

Date: May 19, 2026

To,

The Board of Directors,

Kothari Sugars and Chemicals Limited

Kothari Buildings, No.115,

Mahatma Gandhi Salai, Nungambakkam, Chennai,

Tamil Nadu 600034

Dear Members of the Audit Committee and the Board of Directors,

1. Engagement Background

We understand that the Management of **Kothari Sugars and Chemicals Limited** ("KSCL" or "**Transferor Company**") and **Kothari Petrochemicals Limited** ("KPL" or "**Transferee Company**") (jointly referred to as "**Companies**") are contemplating to undertake a Scheme of Amalgamation of Kothari Sugars and Chemicals Limited with Kothari Petrochemicals Limited and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 and Rules framed thereunder ("**Proposed Amalgamation**").

The terms and conditions of the Proposed Amalgamation are more fully set out in the draft Scheme of Amalgamation shared with us, the final version of which will be filed by the companies with the appropriate authorities.

We understand that the Valuation as well as the swap ratio for the Proposed Amalgamation is based on the Joint Valuation Report dated May 19, 2026 issued by **KPMG Valuation Services LLP and Mr. S. Sundar Raman** ("**Valuers**"), Independent valuers registered with Insolvency and Bankruptcy Board of India ("**IBBI**") with Registration No. IBBI/RV-E/06/2020/115 and IBBI/RV/06/2019/11185.

We, Saffron Capital Advisors Private Limited, a SEBI registered Category-I Merchant Banker, have been engaged to give a fairness opinion ("**Opinion**") on Valuation Report dated May 19, 2026, issued by Valuer.

2. Background of the companies and Rationale

Kothari Petrochemicals Limited is engaged in the business of manufacturing of Polyisobutylene and is present in segments such as Lubricant & Dispersant, Fuel Additive, Grease, Adhesive, Sealant, Rubber Manufacturing, Personal Care, Masterbatch Compounding, PVC Pipe & Fitting, etc. The equity shares of KPL are listed on the National Stock Exchange of India Limited.

Kothari Sugars and Chemicals Limited is engaged in the business of manufacturing of sugar, industrial alcohol, co-generation of power, bio-compost etc. The equity shares of the KSCL are listed on the National Stock Exchange of India Limited.

The proposed Scheme of Amalgamation is aligned with the Group's long-term vision of creating a diversified and integrated business platform. The consolidation of the Transferor and Transferee Companies, operating under common control, will simplify the group structure, eliminate multiple entities and enable unified management and streamlined governance. It is expected to enhance operational efficiency through optimal utilisation of combined resources, integration of capabilities and generation of economies of scale.

Further, the amalgamation is expected to strengthen the financial position of the combined entity through an improved balance sheet, enhanced capital efficiency and better access to funding. The pooling of resources will support revenue growth, profitability and efficient capital allocation, while positioning the integrated entity to pursue strategic expansion, technological advancements and long-term value creation for stakeholders.

Therefore, on the basis of the above, the management of KSCL, in the best interest of shareholders, creditors and employees of the Parties has proposed the scheme.

3. Recommended Share Exchange Ratio for the Proposed transaction

The Valuer has recommended the following share exchange ratio for the Proposed Amalgamation:

"1 equity shares of Kothari Petrochemicals Limited of INR 10/- each fully paid up for 5 equity shares of Kothari Sugars and Chemicals Limited of INR 10/- each fully paid up."

We have relied upon the valuation report (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 are limited to the extent of review of the valuation report issued by the Valuer. In connection with the opinion, we have:

- a) Reviewed Joint Valuation Report dated May 19, 2026, issued by the Valuer.
- b) Reviewed Draft Scheme of Amalgamation
- c) 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.
- d) Consideration of various financial data including but not limited to the following:
 - a. Financial Statements of Kothari Petrochemicals Limited for the financial year ended 31 March 2026.

- b. Financial Statements of Kothari Sugars and Chemicals Limited for the financial year ended 31 March 2026.
- c. Forecasted financial statements (comprising periodic income statements, periodic balance sheets and periodic cash flow statements) as submitted by the management of the Kothari Petrochemicals Limited and Kothari Sugars and Chemicals Limited for period of five years from April 1, 2026 to March 31, 2031., and
- d. Other relevant information and documents for the purpose of this engagement.
- e) Reviewed such other information and explanations as we have requested, and which have been provided by the management of Kothari Petrochemicals Limited and Kothari Sugars and Chemicals Limited.

This opinion is intended only for the sole use and information of Kothari Petrochemicals Limited and Kothari Sugars and Chemicals Limited and in connection with the Proposed Amalgamation, including for the purpose of obtaining judicial and regulatory approvals for the Proposed Amalgamation 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 Kothari Petrochemicals Limited and/or Kothari Sugars and Chemicals Limited 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 Joint Valuation Report for the Proposed Amalgamation of Kothari Sugars and Chemicals Limited into Kothari Petrochemicals Limited 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 Kothari Petrochemicals Limited and Kothari Sugars and Chemicals Limited to the Registrar of Companies. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the Proposed Amalgamation 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 Report issued for the Proposed Amalgamation of

Kothari Sugars and Chemicals Limited with Kothari Petrochemicals Limited 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 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 Kothari Petrochemicals Limited are being issued as consideration to the shareholders of Kothari Sugars and Chemicals Limited, it is not the absolute valuation that is important for framing an opinion but the relative valuation of the Kothari Sugars and Chemicals Limited vis-a-vis shares of Kothari Petrochemicals Limited. We have assumed that the Final Scheme of Amalgamation will not differ in any material respect from the Draft Scheme of Amalgamation shared with us.

We do not express any opinion as to any tax or other consequences that might arise from the Proposed Amalgamation on Kothari Petrochemicals Limited, Kothari Sugars and Chemicals Limited 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 Kothari Petrochemicals Limited, Kothari Sugars and Chemicals Limited and/or their associates/ subsidiaries, are or may be a party.

5. Conclusion

Based on and subject to the foregoing, we are of the opinion that the share issuance ratio is fair to the shareholders of Kothari Sugars and Chemicals Limited from the financial point of view.

For Saffron Capital Advisors Private Limited,

Authorised Signatory