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energising ideas

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Date: July 30, 2021

To,
The Board of Directors
Jayant Agro-Organics Limited
701, Tower "A", Peninsula Business Park,
Senapati Bapat Marg, Lower Parel (West)
Mumbai Maharashtra 400013 India.

Dear Members of the board,

1. Engagement Background

We Understand that the Board of Directors of Jayant Agro-Organics Limited ("JAOL" or the "Transferee Company") and Jayant Finvest Limited ("JFL" or the "Transferor Company") (jointly referred to as "Companies") are considering a Scheme of Merger by Absorption between JAOL and JFL and their respective Shareholders ("the Scheme") for Merger under the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, for merger of the JFL (as defined hereinafter) and vesting of the same in JAOL on a going concern basis.

The terms and conditions of the proposed mergers are more fully set out in the draft scheme document shared with us, the final version of which will be filed by the aforementioned companies with the appropriate authorities.

We understand that the Valuation as well as the swap ratio thereof is based on the Valuation Certificate dated July 30, 2021 issued by Mr. Sanka Hari Surya, Independent valuer registered with Insolvency and Bankruptcy Board of India ("IBBI") with Registration No.: IBBI/RV/07/2019/12576 ("Valuer").

We, Saffron Capital Advisors Private Limited, a SEBI registered Category-I Merchant Banker, have been engaged by JAOL to give a fairness opinion ("Opinion") on Valuation Certificate dated July 30, 2021 issued by Valuer.

2. Background of the companies and Rationale

Jayant Finvest Limited (hereinafter also referred to as the "Transferor Company") is a public unlisted company, limited by shares, incorporated under the provisions of the Companies Act, 1956 and is registered with the Registrar of Companies, Maharashtra, Mumbai with Corporate Identity Number U99999MH1992PLC066277. The Transferor Company was incorporated on April 09, 1992 as "Jayant Finvest Private Limited". The Transferor Company's name was subsequently changed to "Jayant Finvest

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Limited" on March 07, 2005 vide certificate of change of name dated April 28, 2005 issued by Registrar of Companies, Maharashtra, Mumbai. The registered office of the Transferor Company is currently situated at 701, Tower "A", Peninsula Business Park, Senapati Bapat Marg, Lower Parel (West) Mumbai Maharashtra 400013 India.

As on valuation date, the Transferor Company, being one of the Promoter/ Promoter Group entity holds 1,81,64,000 (one crore eightyone lakh sixty-four thousand) equity shares in the Transferee Company amounting to 60.55% (sixty point fifty five percent) of the equity shares issued by the Transferee Company and accordingly the Transferor Company is a holding Company of Transferee Company.

Jayant Agro-Organics Limited (hereinafter also referred to as the "Transferee Company") is a public listed company, limited by shares, registered with the Registrar of Companies, Maharashtra, Mumbai under the provisions of the Companies Act, 1956 with Corporate Identity Number L24100MH1992PLC066691. The Transferee Company was incorporated on May 07, 1992 as "Jayant Agro-Organics Private Limited". The Word "Private" was deleted from the name of the Company w.e.f. December 7, 1992 as per section 43-A (1) of the erstwhile Companies Act, 1956 (as amended from time to time) and thereafter the Transferee Company's name was changed to "Jayant Agro-Organics Limited" by virtue of Special Resolution passed by the Shareholders of the Company at its Extra Ordinary General Meeting dated December 21, 1992 & vide certificate of change of name dated April 2, 1993 issued by Registrar of Companies, Maharashtra, Bombay. The equity shares of the Company are listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") (hereinafter collectively referred to as the "Stock Exchanges"). The registered office of the Transferee Company is currently situated at 701, Tower "A", Peninsula Business Park, Senapati Bapat Marg, Lower Parel (West) Mumbai Maharashtra 400013 India.

The Transferee Company is presently engaged in the business of inter alia, manufacture and sale of a wide range of chemicals based on Castor Oil which include agro-based renewable, non-food and eco-friendly resources.

Rationale of the Scheme:

a) Pursuant to Section 2(87) read with Companies (Restriction on number of Layers) Rules, 2017, no company (subject to certain exceptions) shall have more than two layers of subsidiaries. The Transferee Company is in the business of speciality chemicals and derivatives. The Transferee Company has also several Strategic tie ups, joint venture in the sector it is operating. The Transferee Company from time to time explores various business opportunities which may be undertaken in future and therefore reducing these layers will help the Transferee Company to quickly seize such business opportunities as and when they arise. Further, the Amalgamation shall have no adverse implications for the Transferor Company, the Transferee Company, or public shareholders of the Transferee Company. The public shareholding in the Transferee Company shall not be diluted and shall remain the same even after the Amalgamation coming into effect.

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b) It is proposed to amalgamate the Transferor Company with the Transferee Company by this Scheme, as a result of which the shareholders of the Transferor Company i.e. the Promoters (as defined hereinafter) shall directly hold shares in the Transferee Company.

c) The Amalgamation will lead to simplification of the shareholding structure and reduction of shareholding tiers and demonstrate direct commitment to and engagement with the Transferee Company by the Promoters.

3. Key Features of the Scheme of Amalgamation

The key features of the scheme provided to us through Draft Scheme Document are as under:

a) On the basis of share entitlement ratio determined by an independent valuer, 1,81,64,000 (One crore eighty- one lakh sixty-four thousand) fully paid- up equity share of Rs. 5/- each credited as fully paid up equity shares of the Transferee Company shall be issued to the equity shareholders of the Transferor Company in proportion of their respective holding in 10,00,450 equity shares of Rs 10/- each held in the Transferor Company.

b) The issue and allotment of the New Equity Shares by the Transferee Company to the shareholders of the Transferor Company as provided in aforementioned Clause is an integral part of this Scheme, shall be deemed to have been carried out without any further act or deed by the Transferee Company as if the procedure laid down under Section 42, 62(1)(c) of the Act and all other relevant Rules, Regulations and Laws for the time being in force were duly complied with.

c) The New Equity Shares to be issued to the shareholders of the Transferor Company above shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank pari-passu with the existing equity shares of the Transferee Company in all respects.

We have relied upon the draft scheme Document and taken the aforementioned key features (together with the other facts and assumptions set forth therein) into account while determining the meaning of "fairness", from a financial point of view, for the purposes of this Opinion.

4. Exclusions and Limitations

Our opinion and analysis is limited to the extent of review of the valuation report by the valuer and the Draft scheme document. In connection with the opinion, we have

a) Reviewed the Draft Scheme Document and the valuation report by the valuer dated July 30, 2021.

b) Held discussions with the valuer, in relation to the approach taken to valuation and the details of various methodologies utilized by them in preparing the valuation report and recommendations.

c) Sought various clarifications with the respective senior management teams of JFL and JAOL.

d) Reviewed such other information and explanations as we have required and which have been provided by the management of JFL and JAOL.

This opinion is intended only for the sole use and information of JAOL and JFL and in connection with the Scheme, including for the purpose of obtaining judicial and regulatory approvals for the Scheme and for no other purpose. We are not responsible in any way to any person/party/statutory authority for any decision of such person or party or authority based on this opinion. Any person/party intending to provide finance or invest in the shares/business of either JFL and/or JAOL or their subsidiaries /joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

For the purpose of this assignment, Saffron has relied on the Valuation Certificate for the proposed "Scheme of Merger by Absorption" of JFL and JAOL and their respective shareholders and information and explanation provided to it, the accuracy whereof has not been evaluated by Saffron. Saffron's work does not constitute certification or due diligence of any past working results and Saffron has relied upon the information provided to it as set out in working results of the aforesaid reports.

Saffron has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of JFL and JAOL and to the Registrar of Companies. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on Valuation Certificate issued for the proposed Scheme of Arrangement between JAOL and JFL and their respective shareholders, and may not be applicable or referred to or quoted in any other context.

Our opinion is dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any

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responsibility for any changes in the information used for any reason, which may occur subsequent to this date.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Moreover in this case where the shares of the JAOL are being issued as consideration to the shareholders of JFL, it is not the absolute valuation that is important for framing an opinion but the relative valuation of the JAOL vis-a-vis shares of JFL. We have assumed that the Final Scheme will not differ in any material respect from the Draft Scheme Document shared with us.

We do not express any opinion as to any tax or other consequences that might arise from the Scheme on JFL, JAOL and their respective shareholders, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, government investigation or other contingent liabilities to which JAOL, JFL and/or their associates/ subsidiaries, are or may be a party.

The company has been provided with an opportunity to review the Draft Opinion as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Final Opinion. Our Opinion in not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter thereto.

5. Conclusion

Based on and subject to the foregoing, we are of the opinion that the share issuance ratio is fair to the shareholders from the financial point of view. Further the valuation of JFL and JAOL as detailed by the valuer is fair.

For Saffron Capital Advisors Private Limited,

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Sakshi Gupta
Head-Valuation

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