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August 17, 2018

The Board of Directors
JBF Industries Limited
8th Floor, Express Towers
Nariman Point,
Mumbai 400 021

Dear Sir/Madam,

Reg: Fairness Opinion towards the calculation of pricing as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, for the proposed Scheme of Compromise or Arrangement under Section 230 To 232 of the Companies Act 2013 amongst JBF Industries Limited and its Respective Shareholders and Creditors

According to the SEBI Circulars dated March 10, 2017 and March 23, 2017, we have been requested to issue a fairness report towards the calculation of pricing as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, for the proposed Scheme of Compromise or Arrangement under Section 230 To 232 of the Companies Act 2013 amongst JBF Industries Limited and its Respective Shareholders and Creditors. We have perused the documents / information provided by you in respect of the said Scheme of Compromise or Arrangement and the Certificate as issued by R R KANODIA & Co, Chartered Accountants. (hereafter referred to as "RRK") dated 14th August, 2018 and state as follows:

Company Profile:

JBF Industries Limited ("JBF") (CIN: L99999DN1982PLC000128) is a Public Limited Company, incorporated on July 12, 1982 under the provisions of the Companies Act, 1956, having its registered office at Survey No. 273, Village Athola, Silvassa, Dadra Nagar Haveli – 396 230, India. The equity shares of JBF are listed on Bombay Stock Exchange Limited and National Stock Exchange of India. JBF is an industry leader in the Polyester Industry value chain in India. Established in 1982, JBF is engaged in the business of developing, manufacturing and supply of products in the polyester value chain which are of bottle grade, textile grade and film grade, thin grade, thick grade and metallised grade, including textile grade chips, bottle grade chips, partially oriented yarn, grade chips and polyester films.

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Transaction Background:

The business of the Company had an adverse impact and suffered operational losses and the Company has defaulted on its debt obligations to its Creditors. Therefore incumbent on the Company to find a way forward which includes a disinvestment and a restructuring of the debt in terms of timing of repayment. This Scheme envisages a total plan of resolution of all debt repayment by considering debts outstanding as on 31-07-2018.

The Scheme will be in the best interest of shareholders, creditors, employees and other stakeholders of the Company, JBF Petro and JBF Global, and has been filed pursuant to the authority granted by the Board of the Company *vide* its resolution dated August 14, 2018.

The salient features of the scheme are as follows:

1. Lenders to waive penal interest charged since April 2018;
2. The Petitioner Company proposes to repay part of the dues to its Financial Creditors with the aim to restructure its account in the books of its Financial Creditors;
3. Convert part of the total debt owed by the Petitioner Company into sustainable limits with proper repayment plan and repay the unsustainable portion in accordance with this Scheme;
4. Repay devolved Letters of Credit (**"LCs"**) in tandem with release of non fund based facilities and repay all devolved LCs within a period as mutually agreed with the relevant creditors;
5. Revised repayment schedule and revise rates of interest on all borrowings at 9% p. a. till March 2022 and 11.33 % till the final repayment date;
6. Convert of the debt owed to the ICD Creditors and other Specified Creditors into equity in accordance with the Act, the regulations prescribed by SEBI and other applicable laws; and
7. Finalization of terms and schedule for repayment of all the Operational Creditors.

Rationale of the Report:

We have been informed that, pursuant to a Scheme of Compromise or Arrangement under sections 230 - 232 read with other relevant provisions of the Companies Act, 2013 (hereinafter referred to as "the Scheme") and subject to necessary approvals, the Company proposes conversion of the debt owed to the ICD Creditors (as defined in the Scheme) and other Specified Creditors (as defined in the Scheme) into equity.

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According to the SEBI Circulars - Paragraph 8 of March 10, 2017 and paragraph 2 of March 23, 2017 SEBI Circulars, we have been requested to suggest Fairness on the SEBI Pricing Certificate for the issue of equity shares of JBF to the ICD Creditors and other Specified Creditors as specified in the Scheme.

Sources of Information:

For arriving at the fairness opinion set forth below, we have relied upon the following sources of information:

a. Pricing Certificate by R R KANODIA & Co dated 14th August, 2018;
b. Draft Scheme of Compromise or Arrangement;
c. Other relevant information/documents regarding JBF including information available through public domain

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

Our Recommendation:

As stated in the SEBI Pricing certificate, R R KANODIA & Co, has recommended the following:

This is to certify that the average of the weekly high and low of the volume weighted average price of the equity shares of the **JBF Industries Ltd.** ("the Company") having its registered office at Survey No.273, Village-Athola, Silvassa-396230 (India), on the National Stock Exchange of India Limited (the stock exchange with highest volume of equity shares traded during the Applicable Period): -

A. During 26 weeks preceding the 14th August, 2018, being Relevant Date was Rs. 87.90 (Rupees Eighty Seven and Ninety Paisa only) per equity share of Rs.10 each, which has been computed as detailed in the **Annexure I**.

B. During 2 weeks preceding the 14th August, 2018, being Relevant Date was Rs. 29.28 (Rupees Twenty Nine and Twenty Eight Paisa only) per equity share of Rs. 10 each, which has been computed as detailed in the **Annexure II**.

We further certify that higher of the Para A & B above is Rs. 87.90 (Rupees Eighty Seven and Ninety Paisa only) per equity share of Rs.10 each and The methodology for pricing calculation has been

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considered as per the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

The aforesaid Scheme of Compromise or Arrangement shall be pursuant to the Proposed Scheme of Compromise or Arrangement and shall be subject to receipt of approval from the NCLT and other statutory approvals as may be required. The detailed terms and conditions are more fully set forth in the Proposed Scheme of Compromise or Arrangement. Prime has issued the fairness opinion with the understanding that Proposed Scheme of Compromise or Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the Final Scheme of Compromise or Arrangement alters the transaction.

Based on the information, data made available to us, including the SEBI Pricing Certificate, to the best of our knowledge and belief, the certificate issued by R R KANODIA & Co, Chartered Accountants, proposed under the Scheme of Compromise or Arrangement is fair in our opinion.

Exclusions and Limitations:

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by JBF for the purpose of this opinion. Our work does not constitute an audit or certification or due diligence of the working results, financial statements or financial estimates of JBF. We have solely relied upon the information provided to us by the management. We have not reviewed any books or records of JBF (other than those provided or made available to us). We have not made any independent valuation or appraisal of the assets or liabilities of JBF. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by JBF for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of JBF with respect to these matters. In addition, we have assumed that the Proposed Scheme of Compromise or Arrangement will be approved by the regulatory authorities and that the proposed restructuring will be consummated substantially in accordance with the terms set forth in the Proposed Scheme of Compromise or Arrangement.

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We understand that the managements of JBF during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Proposed Scheme of Compromise or Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that JBF may have contemplated. Our opinion is necessarily based on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion.

We have acted as a financial advisor for restructuring and will receive professional fees for our services.

In the ordinary course of business, Prime is engaged in Merchant Banking and Advisory activities. In the ordinary course of its business, any member of Prime may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the transaction.

It is understood that this Report is solely for the benefit of and confidential use by the Board of Directors of JBF for the purpose of submission to Stock Exchanges along with the application for No Objection to the proposed Scheme of Compromise or Arrangement under Section 230-232 of the Companies Act, 2013 and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law, Statute, Act, guideline or similar instruction. Management should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. The letter 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.

We express no opinion whatever and make no recommendation at all as to JBF underlying decision to effect of the Scheme or as to how the holders of equity shares or preference shares or secured or unsecured creditors of JBF should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of JBF will trade following the announcement of the transaction or as to the financial performance of JBF following the consummation of the transaction.

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In no circumstances however, will Prime Securities Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Prime Securities Limited or its associates, directors or employees by any third party, JBF and their affiliates shall indemnify them.

For **Prime Securities Limited**

PRIME SECURITIES LIMITED

Apurva Doshi
VP - Corporate Finance
SEBI Registration No. INM000000750
(Merchant Banker)