

Registered Office
A-102, Sea Lord CHS, Above Axis Bank
Ram Nagar, Borivali (W),
Mumbai – 400092

SHRENI
SHARES PVT. LTD.

March 16, 2022

To
The Board of Directors
Jindal Saw Limited
A-1, Upside Industrial Area,
Nandgaon Road Kosi Kalan, Mathura
UP 281403 IN

Subject: Merchant Banker's Fairness Opinion for Share Exchange Ratio pursuant to the proposed Composite Scheme of Amalgamation between Jindal Quality Tubular Limited, Jindal Tubular (India) Limited and Jindal Fittings Limited with Jindal Saw Limited.

We refer to our discussions wherein the management of Jindal Saw Limited (“the Transferee Company”) requested Shreni Shares Private Limited (“We”, “Our” or “Us”) in our capacity as a Merchant Banker to give a fairness opinion on the Share Exchange Ratio Report issued by Sundae Capital Advisors Private Limited for the proposed Composite Scheme of amalgamation between Jindal Quality Tubular Limited (Transferor Company 1), Jindal Tubular (India) Limited (Transferor Company 2) and Jindal Fittings Limited (Transferor Company 3) with Jindal Saw Limited (Transferee Company) under the proposed Composite scheme of Amalgamation (“the scheme”)

Trust the above meets your requirements.

Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully,

For Shreni Shares Private Limited



Hardik Makwana
Senior Associate

(SEBI Registration No: INM000012759)

Shreni Shares Pvt.Ltd. (SEBI Registered Category - I Merchant Banker)
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1. BACKGROUND OF THE COMPANIES

1.1. Jindal Quality Tubular Limited:

Jindal Quality Tubular Limited (Transferor Company 1) is an unlisted public limited company incorporated under the Companies Act, 2013 and has its registered office at A-1, UPSIDC Industrial Area, Nand Gaon, Kosi Kalan, Mathura -281403, Uttar Pradesh, India.

It was incorporated on September 15, 2015. The corporate Identification number is U28910UP2015PLC073321.

The Transferor Company 1 is engaged in the business of manufacturing and supplier of Stainless- Steel pipes and tubes which have application in Oil & Gas industry, Pharma industry, Power and Nuclear industry, Chemical & Fertilizer industry, Automobiles and Food & Beverages industry. The Transferor Company 1 is a subsidiary of the Transferee Company.

The Share Capital and Holding Structure of the Company is as follows:

Particulars	Amount (INR)
Authorised Share Capital	
1,00,00,000 Equity Shares of Rupees 10/- each	10,00,00,000
35,00,000 Preference Shares of Rupees 100/- each	35,00,00,000
Total	45,00,00,000
Issued, Subscribed and Paid-Up Share Capital	
95,67,613 Equity Shares of Rupees 10/- each	9,56,76,130
31,50,000 10% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each	31,50,00,000
Total	41,06,76,130

1.2. Jindal Tubular (India) Limited:

Jindal Tubular (India) Limited (Transferor Company 2) is an unlisted public limited company incorporated under the Companies Act, 2013 and has its registered office at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Mathura - 281403, Uttar Pradesh, India.

It was incorporated on February 05, 2015. The corporate Identification number is U28910UP2015PLC068768.

The Transferor Company 2 is engaged in operating a pipe manufacturing and coating facility and is a wholly owned subsidiary of the Transferee Company.

The Share Capital and Holding Structure of the Company is as follows:

Particulars	Amount (INR)
Authorised Share Capital	8,00,00,000
80,00,000 Equity Shares of Rupees 10/- each	8,00,00,000
Total	
Issued, Subscribed and Paid-Up Share Capital	
70,50,000 Equity Shares of Rupees 10/- each	7,05,00,000
Total	7,05,00,000

1.3. Jindal Fittings Limited:

Jindal Fittings Limited (Transferor Company 3) is an unlisted public limited company incorporated under the Companies Act, 1956. The Transferor Company 3 was incorporated with RoC, Delhi and Haryana. However, registered office Transferor Company 3 was shifted from National Territory of Delhi to State of Uttar Pradesh and presently, has its registered office at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Mathura - 281403, Uttar Pradesh, India.

It was incorporated on May 12, 2011. The corporate Identification number is U27100UP2011PLC155473.

The Transferor Company 3 is engaged in the business of manufacturing and supplying of Ductile Iron Fittings and is an associate company of the Transferee Company.

The Share Capital and Holding Structure of the Company is as follows:



Particulars	Amount (INR)
Authorised Share Capital	
4,00,00,000 Equity Shares of Rupees 10/- each	40,00,00,000
75,00,000 Preference Shares of Rupees 100/- each	75,00,00,000
Total	115,00,00,000
Issued, Subscribed and Paid-Up Share Capital	
3,88,80,007 Equity Shares of Rupees 10/- each	38,88,00,070
72,00,000 10% Non-Cumulative Redeemable Preference shares of Rs. 100/- each	72,00,00,000
Total	1,10,88,00,070

1.4 Jindal Saw Limited:

Jindal Saw Limited (Transferee Company) is a public listed company incorporated under the Companies Act, 1956 and has its registered office at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Mathura – 281403, Uttar Pradesh, India.

It was incorporated on October 31, 1984 with the Registrar of Companies, Kanpur, Uttar Pradesh. The corporate Identification number is L27104UP1984PLC023979.

Transferee Company is primarily engaged in the business of manufacturing various types of pipes including large diameter Submerged Arc Welded (SAW) pipes, Ductile Iron pipes, stainless steel, seamless pipes, pellets and mining among others

The equity shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited

The Share Capital and Holding Structure of the Company is as follows:



Particulars	Amount (INR)
Authorised Share Capital	
1,77,50,00,000 Equity Shares of Rupees 2/- each	3,55,00,00,000
1,00,00,00,000 Preference Shares of Rupees 100/- each	1,00,00,00,000
Total	4,55,00,00,000
Issued and Subscribed Capital	
31,97,61,367 Equity Shares of Rupees 2/- each	63,95,22,734
Paid Up Capital	
31,97,57,367 Equity Shares of Rupees 2/- each	63,95,14,734
Add: Forfeited 4000 of Rs 2 each (partly paid of Rs. 1 each)	4,000
Total	63,95,18,734

**Transferee Company holds investments in the Transferor Companies as mentioned below:*

- 1. 64,10,301 equity shares of Rs. 10/- each (constituting 67% of total equity shares capital) and 31,50,000 preference shares of Rs. 100/- each (constituting 100% of total Preference share capital) in Transferor Company 1;*
- 2. 70,50,000 equity shares of Rs. 10/- (constituting 100% of total equity shares capital) in Transferor Company 2; and*
- 3. 178,64,804 equity shares of Rs. 10/- (constituting 45.95% of total equity shares) and 72,00,000 preference shares of Rs. 100/- each (constituting 100% of total preference shares capital) in Transferor Company 3.*

1.5 The scheme provides for amalgamation between Jindal Quality Tubular Limited (Transferor Company 1), Jindal Tubular (India) Limited (Transferor Company 2) and Jindal Fittings Limited (Transferor Company 3) with Jindal Saw Limited (Transferee Company).

1.6 The fairness opinion requested from us is to be provided in our capacity as Category I Merchant Banker (Registration No: INM000012759) and is required to be submitted to BSE Limited to facilitate the Company's compliance with regulation 11, regulation 37 & regulation 94 of the Securities Exchange Board of

India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23rd November 2021.

2 SOURCE OF INFORMATION

2.4 For the said examination and for arriving at the Fairness Opinion set forth below, we have considered the following documents representations and explanations provided to us by the management of the Company.

- a. Audited financial statement of Jindal Quality Tubular Limited, Jindal Tubular (India) Limited, Jindal Fittings Limited and Jindal Saw Limited for the year ended 31st March 2021.
- b. Audited financial statement of Jindal Quality Tubular Limited, Jindal Tubular (India) Limited and Jindal Fittings Limited for the period ended 30th September 2021.
- c. Provisional financial statement of Jindal Quality Tubular Limited, Jindal Tubular (India) Limited and Jindal Fittings Limited for the period ended 31st December 2021.
- d. Limited reviewed financial results of Jindal Saw Limited for the period ended 31st December 2021.
- e. Draft copy of the Composite Scheme of Amalgamation between Jindal Quality Tubular Limited, Jindal Tubular (India) Limited and Jindal Fittings Limited with Jindal Saw Limited.
- f. Fair Share Exchange Ratio Report of Sundae Capital Advisors Private Limited, Registered Valuer, dated 16th March 2022.
- g. Such other information and explanations as we have required and which have been provided by the Management.



3 KEY FEATURES OF THE SCHEME

As mentioned in the proposed Composite Scheme of Amalgamation shared with us, the rationale of the scheme will be beneficial to the companies as under:

The Transferee Company is engaged in the business of SAW Pipes (Submerged Arc Welded Pipes) and spiral pipes for the energy transportation sector; carbon, alloy and seamless pipes and tubes for industrial applications; and Pellets, Mining & Ductile Iron (DI) pipes & Fittings for water and wastewater transportation.

The Transferor Company 1 is engaged in the business of manufacturing and supplier of Stainless- Steel pipes and tubes which have application in Oil & Gas industry, Pharma industry, Power and Nuclear industry, Chemical & Fertilizer industry, Automobiles and Food & Beverages industry. The Transferor Company 1 is a subsidiary of the Transferee Company

The Transferor Company 2 is engaged in operating a pipe manufacturing and coating facility and is a wholly owned subsidiary of the Transferee Company.

The Transferor Company 3 is engaged in the business of manufacturing and supplying of Ductile Iron Fittings and is an associated company of the Transferee Company.

The Transferee Company has also been actively involved in the business and operations of the Transferor Company 1 and 3 by virtue of an Operations, Maintenance and Management Agreement (OMM Agreement) entered with them. Under the OMM Agreement, the manufacturing facilities and the employees of these entities are wholly managed by the Transferee Company

As stated above, the Transferee Company and the Transferor Companies are engaged in similar and allied business and there exists business and operational synergies in the amalgamation of the Transferor Companies with the Transferee Company. Thus, the Transferor Companies are desirous of consolidating their business under the Transferee Company which would enable the business to scale up and pursue growth



opportunities in a more focused manner under the guidance and beacon of the same management.

The business of the Transferor Companies would also get access to the competitive advantage and the combined entity would be better equipped to realize the benefit of greater synergy between their businesses related to aspects like availability of raw material, distribution and marketing network, pooling of financial resources as well as managerial, technical and marketing resources

Needless to mention, greater efficiency in cash & debt management and unfettered access to cash flow generation from combined business will maximize value to shareholders and other stakeholders.

The Scheme will also result in:

- 3.1 Consolidation of the Transferor Companies with the Transferee Company would result in simplification of the holding structure;
- 3.2 Reduction in management overlaps and elimination of legal and regulatory compliances and associated costs due to operation of multiple entities;
- 3.3 Optimization of the allocated capital and availability of funds which can be deployed more efficiently to pursue the operational growth opportunities;
- 3.4 Consolidation of businesses under the Transferee Company, which would result in synergies, pooling of financial, managerial, technical and human resources, thereby creating stronger base for future growth and value accretion for the stakeholders;
- 3.5 Elimination of the need for the inter-company transactions between the Transferor Companies and Transferee Company;
- 3.6 Sharing of best practices & cross functional learnings
- 3.7 Creation of value for the stakeholders including the respective shareholders, customers, lenders and employees

The proposed scheme is expected to be beneficial to Transferor Companies and Transferee Company and their respective stakeholders and will enable them to achieve and fulfill their objectives more efficiently and economically.



4 VALUER'S RECOMMENDATION

4.1 The equity share exchange ratio has been arrived at on the basis of relative valuation of the equity shares of Jindal Quality Tubular Limited, Jindal Tubular (India) Limited, Jindal Fittings Limited and Jindal Saw Limited based on methodology, as explained in the Share Exchange Ratio Report dated March 16, 2022 issued by Sundae Capital Advisors Private Limited, Registered Valuer, and various qualitative factors, and the business dynamics as well as growth potential of the businesses, and also having regard to information base, management representations and perceptions, key underlying assumptions, and limitations.

4.2 Accordingly, on the basis of all the relevant factors and circumstances as discussed and outlined in the Fair Share Exchange Ratio Report, dated March 16, 2022, issued by Sundae Capital Advisors Private Limited Registered Valuer, it has been recommended that the equity share exchange ratio for the amalgamation of the companies under the proposed Scheme shall be as follows:

4.3 For Jindal Quality Tubular Limited:

“For every 10,000 (Ten Thousand) equity shares of face value of Rs. 10/- (Rupees Ten only) each held in the ‘Transferor Company 1’ shall be issued 4,055 (Four Thousand Fifty-Five) 8% non-cumulative redeemable preference shares of face value of Rs. 100/- (Rupees One Hundred only) each as fully paid-up in the Transferee Company.

The Transferee Company, as on the date of the Fair Exchange Ratio Report, holds 64,10,301 equity shares of Rs. 10/- each (constituting 67% of total equity shares capital) and 31,50,000 preference shares of Rs. 100/- each (constituting 100% of total Preference share capital) in Transferor Company 1. Upon the effective date, pursuant to amalgamation of the Transferor Company with the Transferee Company, 64,10,301 equity shares of Rs. 10/- each and 31,50,000 preference shares of Rs. 100/- each of Transferor Company 1 held by the Transferee Company will be cancelled.



4.4 For Jindal Tubular (India) Limited:

The Transferor Company 2 is a wholly owned subsidiary of the Transferee Company and consequently no shares, preference or equity, will be issued by the Transferee Company upon its amalgamation.

4.5 For Jindal Fittings Limited:

“For every 10,000 (Ten Thousand) equity shares of face value of Rs. 10/- (Rupees Ten only) each held in the ‘Transferor Company 3’ shall be issued 1,018 (One Thousand Eighteen) 8% non-cumulative redeemable preference shares of face value Rs. 100/- (Rupees One Hundred) each as fully paid-up in the Transferee Company”.

The Transferee Company, as on the date of the Fair Exchange Ratio Report, holds 178,64,804 equity shares of Rs. 10/- (constituting 45.95% of total equity shares) and 72,00,000 preference shares of Rs. 100/- each (constituting 100% of total preference shares capital) in Transferor Company 3. Upon the effective date, pursuant to amalgamation of the Transferor Company with the Transferee Company, 178,64,804 equity shares of Rs. 10/- and 72,00,000 preference shares of Rs. 100/- each of Transferor Company 3 held by the Transferee Company will be cancelled.

5 FAIRNESS OPINION

On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the Scheme and Share Exchange Ratio is fair and reasonable.



6 LIMITATIONS

- 6.1 Our fairness opinion is based on the information furnished to us being complete and accurate in all material aspects. We have relied upon the information, explanation and representations provided to us by the management of the company without carrying out any audit or other tests to verify their accuracy with limited independent appraisal.
- 6.2 The procedures performed were limited in nature and as such this report may not necessarily disclose all significant matters or reveal errors or irregularities, if any in the underlying information. Furthermore such procedures do not constitute an audit, examination or review in accordance with generally accepted auditing standards and therefore we do not express an opinion or any other form of assurance on the information presented in our report. We also do not make any representation regarding the sufficiency of procedures performed.
- 6.3 We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the company and our work does not constitute any verification of any financial information of the company. Accordingly, we do not express any opinion on the fairness or accuracy of any financial information referred to in this opinion.
- 6.4 Our fairness opinion is not intended to and does not constitute any recommendation to any shareholder of the company as to how such shareholder should vote or act in connection with the scheme or any matter related therein.
- 6.5 Our fairness opinion is not, nor should it be construed as our opinion on/ or certification of compliance of the scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or losses arising therein.
- 6.6 We do not assume any responsibility for updating or revising our fairness opinion based on circumstances or events occurring after the date thereof.



6.7 We do not express any opinion on the fair value of the equity shares of the company, and/ or the price at which the equity shares of the company may trade at any time, including subsequent to the date of this fairness opinion.

6.8 This fairness opinion has been issued for the sole purpose to facilitate the company's compliance with regulation 11, regulation 37 & regulation 94 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23rd November 2021.

6.9 The Conclusions reached by us are dependent upon the above Information being complete and accurate in all material respect. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us.

6.10 We assume no responsibility for the legal description or matters including legal or title considerations. Title to the subject assets, properties, or business interests is assumed to be good and marketable unless otherwise stated.

6.11 This opinion has been issued for use by the company only and does not owe any responsibility to any third party.

For Shreni Shares Private Limited



Hardik Makwana

Senior Associate