company-1 & 2 are collectively referred to as Resulting Companies)



PROPOSED TRANSACTION

Pursuant to the Composite Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, (the "Scheme") we understand that the Board of Directors proposes to simplify the shareholding structure of IGL and subsequent demerger of the Demerged Undertakings. This shall occur and become effective and operative only in the sequence and in the order mentioned below ("Proposed Transaction"):

Step 1: Amalgamation of KHL into IGL, and consequently IGL to issue equity shares to shareholders of KHL; and

Step 2: Subsequent demerger of Biopharma Undertaking and Spirits and Biofuel Undertaking from IGL into Resulting Company 1 and Resulting Company 2, respectively. Consequently, EBPL and IGSL to issue equity shares to shareholders of IGL.

RATIONALE OF THE SCHEME

Furthermore, the Scheme of Arrangement of amalgamation of the Transferor Company into the Transferee Company and the demerger of the Demerged Undertakings from the Demerged Company to the Resulting Companies would result in the following benefits:

The Demerged Company is a leading green chemical company. It has grown manifold over a number of years and currently houses four segments, namely, bio-based specialties and performance chemicals, potable spirits, ennature biopharma and bio-fuel. Given its diversified business, it has become imperative for the Demerged Company to reorient and reorganize itself in a manner that allows imparting greater focus on each of its businesses. With this repositioning, the Demerged Company is desirous of enhancing its operational efficiency. It will continue with its bio-based specialties and performance chemicals business. While each of the above businesses may be subject to industry specific risks, business cycles and operate inter alia under different market dynamics, they have significant potential for growth and profitability.

The Scheme proposes reorganizing and segregate the shareholdings of Demerged Company in various businesses and thus proposes the demerger of Spirits and Biofuel Undertaking (as defined below) and Biopharma Undertaking (as defined below) from Demerged Company to the Resulting Companies. The demerger of the Demerged Undertakings from the Demerged Company to the Resulting Companies will result in the equity shares of the Resulting Companies (as defined below) becoming listed on the National Stock Exchange Limited and BSE Limited, with the Resulting Companies focusing exclusively on their respective undertakings and capable of independent valuation and participation therein by any suitable investor interested in such businesses, in the future.

Further, the Scheme proposes the merger of Transferor Company with and into Transferee Company to rationalize and streamline the group structure.

The proposed restructuring pursuant to this Scheme is expected, inter alia, to result in the following benefits:

- I. Currently majority of the promoters hold in the Transferee Company is through a holding company structure. The proposed merger will simplify the promoter holding structure by enabling promoters to directly hold shares of Transferee Company. There will be no adverse implication on the existing public shareholders of Transferee Company as they will continue to own the same number and percentage of shares in the company;
- II. Segregation and unbundling of the Spirits and Biofuel Undertaking and Biopharma Undertaking of the Demerged Company into the Resulting Companies will offer the following benefits:
 - Each business will have a clear focus, leading to improved management and resource allocation for growth.



- The demerger will enable independent growth for each business, attracting the right talent, offering better opportunities for employees
 - The demerger may create a potential to unlock value for stakeholders by drawing focused investors.
 - Each business will manage its capital, investments, and resources based on its specific needs, ensuring more efficient capital use.
 - Each business will adhere to regulations that are specific to its industry.
 - Separating the businesses will reduce the risk of one business affecting the others.
- III. The proposed restructuring is in the interest of the shareholders, creditors, employees, and other stakeholders in each of the companies.



SOURCE OF THE INFORMATION

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

- Considered the draft Composite Scheme of Arrangement ("Scheme") for the Proposed Transaction;
- Received valuation data and reports to understand selection of valuation methodology, determination of exchange ratio and valuation basis for the same.
- Provisional financial statements of KHL as of 31st December 2024.
- Book Net Worth of the Demerged Undertakings and IGL as of 31 March 2022, 31 March 2023, 31 March 2024 and 30 September 2024.
- Discussion with the Managements of the Companies in connection with the operations of the respective Companies, past and present activities, future plans and prospects of the Companies as of report date and any such information which is known and available as at the report date.
- 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
- Other relevant information and documents for the purpose of this engagement provided through emails or during discussion.
- We have also obtained the explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise from the Managements and representatives of the Companies.



APPROACH AND METHODOLOGY

Considering the valuation report issued by **TRC Corporate Consulting Private Limited** through their **Director Kshitij Goel, Registered Valuer** related to the transaction, we understand that the scheme contemplates the amalgamation of KHL into IGL and demerger of Demerged Undertakings of IGL into EBPL and IGSL under Section 230 to Section 232 and other relevant provisions of the Companies Act, 2013 and rules issued thereunder to the extent applicable.

The three valuation approaches are the market approach, income approach and cost approach. There are various methods under these approaches which are commonly used for valuation purposes such as:

Under the Market Approach, the following methods are commonly used

- **Market Price Method**
- **Comparable Companies Multiple (CCM) Method**
- **Comparable Transaction Multiple Method**

Under the Income Approach, the following methods are commonly used

- **Discounted Cash Flow (DCF) Method**
- **Relief from the Royalty Method**
- **Multi-period Excess Earning Method**
- **Option Pricing Model**

Under the Cost Approach, the following methods are commonly used

- **Replacement Cost Method**
- **Reproduction Cost Method**



DETERMINATION OF FAIR EQUITY SHARE EXCHANGE RATIO FOR AMALGAMATION OF KHL INTO IGL

In the present case, KHL is an investment company holding **15,588,291 equity shares** in IGL. It has nominal residual positive net assets amounting to **INR 10.50 million** (comprising of cash balance, other assets and liabilities) as of 31 December 2024, after eliminating the value derived from investment held in IGL. KHL does not have any other major business operations. Also, according to Clause 37.2 of the Scheme, all costs, charges and expenses pertaining to amalgamation shall be borne out of the surplus assets of KHL. The number of shares held by KHL pre and post-amalgamation shall not lead to a change in shareholding in accordance with the Scheme.

Accordingly, the use of valuation methodologies in current valuation is not applicable and therefore, not carried out for KHL and IGL under generally accepted valuation approaches namely cost approach, income approach and market approach, being not applicable.

Therefore, an equivalent number of shares shall be issued to shareholders of KHL as held by KHL in IGL post sanction of composite scheme of arrangement.

Accordingly, the following rationale is considered in arriving at the share exchange ratio:

- On amalgamation, the equity shares held by KHL in IGL shall be cancelled and IGL shall issue equity shares directly to the shareholders of KHL.
- Determination of the share exchange ratio would not influence the ultimate value for KHL and IGL and as such the valuation methods above of this report are not applicable and thus not adopted.

“1 (One) equity share of India Glycols Limited, having a face value of INR 10/- each, fully paid-up, shall be issued for every 1 (One) equity share held by Kashipur Holdings Limited in India Glycols Limited, to the shareholders of Kashipur Holdings Limited in proportion to their shareholding in Kashipur Holdings Limited.”



DETERMINATION OF SHARE ENTITLEMENT RATIO FOR DEMERGER OF BUSINESS UNDERTAKINGS OF IGL INTO EBPL AND IGSL

Pursuant to the Scheme, the shareholders of Resulting Company 1 and Resulting Company 2 will consist exclusively of the shareholders of IGL, with their shareholding pattern remaining identical to that of IGL post-demerger. Additionally, the Resulting Companies are wholly owned subsidiaries of IGL before the demerger, shareholders' interest in IGL indirectly includes their interest in these subsidiaries in the same proportion. As a result, post-demerger shareholders will continue to hold an interest in the Resulting Companies in the same proportion as they previously held in IGL.

Accordingly, the use of valuation methodologies in current valuation is not applicable and therefore, not carried out for these companies under generally accepted valuation approaches namely cost approach, income approach and market approach, being not applicable.

Determination of Share Entitlement Ratio for Demerger of Biopharma Undertaking into Resulting Company 1:

Based on the Scheme and discussions with the Management, we understand that:

- The Management is contemplating demerging Biopharma Undertaking from IGL into Resulting Company 1.
- EBPL is a wholly owned subsidiary of IGL as of the date of this report.
- Upon the Scheme becoming effective, the equity shares held by IGL and its nominees in EBPL will be cancelled and shareholders of IGL will be entitled to the shares of the Resulting Company 1.
- Simultaneously and concurrent with the above cancellation upon the scheme becoming effective, shareholders of IGL will be entitled to shares in EBPL in the same proportion in which they own shares in IGL.
- Upon the scheme becoming effective, the beneficial economic interest of the shareholders of IGL in the paid-up equity share capital of EBPL would be the same as it is in the paid-up equity share capital of IGL.
- Upon the Scheme becoming effective, all equity shares of Resulting Company 1 shall, subject to the execution of the listing agreement, be listed on the Stock exchanges, and/or admitted to trading if any.

The determination of share entitlement ratio would not impact the ultimate value for the shareholders of IGL and the proposed demerger of the Biopharma Undertaking of IGL into EBPL, will be value-neutral to IGL's shareholders.

Based on the aforesaid discussion, considering that;

- a) all shareholders of IGL are and will, upon demerger, become shareholders of EBPL, holding beneficial interest in the same proportion as they hold in IGL; and
- b) the level of paid-up equity share capital with respect to the size of undertaking along with serviceability of capital; the following proposed share entitlement ratio is fair to the shareholders of IGL in relation to the proposed demerger.

Therefore, the following is the fair exchange ratio in this case:

"1 (One) Equity Share of Ennature Bio-Pharma Limited of face value of INR 10/- each fully paid up for every 3 (Three) equity shares of India Glycols Limited of face value of INR 10/- each fully paid up."



Determination of Share Entitlement Ratio for Demerger of Spirits and Biofuel Undertaking into Resulting Company 2:

Based on the Scheme and discussions with the Management, we understand that:

- The Management is contemplating demerging Spirits and Biofuel Undertaking from IGL into IGSL.
- IGSL is a wholly owned subsidiary of IGL as of the date of this report.
- Upon the Scheme becoming effective, the equity shares held by IGL and its nominees in IGSL will be cancelled and shareholders of IGL will be entitled to the shares of the Resulting Company 2.
- Simultaneously and concurrent with the above cancellation upon the scheme becoming effective, shareholders of IGL will be entitled to shares in IGSL in the same proportion in which they own shares in IGL.
- Upon the scheme becoming effective, the beneficial economic interest of the shareholders of IGL in the paid-up equity share capital of IGSL would be the same as it is in the paid-up equity share capital of IGL.
- Upon the Scheme becoming effective, all equity shares of Resulting Company 2 shall, subject to the execution of the listing agreement, be listed on the Stock exchanges, and/or admitted to trading if any.

The determination of share entitlement ratio would not impact the ultimate value for the shareholders of IGL and the proposed demerger of the Spirits and Biofuel Undertaking of IGL into IGSL, will be value-neutral to IGL's shareholders.

Based on the aforesaid discussion, considering that all shareholders of IGL are and will, upon demerger, become shareholders of IGSL, holding beneficial interest in the same proportion as they hold in IGL, the following proposed share entitlement ratio is fair to the shareholders of IGL in relation to the proposed demerger.

"1 (One) Equity Share of IGL Spirits Limited of face value of INR 10/- each fully paid up for every 1(One) equity share of India Glycols Limited of face value of INR 10/- each fully paid up."

Note:

- It is pertinent to note that the Spirits and Biofuel Undertaking materially contributes to IGL's revenue and profitability. While determining the share entitlement ratio, it has been ensured that the level of paid-up equity capital is sufficient to support the business operations being transferred to IGSL.
- The share exchange ratio and share entitlement ratio are based on the equity share capital structure of KHL and IGL as of the Valuation Date and, any variation in the equity share capital of KHL and IGL may have a material impact on the fair equity share exchange ratio and share entitlement ratio.



SHARE EXCHANGE RATIO AS PER SCHEME

SHARE EXCHANGE RATIO FOR AMALGAMATION AND DEMERGER

SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, requires the valuation report for a Scheme of Arrangement to provide certain requisite information in a specified format.

The computation of Swap Ratio as derived is given below:

Valuation Approach	Kashipur Holdings Limited (Transferor Company)		India Glycols Limited (Transferee Company)	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Income Approach – DCF Method	X	a	Y	d
Market Approach				
Market Price Method	X	b	Y	e
Multiples Method	X	c	y	f
Relative Value per Share	x		Y	NA
Swap Ratio (Rounded off)		xx		

RATIO:

1 (One) equity share of India Glycols Limited, having a face value of INR 10/- each, fully paid-up, shall be issued for every 1 (One) equity share held by Kashipur Holdings Limited in India Glycols Limited, to the shareholders of Kashipur Holdings Limited in proportion to their shareholding in Kashipur Holdings Limited.



The computation of Share Entitlement Ratio as derived is given below:

Valuation Approach	India Glycols Limited (Demerged Company)		Ennature Bio Pharma Limited (Resulting Company 1)		IGL Spirits Limited (Resulting Company 2)	
	Value per share (INR)	Weight	Value per share (INR)	Weight	Value per share (INR)	Weight
Income Approach – DCF Method	NA	NA	NA	NA	NA	NA
Market Approach						
Market Price Method	NA	NA	NA	NA	NA	NA
Multiples Method	NA	NA	NA	NA	NA	NA
Relative Value per Share	NA	NA	NA	NA	NA	NA
Swap Ratio (Rounded off)				NA		

RATIO:

"1 (One) Equity Share of Ennature Bio-Pharma Limited of face value of INR 10/- each fully paid up for every 3 (Three) equity share of India Glycols Limited of face value of INR 10/- each fully paid up"; and

"1 (One) Equity Share of IGL Spirits Limited of face value of INR 10/- each fully paid up for every 1 (One) equity share of India Glycols Limited of face value of INR 10/- each fully paid up"

"Subject to the above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, we have reviewed the proposed Scheme, the Valuation Report dated 4th February 2025 of TRC Corporate Consulting Private Limited through their Director Mr.Kshitij Goel, Registered Valuer, with respect to the share exchange ratio aspects and consider it to be fair and reasonable"



CAVEATS, LIMITATIONS AND DISCLAIMER

- We did not perform any valuation exercise related to the transaction. We performed detailed analysis based on information and documents received from the management and verified the rational of the calculation, decisions mentioned in valuation report.
- Our services do not represent valuation, accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.
- An opinion of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion.
- We have taken into account, in our analysis, such events and circumstances occurring after the Valuation Date as disclosed to us by the Companies, to the extent considered appropriate by us based on our professional judgement. Further, we have no responsibility for any events and circumstances occurring after the date of the report.
- The recommendation(s) rendered in this report only represent our recommendation(s) based upon information received from the management till the report date and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Scheme, which might be relevant in the context of the transaction and which a wider scope might uncover.
- We have no present or planned future interest in the Restructured Company/ies and the fee payable for this opinion is not contingent upon the opinion reported herein.
- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
- The Opinion contained herein is not intended to be represented at any time other than the date that is specifically stated in this Fairness Opinion Report. This opinion is issued on the understanding that the Management of the Restructured Companies under the Scheme have drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Fairness Opinion.

