

**July 31, 2018**To,  
The Board of Directors**Orient Refractories Limited**  
804 A-Chiranjiv Tower,  
43, Nehru Place,  
New Delhi-110019To,  
The Board of Directors**RHI India Private Limited**  
Neelkanth Business Park, Room  
No. 604C, Vidhyavihar (West),  
Mumbai - 400086 Maharashtra,To,  
The Board of Directors**RHI Clasil Private Limited**  
301-302, Orbit Plaza,  
New Prabhadevi Road, Prabhadevi,  
Mumbai 400 025**Sub: Recommendation of share exchange ratio for the proposed merger of RHI Clasil Private Limited and RHI India Private Limited into Orient Refractories Limited****Dear Sir / Madam,**

We refer to the engagement letter dated April 21, 2018 and addendum thereto with Jain Jindal and Co. (herein after referred to as "JJC" or "Valuer") where in Orient Refractories Limited (herein after referred to as "ORL"), RHI Clasil Private Limited (herein after referred to as "RHI Clasil") and RHI India Private Limited (herein after referred to as "RHI India") jointly has requested JJC to recommend a share exchange ratio for the proposed merger of RHI Clasil and RHI India into ORL. RHI Clasil, RHI India and ORL are together referred to as Specified Companies.

**SCOPE AND PURPOSE OF THIS REPORT**

RHI India is a private company and is flagship trading arm of RHIM group in India and undertake sales primarily to Indian customers.

RHI Clasil is a private limited company and engaged in manufacturing refractories/ refractory materials, which are consumed as raw material by steel industry, other metallurgical industries, cement, petrochemicals etc.

Orient Refractories Limited is a public company, is engaged in manufacturing refractories and monolithics items, and trading of refractory items.

We understand that the management of Specified Companies ('Management') are proposing to merge the RHI Clasil and RHI India into ORL, with effect from the appointed date i.e. January 1, 2019 (herein after referred as 'Transaction'). This is proposed to be achieved under a scheme of Amalgamation under the provisions of section 230 to 232 and other applicable provisions of the Companies Act, 2013 (herein after referred to as the "Scheme of Amalgamation").

As part of the proposed merger, RHI Clasil and RHI India would be merged into ORL and cease to exist. We understand from the management that the Shareholders of RHI Clasil and RHI India would be issued Shares of ORL as consideration for the proposed merger.

For the aforesaid purpose, the management of Specified Companies have appointed Jain Jindal and Co. to submit a report recommending the Share Exchange Ratio. The Scope of our service is to conduct relative (and not absolute) valuation of equity shares of specified Companies and recommending the Share Exchange Ratio in accordance with generally accepted professional standards.

This report is our deliverable for the above engagement.



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This report is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed herein after. The report is to be read in totality and not in parts, in conjunction with the relevant documents referred to herein.

### SOURCES OF INFORMATION

In connection with the exercise we have received the following information from the management of ORL, RHI India and RHI Clasil: -

- Financial Statements for ORL for the year ended March 31, 2018.
- Audited financial statements of the RHI India for year ended March 31, 2008 to March 31, 2018.
- Audited financial statements of the RHI Clasil for year ended March 31, 20012 to March 31, 2018.
- Financial projections for RHI Clasil for the period April 01, 2018 to March 31, 2023; and
- Financial projections for RHI India for the period April 01, 2018 to March 31, 2022; and
- Discussions with the managements of the Specified Companies in connection with the operations of the Specified Companies, future plans and prospects, including capital expenditure, taxation and litigation related matters; and
- Information and documents as provided by the Specified Companies for the purpose of this engagement.
- We have also obtained explanations and information considered reasonably necessary for our exercise, from the executives and representatives of the Specified Companies.

The Specified Companies have been provided with the opportunity to review the draft report (excluding the recommended exchange ratio) for this engagement to make sure that factual inaccuracies are avoided in our final report.



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### SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provisions of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may be provided by us or our affiliates.

This report, its content, its results are herein are specific to (i) the purpose of valuation agreed as per our terms of our engagements; (ii) the date of this report; (iii) are based on the balance sheet as at March 31, 2018 of the RHI India and RHI Clasil. A valuation 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 assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The Management has represented that the business activities of the Specified Companies have been carried out in the normal and ordinary course between March 31, 2018 and the Report date and that no material adverse changes has occurred in their respective operations and financial position between March 31, 2018 and the Report date.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information as at July 30, 2018, furnished by the Specified Companies and the other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however will not be used for advising anybody to take buy or sell decisions, for which specific opinion needs to be taken from expert advisors).

The determination of a Share Exchange Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed Share Exchange Ratio. While we have provided our recommendation of the Share Exchange Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Exchange Ratio at which the proposed Transaction shall take place will be with the Board of Directors of the respective Specified Companies, who should take into account other factors such as their own assessment of the proposed Transaction and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data.

In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of information that was publicly available and formed a substantial basis of this report and (ii) the accuracy of information made available to us by the Specified Companies. In accordance with our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information made available to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and the fairness of the financial position as indicated in the financial statements. Also, with respect to the explanations and information sought from the Specified Companies, we have been given to understand by the Specified Companies that they have not omitted any relevant and material factors and they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Specified Companies. The respective Managements of the Specified Companies have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our





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valuation analysis/results. Accordingly, we assume no responsibility for any information furnished by the Specified Companies and their impact on the report. Also, we assume no responsibilities for technical information (if any) furnished by the Specified Companies. However, nothing has come to our attention to indicate that the information provided was materially mis-stated / incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

The Report assumes that the Specified Companies comply fully with the relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and the Specified Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation 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 recorded in the audited balance sheet of the Specified Companies.

This report does not look into the business/ commercial reasons behind the Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation of the Specified Companies' claim to title of assets has been made for the purpose of this report and the Specified Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of legal nature. The book values of the assets and liabilities of the Specified Companies have been considered as representative of their intrinsic value in the absence of any report of external valuers.

We must emphasize that realizations of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since, the financial forecasts relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences maybe material.

The fee for the Engagement is not contingent upon the results reported.

We owe responsibility to only the Board of Directors of ORL, RHI Clasil and RHI India respectively, under the terms of our engagement letters, and nobody else. We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion.

This valuation report is subject to the laws of India.

Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of Amalgamation, without our prior written consent. In addition, this report does not in any manner address the prices at which ORL's equity share will trade following consummation of the Transaction and we express no opinion or recommendation as to how the shareholders of either of Specified Companies should vote at any shareholders' meeting(s) to be held in connection with the Transaction.



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### BACKGROUND OF THE COMPANIES

#### Orient Refractories Limited

Orient Refractories Limited is a public company, limited by shares, incorporated on 26 November 2010. The equity shares of ORL are listed on the Bombay Stock Exchange and National Stock Exchanges. ORL is subsidiary of Dutch U.S. Holding B.V., which is ultimately owned by RHI Magnesita N.V. ('RHIM'), a company listed on London Stock Exchange. Orient Refractories Limited is engaged in manufacturing refractories and monolithics items, and trading of refractory items, its manufacturing facility is located in Bhiwadi, Rajasthan. The Company's geographical segments include India and outside India. The Company is a globally operating supplier of refractory products, systems and services for steel industries.

The following tables set out the shareholding patterns of ORL as at March 31, 2018, before the proposed amalgamation scheme: -

Shareholder	No of Shares held*	% stake
Promoter and & Promoter Group	83,637,771	69.6%
Public Shareholding	36,501,429	30.4%
<b>Total</b>	<b>120,139,200</b>	<b>100%</b>

\*Face value of INR 1 each.

#### RHI Clasil

RHI Clasil is a private company, limited by shares, incorporated on 7 December 2005 as Arsha Ceramics Private Limited. RHI Clasil is a subsidiary of VRD Americas B.V, Netherlands and its ultimate holding company is RHIM. The Company is engaged in the business of manufacture and sale of refractories/refractory products. Subsequent to the acquisition of 51 percent stake by RHIM group, the name of the Company had been changed to RHI Clasil Private Limited. The Company is manufacturing refractories/refractory materials, which are consumed as raw material by steel industry, other metallurgical industries, cement, petrochemicals etc. The Company's geographical segments include India and outside India.

The following tables set out the shareholding patterns of RHI Clasil as at March 31, 2018, before the proposed amalgamation scheme: -

Shareholder	No of Shares held*	% stake
VRD Americas B.V. Netherlands (part of RHIM group)	9,884,100	53.72%
Individuals – Indian promoter family of RHI Clasil	8,515,900	46.28%
<b>Total</b>	<b>18,400,000</b>	<b>100%</b>

\* Face value of INR 10 per share.





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## RHI India

RHI India is a private company, limited by shares, incorporated on 15 June 2007 under the provisions of the Companies Act, 1956. RHI India is a subsidiary of Dutch Brasil Holding B.V., which is ultimately owned by RHI Magnesita N.V. ("RHIM"). The Company is engaged in trading refractory materials for Steel Industries in their various production process/equipment primarily to Indian customers.

The following tables set out the shareholding patterns of RHI India as at March 31, 2018, before the proposed amalgamation scheme: -

Shareholder	No of Shares held*	% stake
Dutch Brasil Holding B.V, Netherlands	292,744	85%
VRD Americas B.V, Netherlands	50,100	15%

\* Face value of INR 10 per share.

The management has represented to us that there have been no changes in the shareholding pattern of the specified Companies since March 31, 2018.



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### **Approach – Basis of Amalgamation**

The proposed merger scheme contemplates merger of RHI Clasil and RHI India with ORL pursuant to scheme of amalgamation. Arriving at fair exchange ratio of the proposed merger of RHI Clasil and RHI India into ORL would require determining the fair value of these equity shares of RHI Clasil and RHI India in terms of the fair value of the equity shares of ORL. These values are to be determined independently but on a relative basis, and without considering current transaction.

There are several commonly used valuation methodologies for determining the share exchange ratio for the proposed merger, which have been considered in present case to the extent relevant and applicable, including:

1. Assets approach - Net Asset value ("NAV") methodology
2. Income Approach - Discounted Cash Flow ("DCF") methodology.
3. Market approach
  - a) Comparable Company Multiples ("CCM") methodology.
  - b) Market Price methodology

It should be understood that the valuation of any company or its assets is inherently imprecise and subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumption with respect to industry performance and general business and economic conditions, many of which are beyond the control of companies. In addition, this valuation will fluctuate with changes in prevailing market conditions and prospects, financial and otherwise, of the companies, and other factors which generally influence the valuation of companies and their assets.

### **NAV methodology**

The asset-based valuation method is based on value of the underlying net assets of the business, either on book value basis or realizable value basis or replacement cost basis. This valuation approach is used in cases where the firm is to be liquidated i.e. it does not meet the going concern" criterion or is used in case where the asset base dominates earnings capacity.

A scheme of amalgamation would normally be proceed with, on the assumption that the companies amalgamate as going concern and actual realization of the operating assets is not contemplated.

### **DCF Methodology**

Under the DCF method the projected free cashflows to the firm are discounted at the weighted average cost of capital. The sum of discounted free cashflows is the value of the firm.

Using DCF analysis involves determining following

#### *Estimating future free cash flows*

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

*Appropriate discount rate to be applied to cash flows ie. the cost of capital*





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This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity costs to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

To arrive at the total value available to the equity shareholders of each of the companies, value arrived under DCF method for the companies is adjusted for value of loans, cash, non-operating assets / liabilities (e.g. fair value of investment in subsidiaries / associates / mutual funds, value of surplus assets, any contingent liability, etc.). The total value of equity shareholder is then divided by total number of equity shares in order to work out the value per equity share of the companies.

### **CCM methodology / Guideline Company method**

Under this method, value of equity shares of a company is arrived at by using multiples derived from valuation of comparable companies or comparable transactions, as manifest through stock market valuations of listed companies and the transaction valuation. This valuation is based on the principal that the market valuations, taking place between informed buyer and informed sellers, incorporate all the factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

To arrive at the total value available to the equity shareholders of each of the companies, value arrived under CCM method for the companies is adjusted for value of loans, cash, non-operating assets / liabilities (eg. fair value of investment in subsidiaries / associates / mutual funds, value of surplus assets, any contingent liability, etc.). The total value of equity shareholder is then divided by total number of equity shares in order to work out the value per equity share of the companies.

### **Market Price Method**

The market price of an equity share as quoted on a stock exchange is normally considered as value of the equity shares of that company where such quotation are arising from the share being regularly and freely traded in, subject to speculative support that may be inbuilt in the value of the shares. But there could be situation where the value of the shares as quoted on the stock market would not be regarded as proper index of fair value of the shares especially where the market values are fluctuating in volatile capital market. Further, in case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the numbers of shares available for trading on stock exchange over reasonable period would have to be of a comparable standard.

Equity shares of ORL are listed on both NSE and BSE and are frequently traded in terms of para 71A, Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009 ('ICDR Regulations'). Equity shares of RHI India and RHI Clasil are not listed on any stock exchange.

### **ICDR Regulations**

As per SEBI Circular nos. CFD/DIL3/CIR/2017/21 and. CFD/DIL3/CIR/2017/26 dated 10 march 2017 and 27 march 2017, respectively the issuances of shares under the scheme in case of allotment of shares by listed companies only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes shall follow the pricing provisions of ICDR regulations and the relevant date for computing the pricing shall be the date of board of meeting in which the scheme is approved.





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The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different value may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transaction of similar nature and our reasonable judgement, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Taking the above outlined factors, including ICDR regulations, into consideration, we have adopted following approaches for determination of share exchange ratios:

**Market Approach:** We have considered market price method for valuation of equity shares of ORL as the equity shares of ORL are frequently traded as per SEBI regulations.

Trading volumes of equity shares of ORL during the year ended July 30, 2018 was higher on NSE as compared to BSE. Under the market price method, average of weekly high and low of the volume weighted average price ('VWAP') of ORL on NSE during the twenty-six weeks or two weeks preceding July 31, 2018, whichever is higher is considered. Please consider Annexure 1 for details.

Equity shares of RHI India and RHI Clasil are not listed on any stock exchange. Accordingly, Market price method could not be used for these entities and therefore we have considered Comparable Companies Multiple Price Method under this approach.

We have used profitability based valuation multiple of comparable listed companies for the purpose of our valuation analysis of RHI India and RHI Clasil. Under Comparable Companies Multiple Price Method, we have considered the quoted multiples of comparable listed companies, as appropriate, for the purpose of our valuation analysis, adjustments, as appropriate, are made for borrowings, surplus assets, difference in nature of business operations and other matters to arrive at the equity value.

**Income Approach:** We have also used discounted cash flow method under this approach for the valuation of RHI India and RHI Clasil.

For the purpose of DCF valuation, the free cash flow forecast is based on Financial Projections as provided by the management of RHI India and RHI Clasil. While carrying out this engagement, we have relied extensively on historical information made available to us by the management of the RHI India and RHI Clasil and the respective financial projections for future related information. We did not carry out any validation procedures or due diligence with respect to the information provided / extracted or carry out any verification of the assets or comment on the achievability of the assumptions underlying the Financial Projections, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of the engagement.

We have adjusted the value of discounted cash flows (as explained above) for adjustments, as appropriate for net borrowings, surplus assets and other matters to arrive at the equity value of the RHI India and RHI Clasil.

Assets approach was not adopted for valuation of ORL, RHI India and RHI Clasil. As mentioned above, the assets approach is mainly used where 'going concern' assumption is not appropriate or where the assets base dominates the earning capability. Since ORL, RHI India and RHI Clasil are all operating entities and have been valued as on 'going concern basis', we did not adopt the Assets approach.



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### SHARE EXCHANGE RATIO

The basis of merger of ORL, RHI Clasil and RHI India would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been determined under each of the above methodologies, for the purposes of recommending a share exchange ratio of equity shares it is necessary to arrive at a single value of shares of the Specified Companies. It is however important to note that in attempting to do so we are not attempting to arrive at an absolute value for of the equity shares rather at a relative value of the companies to facilitate the determination of a share exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

The Share Exchange Ratio has been arrived at on the basis of relative equity valuation of the Specified Companies using Market Approach and Income Approach. The Share Exchange Ratio is based on the methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potential of the business of the Specified Companies, having regard to information received, key underlying assumptions and limitations.

In the ultimate analysis, valuation will have tempered by the exercise of judicious discretion by the valuers and judgement taking into account all the relevant factors. There will always be factors, e.g. quality and integrity of management, present and prospective competition, yield on comparable securities and market sentiment etc. which are not evident on the face of the balance sheets, but which strongly influence the worth of a share. This concept is also recognised in judicial decisions.

We have independently applied methodologies discussed above and arrived at our assessment of value per share of Specified Companies. To arrive at the Share Exchange Ratio, suitable averaging and rounding off in values have been done. Please refer annexure 2 and 3.



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In light of the above, and on consideration of all the relevant factors and circumstances as discussed above and outlines hereinabove, we recommend the share exchange ratio as below:

- Merger of RHI India into ORL: “7,044 (Seven thousand and forty-four) equity shares of ORL of INR 1 each fully paid up for 100 (one hundred) equity shares of RHI India of INR 10 each fully paid up.”
- Merger of RHI Clasil into ORL: “908 (Nine hundred and eight) equity shares of ORL of INR 1 each fully paid up for 1000 (one thousand) equity shares of RHI Clasil of INR 10 each fully paid up.”

Respectfully submitted,

For **Jain Jindal & Co**

Chartered Accountants

Firm registration number: 025817N



**Amit Jindal**  
Partner

Membership number: 504308



Place: Gurugram

Date: July 31, 2018

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### Annexure 1: Valuation of Orient Refractories Limited as per Market Price method

S. no.	Week Start Date	Week End Date	Volume weighted average Price		
			High	Low	Average
1	30-Jan-18	5-Feb-18	169.89	160.36	165.13
2	6-Feb-18	12-Feb-18	169.14	156.55	162.85
3	13-Feb-18	19-Feb-18	171.34	170.20	170.77
4	20-Feb-18	26-Feb-18	172.16	170.12	171.14
5	27-Feb-18	5-Mar-18	170.12	161.70	165.91
6	6-Mar-18	12-Mar-18	162.08	157.42	159.75
7	13-Mar-18	19-Mar-18	161.72	157.03	159.37
8	20-Mar-18	26-Mar-18	160.40	157.54	158.97
9	27-Mar-18	2-Apr-18	160.92	158.76	159.84
10	3-Apr-18	9-Apr-18	167.25	158.99	163.12
11	10-Apr-18	16-Apr-18	167.28	165.49	166.39
12	17-Apr-18	23-Apr-18	166.98	162.81	164.90
13	24-Apr-18	30-Apr-18	165.02	162.87	163.95
14	1-May-18	7-May-18	164.49	161.26	162.87
15	8-May-18	14-May-18	159.74	154.88	157.31
16	15-May-18	21-May-18	180.82	159.96	170.39
17	22-May-18	28-May-18	189.77	176.34	183.05
18	29-May-18	4-Jun-18	185.93	175.14	180.53
19	5-Jun-18	11-Jun-18	178.99	165.96	172.48
20	12-Jun-18	18-Jun-18	182.84	178.18	180.51
21	19-Jun-18	25-Jun-18	183.37	177.03	180.20
22	26-Jun-18	2-Jul-18	172.86	168.98	170.92
23	3-Jul-18	9-Jul-18	179.72	169.96	174.84
24	10-Jul-18	16-Jul-18	183.65	174.26	178.95
25	17-Jul-18	23-Jul-18	175.79	173.27	174.53
26	24-Jul-18	30-Jul-18	206.58	174.67	190.62

Average of weekly high and low of volume of Weighted Average Price (VWAP) of ORL on NSE during 26 weeks preceding relevant date	<b>169.59</b>
Average of weekly high and low of volume of Weighted Average Price (VWAP) of ORL on NSE during 2 weeks preceding relevant date	<b>182.58</b>

Considering, average of weekly high and low of volume of Weighted Average Price (VWAP) of ORL on NSE during 2 weeks preceding relevant date is higher, we have considered INR 182.58 as market price of ORL.





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## Annexure II

### Summary of valuation working for ORL and RHI India

Valuation Approach	ORL		RHI India	
	INR	Weight (%)	INR	Weight (%)
Asset Approach	NA	0%	NA	0%
Market Approach				
Market Price Approach	182.58	100%	NA	0%
Comparable Company Approach	NA	0%	12,508.75	70%
Income Approach	NA	0%	13,680.88	30%
<b>Relative Value per share*</b>	<b>182.58</b>	<b>100%</b>	<b>12,860.39</b>	<b>100%</b>

\*face value per share of INR 1 for ORL and INR 10 for RHI Clasil

NA = Not Applicable / Not Adopted

#### Share Exchange Ratio

“7,044 (Seven thousand and forty-four) equity shares of ORL of INR 1 each fully paid up for 100 (one hundred) equity shares of RHI India of INR 10 each fully paid up.”

## Annexure III

### Summary of valuation working for ORL and RHI Clasil

Valuation Approach	ORL		RHI Clasil	
	INR	Weight (%)	INR	Weight (%)
Asset Approach	NA	0%	NA	0%
Market Approach				
Market Price Approach	182.58	100%	NA	0%
Comparable Company Approach	NA	0%	152.84	50%
Income Approach	NA	0%	178.73	50%
<b>Relative Value per share*</b>	<b>182.58</b>	<b>100%</b>	<b>165.79</b>	<b>100%</b>

\*face value per share of INR 1 for ORL and INR 10 for RHI Clasil

NA = Not Applicable / Not Adopted

#### Share Exchange Ratio

“908 (Nine hundred and eight) equity shares of ORL of INR 1 each fully paid up for 1000 (one thousand) equity shares of RHI Clasil of INR 10 each fully paid up.”

