

Date: June 28, 2023

To,

**The Board of Directors,
Umang Dairies Limited**
Gajraula Hasanpur Road,
Gajraula Jyotiba Phule Nagar,
Amroha, Uttar Pradesh 244235.

To,

**The Board of Directors,
Bengal & Assam Company Limited**
7, Council House Street Kolkata,
West Bengal 700001.

To,

**The Board of Directors,
Panchmahal Properties Limited,**
Nehru House 4, Bahadur Shah Zafar Marg,
New Delhi 110002

Subject: Fairness opinion on the share entitlement ratio for the proposed demerger of the 'Dairy Business' of Umang Dairies Limited ('UDL') into Panchmahal Properties Limited ('PPL').

Fairness opinion on the share exchange ratio for the proposed amalgamation of Umang Dairies Limited ('UDL') (post proposed demerger of Dairy Business) with Bengal & Assam Company Limited ('BACL').

Sir/Ma'am,

We refer to the engagement letter dated June 19, 2023 and discussions undertaken with the Management of Umang Dairies Limited ("UDL" or "Demerged Company" or "Amalgamating Company"), (hereinafter together referred to as "the Management"), wherein the Management has requested Kunvarji Finstock Private Limited ("Kunvarji" or "We" or "us") to provide a fairness opinion on the

1. Share entitlement ratio for the proposed demerger of 'Dairy Business' of UDL (Demerged Company) into Panchmahal Properties Limited ('PPL' or 'Resulting Company 1') (hereinafter referred to as "proposed demerger") in Step 1, and
2. Share exchange ratio for the proposed amalgamation of UDL (post giving effect of proposed demerger in Step 1) (Amalgamating Company) with Bengal & Assam Company Limited ('BACL' or 'Resulting Company 2' or 'Amalgamated Company') (hereinafter referred to as "proposed amalgamation") in Step 2.



Kunvarji Finstock Pvt. Ltd.

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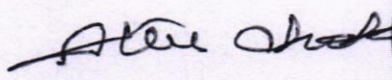

recommended by Niranjan Kumar, Registered Valuer - Securities or Financial Assets ("Independent Valuer") vide report dated June 28, 2023. The Valuation Date is considered to be 27 June 2023.

Hereinafter the Management including the Board of Directors of UDL, PPL and BACL shall together be referred to as 'the Management'; and Amalgamating Company / Demerged Company, Resulting Company 1 and Amalgamated Company / Resulting Company 2 shall together be referred to as 'Transacting Companies'. Both proposed demerger and amalgamation together referred to as Proposed Transaction.

Please find enclosed our deliverables in the form of report ("the Report"). This Report sets out the transaction overview, scope of work, background of the Transacting Companies, sources of information and our opinion on the share entitlement ratio for the aforesaid proposed demerger and share exchange ratio for the aforesaid proposed amalgamation recommended by the Independent Valuer. This Report is subject to the scope, assumptions, 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 therein.

This Report has been issued only for the purpose of facilitating the proposed demerger and proposed amalgamation and should not be used for any other purpose.

For, Kunvarji Finstock Private Limited

Mr. Atul Chokshi
Director (DIN: 00929553)

Place: Ahmedabad




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FAIRNESS OPINION

**IN THE MATTER OF SCHEME OF ARRANGEMENT IN THE NATURE OF
PROPOSED DEMERGER OF DAIRY BUSINESS OF
'DAIRY BUSINESS' OF UMANG DAIRIES LIMITED INTO PANCHMAHAL
PROPERTIES LIMITED**

AND

**PROPOSED AMALGAMATION OF UMANG DAIRIES LIMITED (POST
PROPOSED DEMERGER OF DAIRY BUSINESS) WITH BENGAL & ASSAM
COMPANY LIMITED**

STRICTLY PRIVATE AND CONFIDENTIAL

Prepared By:

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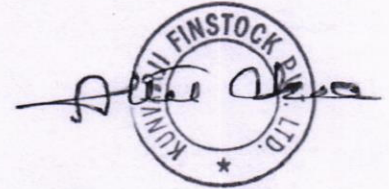
Kunvarji Finstock Private Limited

SEBI Registered Category I Merchant Banker

(Registration Number – INM000012564)

Kunvarji, B-Wing, Siddhivinayak Towers,
Nr. D.A.V. School, Off. S. G. Road, Makarba,

Ahmedabad-380051



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1. BACKGROUND OF THE COMPANIES

UMANG DAIRIES LIMITED

Umang Dairies Limited ('UDL' or 'Demerged Company' or 'Amalgamating Company') was incorporated on December 02, 1992 and is engaged in the dairy business, wherein it processes and sells milk and milk products. It offers milk powder, butter, ghee, fresh cream and other value added products. UDL also undertakes trading activity. The equity shares of UDL are listed and traded on BSE and National Stock Exchange (NSE).

Dairy Business of UDL ('Demerged Undertaking') comprises of the dairy business, wherein it processes and sells milk and milk products. The product portfolio of Dairy Business of UDL comprises of milk powder, butter, ghee, fresh cream, etc. Majority of revenue is derived from sale of milk powder to retail customers through its network of distributors and retailers predominantly sold in the north and north-eastern region of India. It also supplies its products to HORECA, hospitals, airlines, large corporates, etc. The Demerged Undertaking also provides private labelling services.

The manufacturing facility of Dairy Business of UDL is located in Gajraula, Uttar Pradesh. It has processing capacity of 4.5 lakh litres of milk.

The equity shareholding pattern of UDL as at March 31, 2023 is set out below:

Category of Shareholder	Number of shares (FV - INR 5 each)	% shareholding
Promoter and Promoter Group	1,64,16,234	74.6%
Public	55,86,966	25.4%
Total	2,20,03,200	100.0%

Note: We understand that upon Part C of the Scheme being effective, the equity shares of UDL held by BACL shall stand cancelled and no equity shares shall be issued to that extent.



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BENGAL AND ASSAM COMPANY LIMITED

Bengal & Assam Company Limited ('BACL' or 'Amalgamated Company' or 'Resulting Company 2') was incorporated on 30 January 1947 and is a Core Investment Company-Non-Deposit Taking-Systemically Important (CIC-ND-SI) company registered with the Reserve Bank of India (RBI). It holds investment in various subsidiaries, associates, other group companies, equity shares, mutual funds, etc. Key investments of BACL include investment in listed group companies viz., JK Tyre & Industries Limited, JK Paper Limited, Umang Dairies Limited, JK Agri Genetics Limited and JK Lakshmi Cement Limited and unlisted company, J K Fenner India Limited. The equity shares of BACL are listed and traded on BSE.

The equity shareholding pattern of BACL as at March 31, 2023 is set out below:

Category of Shareholder	Number of shares (FV - INR 10 each)	% shareholding
Promoter and Promoter Group	82,07,462	72.7%
Public	30,88,866	27.3%
Total	1,12,96,328	100.0%

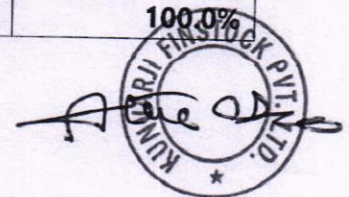
PANCHMAHAL PROPERTIES LIMITED

Panchmahal Properties Limited ('PPL' or 'Resulting Company 1') is a public limited company incorporated on 23 May 1995. PPL is a wholly owned subsidiary of BACL.

The equity shareholding pattern of PPL as at March 31, 2023 is set out below:

Category of Shareholder	Number of shares (FV - INR 10 each)	% shareholding
Bengal & Assam Company Limited*	3,51,230	100.0%
Total	3,51,230	100.0%

*60 shares are being held by other shareholders jointly with BACL.

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2. TRANSACTION OVERVIEW, RATIONALE OF THE SCHEME AND SCOPE OF SERVICES**Transaction Overview**

We understand that the Management of the Transacting Companies are contemplating a composite scheme of arrangement, wherein they intend to demerge the 'Dairy Business' of UDL into PPL and post proposed demerger in Step 1, amalgamate UDL into BACL (hereinafter referred to as 'proposed amalgamation') in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and in a manner provided in the draft composite scheme of arrangement (hereinafter referred to as 'the Scheme').

As a consideration for the proposed demerger under Part B of the Scheme, equity shares of BACL would be issued to equity shareholders of the Demerged Company and for the proposed amalgamation under Part C of the Scheme, equity shareholders of amalgamated company would be issued to equity shareholders of Amalgamating Company.

The equity shares to be issued for the aforesaid proposed transaction will be based on the share entitlement ratio and share exchange ratio as determined by the Board of Directors based on the report prepared by the Independent Valuer appointed by them.

Further, as a part of the Scheme, the entire shareholding of Amalgamated Company in Amalgamating Company shall stand cancelled.

Rationale of the Scheme

The rationale of the proposed demerger as mentioned in the scheme and confirmed by the Management is to facilitate growth of Dairy Business of UDL through concentrated approach and increased operational focus. The proposed demerger will enable the structure for attracting strategic partners / investors for the Dairy business and optimum utilization of resources and achieve greater degree of operational efficiency.

Further, the proposed amalgamation would result in simplified and streamlined holding structure and help in optimizing the resources and thereby reducing the compliances.

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Scope of Services

Pursuant to the requirements of SEBI Operational Circular SEBI/HO/DDHS/DDHS DIVI/P/CIR/2022/0000000103 dated 29 July 2022, updated as on December 01, 2022 and SEBI Master Circular SEBI/HO/CFD/DILI/CIR/P/2021/0000000665 dated November 23, 2021, as amended from time to time, we have been requested by the Management to issue a fairness opinion in relation to the share entitlement ratio for the proposed demerger and share exchange ratio for the proposed amalgamation.

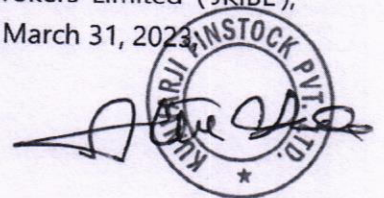
In this regard, the Management has appointed Kunvarji Finstock Private Limited ("Kunvarji" or "We" or "us"), SEBI Registered (Category I) Merchant Banker to provide a fairness opinion on the share entitlement ratio for the proposed demerger and share exchange ratio for the proposed amalgamation recommended by the Independent Valuer vide report dated June 28, 2023.

Our scope of work only includes forming an opinion on the fairness of the recommendation of the Independent Valuer on the share entitlement ratio and share exchange ratio arrived at for the purpose of the Scheme and does not involve evaluating or opining on the fairness or economic rationale of the Scheme per se. This report is subject to the scope, assumptions, 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.

3. SOURCES OF INFORMATION

We have relied on the following information made available to us by the Management of the Transacting Companies/ obtained from the public domain for the purpose of this report:

- Audited financial statements of BACL and UDL for the financial year ended March 31, 2023;
- Management certified financial statement of UDL split between Dairy Business and remaining business for the financial year ended March 31, 2023;
- Audited financial statements of JK Fenner Limited ('JKF'), LVP Foods Private Limited ('LFPL'), Divyashree Company Private Limited ('DCPL'), PPL, JK Insurance Brokers Limited ('JKIBL'), CliniRx Research Private Limited ('CRPL') for the financial year ended March 31, 2023;
- Shareholding pattern of BACL, PPL and UDL as at March 31, 2023;



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- Terms of preference shares issued by Hari Shankar Singhania Holdings Private Limited ('HSSHPL') and Terrestrial Foods Limited ('TFL') including dividend rate, redemption terms, tenure, etc.;
- Financial projections of Dairy Business of UDL and JKF from April 01, 2023 to March 31, 2027;
- Valuation report dated 24 June 2023 issued by Er. Ratan Dev Garg, IBBI Registered Valuer, Land and Building with respect to fair value of immovable property held as investment properties by BACL and DCPL;
- Valuation report dated April 13, 2023 issued by Er. Ram Doss Nagalingam, IBBI Registered Valuer, Land and Building with respect to fair value of immovable property held as investment properties by JKF;
- Valuation report dated 26 June 2023 issued by Devang Shah, IBBI Registered Valuer, Plant and Machinery with respect to fair value of fixed assets held by UDL (post proposed demerger);
- Draft composite scheme of arrangement between the Transacting Companies pursuant to which proposed transaction is to be undertaken;
- Information provided by leading database sources and other publicly available information.
- We have also relied on various representations, information and explanations given by the Management.

The Management has been provided with the opportunity to review the draft fairness opinion report (excluding our fairness opinion on the share entitlement and share exchange ratio) as part of our standard practice to make sure that factual inaccuracy/ omissions are avoided.

4. PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the opinion:

- Requested and received financial and qualitative information.
- Obtained data available in public domain.



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- Discussions with the Management to understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance of the Companies.
- Undertook Industry Analysis: Research publicly available market data including economic factors and industry trends that may impact the opinion;
- Analysis of information shared by Management;
- Reviewed the draft composite scheme of arrangement between the Transacting Companies pursuant to which the proposed transaction is to be undertaken;
- Reviewed signed share entitlement ratio / share exchange ratio report issued and prepared by Niranjana Kumar, Registered Valuer- Securities or Financial Assets dated June 28, 2023;
- Discussion with Independent Valuer on such matters which we believed were necessary or appropriate for the purpose of issuing this opinion.

5. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

The fairness opinion contained herein is not intended to represent a fairness opinion at any time other than the report date. We have no obligation to update this report.

This Report, its contents and the results herein are specific to (i) the purpose of fairness opinion agreed as per the terms of our engagement; (ii) the Report Date; (iii) draft composite scheme of arrangement and (iv) other data detailed in the Section – 3. Sources of Information.

A fairness opinion 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 fairness opinion rendered in this Report only represents our opinion based upon information furnished by the Transacting Companies and gathered from the public domain (and analysis thereon) and the said opinion shall be considered to be in the nature of non-binding advice. Our fairness opinion should not be used for advising anybody to take a buy or sell decision, for which specific opinion needs to be taken from expert advisors.

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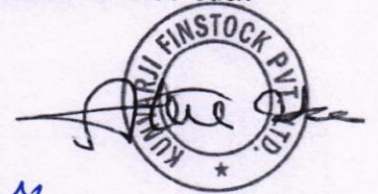


We have not independently audited or otherwise verified the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Management, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Transacting Companies and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the information given by/on behalf of the Transacting Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our fairness opinion.

It is understood that this opinion is solely for the benefit of confidential use by the Board of Directors of the Demerged Company for the purpose of facilitating companies to comply with SEBI Operational Circular SEBI/HO/DDHS/DDHS DIVI/P/CIR/2022/0000000103 dated 29 July 2022, updated as on December 01, 2022 and SEBI Master Circular SEBI/HO/CFD/DILI/CIR/P/2021/0000000665 dated November 23, 2021, as amended from time; disclosures to be made to relevant regulatory authorities including stock exchanges, SEBI, National Company Law Tribunal or as required under applicable law and it shall not be valid for any other purpose. This opinion is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

The Report assumes that the Transacting Companies comply fully with relevant laws and regulations applicable in all its areas of operations, and that the Companies will be managed in a competent and responsible manner. Further, 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 represented to us by the Management. Our fairness opinion assumes that the assets and liabilities of the companies, reflected in their respective balance sheet remain intact as of the Report date.

The Report 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.



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