

**SUDARSHAN CHEMICAL INDUSTRIES
LIMITED**

VALUATION REPORT

VALUATION DATE: 5TH DECEMBER 2024

Table of Contents

1. Context and Purpose.....	4
2. Condition and Major Assumptions	4
3. Background of the Company	6
4. Terms of issue of Equity Shares	6
5. Valuation Date	7
6. Valuation Standards.....	7
7. Basis of Valuation.....	7
8. Valuation Methodology and Approach.....	9
9. Valuation Conclusion	12
10. Sources of Information	15
11. Caveats.....	15
12. Distribution of Report	16
13. Opinion of the Value of the Business.....	17
14. Annexure 1: Market Price Method	18
15. Annexure 2: 90 Day 10 Day Weightage Average Price	19

Glossary of terms:

BPS – Basis Points

CAGR – Compounded Average Growth Rate

Capex – Capital Expenditure

CAPM – Capital Asset Pricing Model

DCF – Discount Cash Flow model

EBITDA – Earnings before Interest, Taxes, Depreciation and Amortization

EV – Enterprise Value

FCFF – Free Cash Flows to Firms

FY – Financial year 1st April 20XX – 31st March 20XX

INR – Indian Rupee

PBT – Profit before tax

PAT – Profit after tax

PE Ratio – Price to Earnings Ratio

Projection period – 5th December 2024 – 31st March 2030

WACC – Weighted Average Cost of Capital

VALUATION ANALYSIS

We refer to our Engagement Letter dated 9th December 2024 confirming our appointment as independent valuers of Sudarshan Chemical Industries Limited, CIN: L24119PN1951PLC008409 (the "Company"). In the following paragraphs, we have summarized our Valuation Analysis (the 'Analysis') of the business of the Company as informed by the management and detailed herein, together with the description of the methodologies used and limitations on our scope of work.

1. CONTEXT AND PURPOSE

Based on discussion with the management, we understand that the company is in the process of undertaking preferential issue of equity shares and in this context, the Management requires our assistance in determining the fair market value of equity shares of the company for complying with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI (ICDR) Regulations, 2018").

2. CONDITION AND MAJOR ASSUMPTIONS

Conditions

The financial information about the company present in this report is included solely for the purpose to arrive at value conclusion presented in this report, and it should not be used by anyone to obtain credit or for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country. We have not audited, reviewed, or compiled the Financial Statement and express no assurance on them. The financial information about the company presented in this report includes normalization adjustment made solely for the purpose to arrive at value presented in this report. Normalization adjustments as reported are hypothetical in nature and are not intended to present restated historical financial results of forecasts of the future.

Readers of this report should be aware that a business valuation is based on future earnings potential that may or may not be materialized. Any financial projections e.g. projected balance sheet, projected profit and loss account, projected cash flow statement as presented in this report are included solely to assist in the development of value conclusion. The actual



results may vary from the projection given, and the variations may be material, which may change the overall value.

It should be understood that the values at which investments are made/ price paid in a transaction may differ from the values computed in this report due to factors such as the objectives of the parties, negotiation skills of the parties, the structure of the transaction (i.e. financial structure, transition of control, etc.) or other factors unique to the transaction.

This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information of data contained in this report without the advice of their lawyer, attorney or accountant.

We acknowledge that we have no present or contemplated financial interest in the company. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

We have, however, used conceptually sound generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not to be required to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, prior arrangements have made with the analyst regarding such additional engagement.

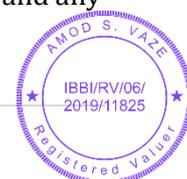
Assumptions

The opinion of value given in this report is based on information provided in part by the management of the company and other sources as listed in the report. This information is assumed to be accurate and complete.

The management has shared the audited financial statements for the FY 2021-22, 2022-23 and 2023-24 as well as tentative financials of the company from 1st April 2024 till the Valuation date. The management of the Company has also shared the business plan along with the revenue and cost projections for next five years. The revenue plan and the logic behind the projections has been explained to us by the management of the Company. We believe that the Company has taken sufficient data points to project its revenue and costs for next five years.

The Company has entered into definitive agreements for acquisition of Global Pigment Business of Heubach Group on 11th October 2024. The closing of this Agreement is subject to regulatory approvals and hence the projected financials of the Global Pigment Business of Heubach Group have not been considered while preparing this Valuation Report.

We have relied upon the representations contained in the public and other documents in our possession concerning the value and useful condition of all investment in securities, and any other assets or liabilities except as specifically stated to the contrary in this report.



We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.

This report presumes that the management of the company will maintain the character and integrity of the company through any sale, reorganization or reduction of any owner's/manager's participation in the existing activities of the company.

We have been informed by the management that there are no environmental or toxic contamination problems, any significant lawsuits, or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly mentioned in this report.

3. BACKGROUND OF THE COMPANY

The Company is engaged in manufacture and sale of high-end pigments with a diverse range of products ranging from organic, inorganic and effect pigments to performance colorants, pearlescent pigments and speciality chemicals. The company is incorporated in India under Companies Act 1913 with CIN: L24119PN1951PLC008409.

The equity shares of the Company are listed on BSE Limited (BSE: 506655) and National Stock Exchange of India Limited (NSE: SUDARSCHEM). The unsecured non-convertible debentures of the Company are listed on BSE Limited (BSE: 974058). The Company's shares are frequently traded in accordance with Regulation 164(5) of the SEBI (ICDR) Regulation, 2018.

The Company's registered office is located at 7th Floor, Eleven West Panchshil, Survey no 25, Near PAN Card Club road, Baner, Pune. Maharashtra, India – 411 069.

4. TERMS OF ISSUES OF EQUITY SHARES

The Company shall issue and allot in aggregate, up to 18,69,020 (Eighteen Lakhs Sixty-Nine Thousand and Twenty) fully paid up equity shares of the Company of face value of Rs. 2/- each ("Equity Shares") at a price of Rs. 1,043.33 (Rupees One Thousand Forty-Three and Thirty-Three Paise only) each including premium of Rs. 1,041.33 (Rupees One Thousand Forty-One and Thirty-Three Paise only) per equity share, payable in cash.

Terms and conditions of the issue:

1. The allotment of Equity Shares shall only be made in dematerialized form;
2. Each of the proposed allottees shall be required to bring in 100% of the consideration for the relevant equity shares on or before the date of allotment hereof;
3. The equity shares so offered and issued to the proposed allottees, are being issued for a cash consideration. The consideration for allotment of the relevant equity shares shall be paid to the Company from the respective bank accounts of the proposed allottees;



4. The equity shares so offered, issued and allotted shall not exceed the number of equity shares as approved hereinabove;
5. The equity shares to be issued and allotted shall be fully paid up and shall rank pari passu with the existing equity shares of the Company in all respects from the date of allotment thereof and shall be subject to the Memorandum of Association and Articles of Association of the Company;
6. The equity shares to be issued and allotted shall be subject to lock-in for such period as specified in the provisions of Chapter V of the SEBI ICDR Regulations;
7. The equity shares shall be issued and allotted by the Company to the proposed allottees within a period of 15 (fifteen) days from the date of this special resolution approving the preferential allotment or such other extended period as may be permitted in accordance with the SEBI ICDR Regulations. Where the allotment of the Equity Shares is pending on account of pendency of any approval for the Preferential Allotment / for such allotment by any regulatory / statutory authority (including but not limited to the in-principle approval of the stock exchanges for the issuance of the equity shares to proposed allottees on a preferential basis), the allotment shall be completed within a period of 15 (fifteen) days from the date of such approval;
8. The equity shares so offered, issued and allotted will be listed on the BSE and NSE, subject to the receipt of necessary regulatory permissions and approvals as the case may be.
9. Without prejudice to the generality of the above, the preferential allotment of the equity shares shall be subject to the terms and conditions as contained in the Explanatory Statement under Section 102 of the Act and Chapter V of the SEBI ICDR Regulations annexed hereto, which shall be deemed to form part hereof.

5. VALUATION DATE

The Analysis of the Fair value of the equity of the company has been carried out as on **5th December 2024**.

6. VALUATION STANDARDS

The Report has been prepared in compliance with the International Valuation Standards issued by International Valuation Standards Council (IVSC) and Indian Valuation Standards issued by the Institute of Chartered Accountants of India (ICAI).

7. BASIS OF VALUATION

The guidance for the pricing of the equity shares of a company for the purpose of preferential allotment is provided under the SEBI (ICDR) Regulations, 2018, as follows:



164. (1) *If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:*

- a. *the 90 trading days' volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or*
- b. *the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.*

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

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

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

Clause 12 – 'Further Issue of Shares' in the Articles of Association of the Company states –

Where at any time it is proposed to increase the subscribed capital of the Company by allotment of further shares, either out of unissued capital or out of increased share capital, then such further shares shall be offered:

- i. *....(Not applicable)....*
- ii. *....(Not applicable)....*
- iii. *To any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (i) or clause (ii), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of the registered valuer, subject to such conditions as may be prescribed.*

In light of above SEBI (ICDR) Regulations 2018, the floor price shall be not less than higher of the following –

1. the 90 trading days' volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or
2. the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.
3. Fair value determined by a Registered Valuer.



8. VALUATION METHODOLOGY AND APPROACH

The standard of value used in the Analysis is “**Fair Value**”, which is often defined as the price in terms of cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for sale in the open market for a reasonable period of time, with both buyer and seller being in possession of the pertinent fact and neither being under any compulsion to act.

Valuation of a business is not an exact science and ultimately depends upon what is worth to a serious investor or buyer who may be prepared to pay substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- Whether the entity is listed on a stock exchange
- Industry to which the company belongs
- Past track of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated
- Extent to which industry and comparable company information is available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the value. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorized as follows:

A. Asset Approach

Net asset value Method ('NAV')

The value arrived at under this approach is based on the audited financial statement of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted for any contingent liabilities that are likely to materialize.

The Net Asset value is generally used as the minimum break value for the transaction, since this methodology ignores the future returns the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth as going concern.

The company plans to continue its business in the future and the current NAV would not be reflective of its growth potential going forward. However, the Company owns substantial land and building and plant & machinery on its books and hence we have allocated only 10% weightage to this valuation method.

Fair value of the equity shares of the Company using the above method comes to Rs 1,223.24 crores as on the valuation date.



B. Market Approach:

Market Price Method

Under this method the trade price from active market is to be considered for valuation. As per ICAI Valuation standard – 103, the market where the trading volume of the Company's shares is the highest when such shares are traded in more than one active market is to be considered for valuation.

A valuer shall use average price of the asset over a reasonable period. The valuer should consider using weighted average or volume weighted average to reduce the impact of volatility or any one-time event in the asset.

The equity shares of the Company are listed on BSE as well as NSE. We have considered period of 10 days prior to the valuation date for determining the volume weighted average market price. Since the number of shares traded on NSE during the 10 day period is more than the number of shares traded on BSE, we have considered the 10 day volume weighted average market price on NSE as the fair value (Refer Annexure 1).

As the Company's equity shares are listed in the market and are frequently traded, thereby ensuring availability of observable traded price amongst willing buyers and willing seller in the principal market (in this case NSE), we have used this method of valuation and allocated 70% weightage to it.

Comparable Company Market Multiple Method

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The multiples approach is a valuation theory based on the idea that similar assets sell at similar prices. The difficulty here is in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, profitable and accounting practices.

Whereas no publicly traded company provides an identical match to the operations of a given company, important information can be drawn from the way comparable enterprises are valued by public markets.

We have not used this methodology in the Analysis as we understand that there are no comparable listed companies in the sector and of the size to which the company belongs. The Management of the Company has identified the following companies as comparable, however due to size issue we have not used them for valuation analysis.

1. Heubach Colorants India Limited
2. Meghmani Organics Limited
3. Pidilite Industries Limited



C. Income Approach:

Maintainable profit Method (Discounted Cash Flows – “DCF”)

DCF uses the future free cash flows of the company discounted by the firm’s weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

Beta is an adjustment that uses historical stock market data to measure the sensitivity of the company’s cash flow to market indices, for example, through business cycles.

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of accompany to generate cash flows in the future. The free cash flows are projected for a certain number of years and then discount at a discount rate that reflects a company’s cost of capital and the risk associated with the cash flows it generates. DCF analysis is based mainly on the following elements:

- Projection of financial statements (key value driving factors)
- The cost of capital to discount the project cash flows

Keeping in mind the context and purpose of the Report, we have used the DCF method as it captures the growth potential of the business going forward. We have used this method to calculate the fair value of business of the Company based on the financial projections prepared by the management of the Company. We have allocated 20% weightage to this method of valuation.

Free Cash Flows

We have been provided with the projected financial statement of the Company for five (5) years ending 31st March 2030 by the Management, which we have considered for our Analysis. These include projected income statement and projected balance sheet. Accordingly, the projected free cash flows to firm (“FCFF”) based on these financial statements is set out below:

<u>Year</u>	<u>INR in crores</u>
FY 2024-25 (4 months)	INR 7.18
FY 2025-26	INR 79.00
FY 2026-27	INR 271.00
FY 2027-28	INR 347.00
FY 2028-29	INR 409.00
FY 2029-30	INR 467.00

Terminal Value

The terminal value refers to the present value of the business as a going concern beyond the period of projections up to infinity. This value is estimated by taking into account expected growth rates of the business in future, sustainable capital investments required

for the business as well the estimated growth rate of the industry and economy. Based on dynamics of the sector, average growth rate observed in the pigment industry, and discussions with the Management, we have assumed a terminal growth rate of 4.00% for the Company beyond the projection period. The cash flows of FY 2029-30 have been used to determine the terminal value.

Discount Factor

The Discount factor considered for arriving at the present value of the free cash – flows to equity of the Company is the cost of equity. The cost of equity is computed using the Capital Asset Pricing Model (CAPM) using the formula shown below.

$$r_E = r_f + \beta(r_m - r_f)$$

Where,

r_f = Risk free rate;

r_m = Market return;

β = Sensitivity of the market / Measure of Market Risk

- Risk free return (r_f) - yield on the 10-year RBI treasury bill taken as on 5th December 2024 – 6.68%
- Equity Risk Premium ($r_m - r_f$) - Equity risk premium calculated after deducting the risk free rate from the Market risk return arrived at by computing the 10 year market return on BSE-500 index. The equity risk premium works out to 5.43%.
- Measure of market risk (β) - Unlevered beta has been assumed at 1.08 which is the beta of Company.

The company has good sales pipeline. Based on the above parameters, weighted average cost of capital (WACC) for year 1 arrives at 11.86%

Using these cash flows and the computed discount rate, we estimate the enterprise value of the business unit to be INR 4,233 crores. The free cash and bank balances as on the date of valuation and fair value of non-operating investments have been added to the enterprise value and the existing loans are deducted to arrive at the final equity value of the business of INR 4,397.70 crores.

9. VALUATION CONCLUSION

To arrive at the final value of Company, we have assigned 70% weightage to Market Price Method, 20% weightage to Discounted Cash Flow Method (DCF) and 10% to the Net Asset Method.



Rationale for weightage

The relevant clauses of the ICAI Valuation Standard 103 – Valuation Approaches and Methods are enumerated below –

“

8. *This Standard provides guidance for following three main valuation approaches:
 - (a) Market approach;
 - (b) Income approach; and
 - (c) Cost approach.*
9. *A valuer can make use of one or more of the processes or methods available for each approach.*
10. *The appropriateness of a valuation approach for determining the value of an asset would depend on valuation bases and premises. In addition, some of the key factors that a valuer shall consider while determining the appropriateness of a specific valuation approach and method are:
 - (a) nature of asset to be valued;
 - (b) availability of adequate inputs or information and its reliability;
 - (c) strengths and weakness of each valuation approach and method; and
 - (d) valuation approach/method considered by market participants.*
11. *A valuer shall be responsible to select the appropriate valuation approach(es) and method(s) as there may not be a single approach/method that is best suited for valuation in every situation.*
12. *A valuer may consider adopting one distinct valuation approach/method or multiple valuation approaches/methods as may be appropriate to derive a reliable value. When evaluating a value resulting from use of multiple valuation approaches/methods, a valuer shall consider the reasonableness of the range of values. If the values under different approaches and/or methods significantly differ from each other, it would not be appropriate to derive the final value merely by weightages accorded to differing values. The valuer shall consider the factors given in paragraph 10 to determine whether the chosen approaches and methodologies are appropriate or not.*
13. *The valuation approaches and methods shall be selected in a manner which would maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The price information gathered from an active market is generally considered to be a strong indicator of value.*

“



As per above clause 12 a valuer has to determine and adopt an appropriate approach and method of valuation based on the parameters given in clause 10 above. Additionally, in case of use of multiple valuation methods the valuer is required to assign weightages to different methods for arrive at one single conclusion based on clause 10.

Clause 13 of the same standard requires the valuer to provide maximum weightage to those methods which would maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The price information gathered from an active market is generally considered to be a strong indicator of value.

Since the equity shares of the Company are actively traded on the market, representing presence of unbiased market participants who are willing buyer and sellers that are independent of each other and knowledgeable, using the market price method for valuation will maximize use of observable inputs. Hence considering clause 13 above, we have provided maximum weightage of 70% to Market price method.

The DCF method of valuation is based on future projections and cash flow assumptions of the Company. It involves use of assumptions for projecting the future revenues and costs of the Company. As this method involves use of unobservable inputs, we have assigned 20% weightage to it.

The Net Asset Method is normally used in case of companies under liquidation. This method will not give true value of a profit making company under Going Concern premise. However, it is used in case the Company owns land and building or plant and machinery to determine the fair market value of these assets. In the case, since the Company is a profit making entity under Going Concern premise, we have assigned only 10% weightage to this method.

INR in crore

Valuation method	Equity Value	Weightage	Weighted value
Discount Cash Flow Method	4,397.70	20%	879.54
Market Price Method	7,158.51	70%	5,010.95
Net Asset Method	1,223.24	10%	122.32
Weighted Average Value		100%	6,012.82
Shares outstanding on fully diluted basis (in nos)			69227250
Value per Equity Share in RS			868.56

In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined here in above in this report, we recommend the following fair value of the equity shares for the Company for the proposed preferential issue, as per the provisions of SEBI (ICDR) Regulations, 2018:



	Regulation 164 of SEBI (ICDR) Regulation 2018	Value per share in INR
1	The 90 trading days' volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date (Refer Annexure 2)	1,043.33
2	The 10 trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date. (Refer Annexure 2)	1,034.06
3	As per Articles of Association, valuation done by a Registered Valuer	868.56
	Floor price for preferential issue of equity shares (Higher of 1, 2, and 3 above)	1,043.33

10. SOURCES OF INFORMATION

The Analysis is based on a review of the business plan of the Company and financial projections provided by the Management and information relating to the pigment and chemicals industry as available in the public domain. Specifically, the sources of information include:

- Discussion with the Management
- Company website.
- Annual reports of the Company for last 3 years.
- Financial projection of the Company for five years ending 31st March 2030 as provided by the Management.
- Yield on 10 years India Government Security maturing in 2034 from RBI, website (https://m.rbi.org.in/Scripts/BS_NSDPDisplay.aspx?param=4)
- Market return data for India from data sets provided BSE.
- Websites of BSE, NSE and SEBI
- Valuation report of 'land and building' and 'plant and machinery' prepared by Ar. Vidyasagar Jadhav and Yogesh Ghorpade, registered valuers under IBBI dated 22nd November, 2024.

In addition to the above, we have also obtained such other information and explanations which were considered relevant for the purpose of the Analysis.

11. CAVEATS

Provision of valuation recommendations and consideration of the issues described herein are areas of our regular corporate advisory practice. The services do not represent accounting, assurance, financial due diligence review, consulting, transfer pricing or domestic/international tax-related service that may otherwise be provided by us.



Our review of the affairs of the Company and their books of accounts does not constitute an audit accordance with Auditing Standards. We have relied on explanations and information provided by the Management of the company and accepted the information as accurate and complete in all respects. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated otherwise or verified the data provided. Nothing has come to our attention to indicate that the information provided had material mis-statements or would not afford reasonable grounds upon which to base the Report.

The report is based on the financial projection provided to us by the management of the Company and thus the responsibility for forecasts and the assumptions on which they are based is solely that of the management of the Company and we do not provide any confirmation or assurance on the achievability of these projections. It must be emphasized that profit forecasts necessarily depend upon subjective judgement. Similarly, we have relied on data from external sources. These sources are considered to be reliable and therefore, we assume no liability for the accuracy of the data. We have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences.

The valuation worksheets prepared for the exercise are propriety to us and cannot be shared. Any clarifications on the working will be provided on request, prior to finalizing the Report, as per the terms of our engagement.

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 have reviewed them.

The Valuation Analysis contained herein represents the value only on the date that is specifically stated in this Report. This Report is issued on the understanding that the management of the company has drawn our attention to all matters of which they are aware, which may have an impact on our Report up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Report. We have no present or planned future interest in the Company and the fee for this report is not contingent upon the values reported herein.

Our Valuation Analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction with the Company.

12. DISTRIBUTION OF REPORT

The Analysis is confidential and has been prepared exclusively for Sudarshan Chemical Industries Limited. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above in, whole or in part, without the prior written consent of the Registered Valuer. Such Consent will only be given after full consideration of the circumstances at the time.



13. OPINION OF VALUE OF THE BUSINESS

Based on the Analysis of the business of the Company, in our assessment, the fair value of equity shares as on 5th December 2024 is as follows:

Equity Shareholders Fair Value	INR 6,012.82 crores
Total Equity shares outstanding	69227250 shares
Equity Fair Value per share	INR 868.56

The floor price for preferential issue of equity shares as per the SEBI (ICDR) Regulations 2018 as at 5th December 2024 is as follows:

Minimum floor price for preferential issue: INR 1043.33
--

Amod Vaze

Mr. Amod Vaze

Registered Valuer

Reg No: IBBI/RV/06/2019/11825

UDIN: 24131751BKEYLQ3636

Date: 13th December 2024



Annexure 1: Market Price Method

Sudarshan Chemical Industries Ltd
Market Price Method

Valuation Date: 5th December 2024

Method: Volume weighted average for last 10 days traded price on NSE and BSE

Date	BSE			NSE		
	Volume	Closing price	Turnover	Volume	Closing price	Turnover
21-Nov-24	14879	913.70	1,36,71,344.00	109488	913.45	10,07,33,651.15
22-Nov-24	23997	962.30	2,27,56,741.00	256227	963.50	24,34,24,903.50
25-Nov-24	5433	989.85	53,81,631.00	189068	989.45	18,73,24,985.60
26-Nov-24	4799	981.60	47,16,768.00	71320	981.60	7,00,72,526.90
27-Nov-24	2145443	986.45	2,03,93,40,677.00	214617	986.25	21,01,00,947.45
28-Nov-24	42504	1,044.10	4,39,65,247.00	424146	1,043.70	43,91,17,228.00
29-Nov-24	16224	1,064.25	1,70,79,481.00	204835	1,065.95	21,57,59,385.60
02-Dec-24	5989	1,061.60	63,32,593.00	99934	1,061.75	10,56,42,454.30
03-Dec-24	11821	1,116.10	1,31,14,010.00	412128	1,115.40	45,67,62,031.65
04-Dec-24	15282	1,118.85	1,71,85,396.00	223755	1,118.70	25,16,97,327.85
	2286371		2,18,35,43,888.00	2205518		2,28,06,35,442.00
Weighted Average price in INR			955.03	1,034.06		
Fair Value per share		1,034.06 INR				



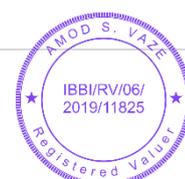
Annexure 2: 90 Day and 10 Day volume weighted average share price:

Sudarshan Chemical Industries Ltd

90 Day and 10 Day Volume Weighted Average Price

Relevant Date: 5th December 2024

No	Date	Volume	Turnover
1	26-Jul-24	206593	18,91,69,673.45
2	29-Jul-24	117616	10,78,40,950.25
3	30-Jul-24	546818	51,30,19,870.25
4	31-Jul-24	272134	25,87,54,074.60
5	01-Aug-24	823986	80,84,55,280.85
6	02-Aug-24	217031	21,09,24,754.75
7	05-Aug-24	954930	85,96,16,784.30
8	06-Aug-24	336879	31,26,61,758.75
9	07-Aug-24	214795	20,15,57,917.50
10	08-Aug-24	179492	17,01,93,762.10
11	09-Aug-24	251961	24,26,69,107.85
12	12-Aug-24	310030	30,63,41,558.00
13	13-Aug-24	619729	60,01,08,802.30
14	14-Aug-24	232605	22,71,53,828.55
15	16-Aug-24	176960	17,41,58,645.40
16	19-Aug-24	248779	24,63,54,655.40
17	20-Aug-24	219799	21,91,94,768.00
18	21-Aug-24	379173	38,69,85,644.95
19	22-Aug-24	478481	50,89,94,096.35
20	23-Aug-24	124321	12,80,96,675.85
21	26-Aug-24	163975	16,40,25,198.90
22	27-Aug-24	130526	13,12,34,277.85
23	28-Aug-24	144848	14,58,48,338.25
24	29-Aug-24	133621	13,41,72,942.00
25	30-Aug-24	1040639	1,07,32,53,774.55
26	02-Sep-24	220823	22,66,99,202.95
27	03-Sep-24	238530	24,16,77,623.80
28	04-Sep-24	512626	53,87,30,348.75
29	05-Sep-24	208765	22,10,24,723.65
30	06-Sep-24	330163	34,19,04,683.85
31	09-Sep-24	197559	19,67,41,886.35
32	10-Sep-24	105157	10,39,45,904.20
33	11-Sep-24	113412	11,00,80,418.45
34	12-Sep-24	264028	25,83,46,217.05
35	13-Sep-24	93304	9,09,22,013.05
36	16-Sep-24	140727	14,00,67,783.30
37	17-Sep-24	455713	47,08,67,035.75
38	18-Sep-24	226338	23,91,45,582.30
39	19-Sep-24	154283	15,69,51,522.75
40	20-Sep-24	1220394	1,24,68,54,192.70
41	23-Sep-24	105317	10,95,11,735.45
42	24-Sep-24	124484	12,92,19,447.65
43	25-Sep-24	553181	59,65,65,900.90
44	26-Sep-24	230531	24,71,73,821.70
45	27-Sep-24	351651	38,43,81,628.80
46	30-Sep-24	712528	80,48,42,656.95
47	01-Oct-24	196932	22,07,24,005.50



48	03-Oct-24	295463	32,06,54,152.30
49	04-Oct-24	137781	14,52,39,039.55
50	07-Oct-24	231481	23,30,49,368.30
51	08-Oct-24	309384	31,22,81,065.20
52	09-Oct-24	155419	16,26,44,658.10
53	10-Oct-24	90902	9,34,22,249.40
54	11-Oct-24	3354412	3,91,49,30,620.65
55	14-Oct-24	3145667	3,64,66,34,934.65
56	15-Oct-24	1087416	1,17,96,23,234.45
57	16-Oct-24	1212767	1,35,25,43,993.40
58	17-Oct-24	464766	50,51,27,509.70
59	18-Oct-24	288015	30,13,96,524.10
60	21-Oct-24	200296	20,53,54,292.10
61	22-Oct-24	422204	41,53,50,457.90
62	23-Oct-24	217568	21,08,24,371.40
63	24-Oct-24	251208	24,82,71,112.15
64	25-Oct-24	205183	19,47,87,582.05
65	28-Oct-24	569732	54,44,62,073.40
66	29-Oct-24	351606	33,00,04,022.80
67	30-Oct-24	769651	76,05,06,937.05
68	31-Oct-24	284140	29,22,61,544.25
69	01-Nov-24	46607	4,93,14,315.95
70	04-Nov-24	320319	32,18,91,593.70
71	05-Nov-24	214297	21,36,15,042.90
72	06-Nov-24	193548	19,58,71,127.00
73	07-Nov-24	130083	13,60,08,785.65
74	08-Nov-24	184914	18,73,37,626.65
75	11-Nov-24	225829	22,85,51,129.25
76	12-Nov-24	216610	21,60,23,940.35
77	13-Nov-24	262999	24,52,00,281.20
78	14-Nov-24	251603	23,36,52,556.75
79	18-Nov-24	168476	15,55,97,479.70
80	19-Nov-24	207952	19,67,50,604.90
81	21-Nov-24	109488	10,07,33,651.15
82	22-Nov-24	256227	24,34,24,903.50
83	25-Nov-24	189068	18,73,24,985.60
84	26-Nov-24	71320	7,00,72,526.90
85	27-Nov-24	214617	21,01,00,947.45
86	28-Nov-24	424146	43,91,17,228.00
87	29-Nov-24	204835	21,57,59,385.60
88	02-Dec-24	99934	10,56,42,454.30
89	03-Dec-24	412128	45,67,62,031.65
90	04-Dec-24	223755	25,16,97,327.85

**10 days Volume weighted
average price**

1,034.06

**90 days Volume weighted
average price**

1,043.33

