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Dated: 26 September 2025

Board of Directors

Dollar Industries Limited
32, Jawaharlal Nehru Road,
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Kolkata – 700071
West Bengal, India

Subject: Recommendation of Share Entitlement Ratio for the proposed demerger of Hosiery Business Unit from Dindayal Texpro Private Limited into Dollar Industries Limited and Equity Share Exchange Ratios for the proposed merger of Dollar Group Companies (as defined below) into Dollar Industries Limited.

Dear Madams/ Sirs,

We refer to our engagement letter whereby Dollar Industries Limited (“DIL” or “the Client” or “you” or “your”) have requested KPMG Valuation Services LLP (hereinafter referred to as “KPMG” or “Valuer” or “us” or “we”) to recommend Share entitlement ratio for the proposed demerger of the Hosiery Business Unit from Dindayal Texpro Private Limited (“DTPL”) into DIL and equity share exchange ratios for proposed merger of Dollar Group Companies (as defined below) with DIL as on the agreed date of the valuation (“Engagement”).

BACKGROUND OF THE COMPANIES

Dollar Industries Limited (“DIL”) is a leading player in the Indian hosiery and knitwear sector. DIL primarily engages in two key activities (a) procurement of raw cotton, and (b) manufacturing of fabric, which is further processed into a wide range of hosiery products. It also has a power generation unit sourced from windmill and solar. The manufacturing units of the company are located in Kolkata, Tirupur, New Delhi and Ludhiana. DIL offers its products under the BigBoss, J-Class, Athleisure, Missy, Champion, Force NXT, Force Gowear, Pepe jeans, Lehar, Ultra, Wintercare, and Doler Protect brands. DIL has established its presence across 29 states in India and also exports their production across the globe specially in the Middle East & Gulf countries.

In addition to in-house production, DIL also engages other entities through job-work arrangements for certain manufacturing processes. One such entity is its group Company, Dindayal Texpro Private Limited (“DTPL”), which performs job work for DIL.

Following are the group companies of DIL (*collectively referred to as “Dollar Group Companies”*) which are being contemplated to be merged into DIL:

- Adds Projects Private Limited (“Transferor Company 1”/ “Adds”)
- Amicable Properties Private Limited (“Transferor Company 2”/ “Amicable”)
- Bhawani Yarns Private Limited (“Transferor Company 3”/ “BYPL”)
- Dollar Brands Private Limited (“Transferor Company 4”/ “DBPL”)
- Goldman Trading Private Limited (“Transferor Company 5”/ “GTPL”)
- KPS Distributors Private Limited (“Transferor Company 6”/ “KPS”)
- PHPL Properties Private Limited (“Transferor Company 7”/ “PHPL”)
- Zest Merchants Private Limited (“Transferor Company 8”/ “Zest”)

Transferor Company 1, 2, 3, 5, 6, 7 and 8 are involved in Real estate activities with own or leased property. This includes buying, selling, renting and operating of self-owned or leased real estate such as apartment building and dwellings, non-residential buildings, developing and subdividing real estate into lots.

Transferor Company 4 owns "Dollar" Trademark and derives revenue by way of royalty income from Dollar Industries Limited in consideration for the use of Trademark.

SCOPE AND PURPOSE OF THIS REPORT

We understand that the management of DIL, DTPL and Dollar Group Companies (the "Managements") are contemplating (a) Demerger of the hosiery business unit of DTPL ("Demerged Undertaking") into DIL and (b) merger of Dollar Group Companies with DIL on a going concern basis with effect from the proposed Appointed Date of 01 April 2025 ("Appointed Date") pursuant to a Composite Scheme of Arrangement under the provisions of Sections 230 to 232 of the Companies Act, 2013 (including any statutory modifications, re-enactment or amendments thereof) and other applicable securities and capital market laws and rules issued thereunder to the extent applicable (the "Scheme") (the "Proposed Transaction"). In consideration of Proposed Transaction, thereof, equity shares of DIL will be issued to the equity shareholders of DTPL and Dollar Group Companies.

Pursuant to the above, the number of equity shares of DIL to be issued to the equity shareholders of DTPL for the value of the Demerged Undertaking of DTPL ("**Share Entitlement Ratio**"). Further, the equity shares of Dollar Group Companies will be exchanged basis the below exchange ratios, collectively referred to as the "**Equity Share Exchange Ratio(s)**":

- The number of equity shares of DIL to be issued to the equity shareholders of Adds Projects Private Limited ("**Equity Share Exchange Ratio 1**")
- The number of equity shares of DIL to be issued to the equity shareholders of Amicable Properties Private Limited ("**Equity Share Exchange Ratio 2**")
- The number of equity shares of DIL to be issued to the equity shareholders of Bhawani Yarns Private Limited ("**Equity Share Exchange Ratio 3**")
- The number of equity shares of DIL to be issued to the equity shareholders of Dollar Brands Private Limited ("**Equity Share Exchange Ratio 4**")
- The number of equity shares of DIL to be issued to the equity shareholders of Goldman Trading Private Limited ("**Equity Share Exchange Ratio 5**")
- The number of equity shares of DIL to be issued to the equity shareholders of KPS Distributors Private Limited ("**Equity Share Exchange Ratio 6**")
- The number of equity shares of DIL to be issued to the equity shareholders of PHPL Properties Private Limited ("**Equity Share Exchange Ratio 7**")
- The number of equity shares of DIL to be issued to the equity shareholders of Zest Merchants Private Limited ("**Equity Share Exchange Ratio 8**")

In this connection, the Client has requested us to render our professional services by way of carrying out a valuation of DIL, Demerged Undertaking and Dollar Group Companies and submit a report recommending Share Entitlement Ratio and Equity Share Exchange Ratio(s) for the Proposed Transaction, on a going concern basis with 30 June 2025 ("Valuation Date") being the valuation date,

("Services") for the consideration of the Board of Directors (including audit committees, if applicable) of the Client in accordance with the applicable Securities and Exchange Board of India ("SEBI"), the relevant stock exchanges', and relevant laws, rules and regulations. To the extent mandatorily required under applicable laws of India, this report may be produced before the judicial, regulatory or government authorities, stock exchanges, shareholders in connection with the Proposed Transaction.

The scope of our Services is to conduct a relative valuation (not an absolute valuation) of the Businesses and recommend Share Entitlement Ratio and Equity Share Exchange Ratio(s) for the Proposed Transaction.

We have considered financial information as of 30 June 2025 in our analysis and made adjustments for facts made known to us till the date of our report, including taking into consideration current market parameters, which will have a bearing on the valuation analysis. The Management has informed us that they do not expect any events which are unusual or not in normal course of business up to the effective date of the Proposed Transaction, other than the events specifically mentioned in this report. We have relied on the above while arriving at the Share Entitlement Ratio and Equity Share Exchange Ratio(s) for the Proposed Transaction.

This report dated 26 September 2025 ("Report Date") is our deliverable in respect of our recommendation of the Share Entitlement Ratio and Equity Share Exchange Ratio(s) for the Proposed Transaction.

This report and the information contained herein is absolutely confidential. The report will be used by the Client only for the purpose, as indicated in this report, for which we have been appointed. The results of our valuation analysis and our report cannot be used or relied by the Client for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person/ party for any decision of such person/ party based on this report. Any person/ party intending to provide finance/ invest in the shares/ businesses of the Companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, 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. If any person/ party (other than the Client) chooses to place reliance upon any matters included in the report, they shall do so at their own risk and without recourse to the Valuer. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this report or any part thereof, except for the purpose as set out earlier in this report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so.

The report including, (for the avoidance of doubt) the information contained in it is absolutely confidential and intended only for the sole use and information of the Client. Without limiting the foregoing, we understand that the Client may be required to submit the report to or share the report with their professional advisors, shareholders, merchant bankers providing fairness opinion on the Share Entitlement Ratio and Equity Share Exchange Ratio(s) and regulatory authorities, in connection with the Proposed Transaction (together, "Permitted Recipients"). We hereby give consent to the disclosure of the report to any of them, subject to the Client ensuring that any such disclosure shall be subject to the condition and understanding that:

- it will be the Client's responsibility to review the report and identify any confidential information that it does not wish to or cannot disclose;

- we owe responsibility only to the Client that has engaged us and nobody else, and to the fullest extent permitted by law;
- we do not owe any duty of care to anyone else other than the Client and accordingly that no one other than the Client is entitled to rely on any part of the report;
- we accept no responsibility or liability towards any third party (including, the Permitted Recipients) to whom the report may be shared with or disclosed or who may have access to the report pursuant to the disclosure of the report to the Permitted Recipients. Accordingly, no one other than the Client shall have any recourse to us with respect to the report;
- we shall not under any circumstances have any direct or indirect liability or responsibility to any party engaged by the Client or to whom the Client may disclose or directly or indirectly permit the disclosure of any part of the report and that by allowing such disclosure we do not assume any duty of care or liability, whether in contract, tort, breach of statutory duty or otherwise, towards any of the third parties.

It is clarified that reference to this valuation report in any document and/ or filing with aforementioned tribunal/ judicial/ regulatory authorities/ government authorities/ courts/ shareholders/ professional advisors/ merchant bankers, in connection with the Proposed Transaction, shall not be deemed to be an acceptance by the Valuer of any responsibility or liability to any person/ party other than the Boards of Directors of the Client.

This report is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

DISCLOSURE OF INTEREST/ CONFLICT

- KPMG is not affiliated to the Client in any manner whatsoever.
- KPMG does not have a prospective interest in the businesses/ companies which is the subject of this report.
- KPMG's fee is not contingent on an action or event resulting from the analyses, opinions or conclusions in this report.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information shared with us during the course of the engagement:

- Salient features of the Draft Composite Scheme of Arrangement.
- Audited financials of DIL and its key subsidiaries and joint venture from Financial Year Ending ("FYE") March 2023 to March 2025.
- Audited financials of DTPL from FYE March 2023 to March 2025.
- Limited Reviewed Consolidated and Standalone Financial Statements of DIL for the three-month period ended 30 June 2025 as per requirements under Regulation 33 of SEBI Listing Obligations and Disclosure Requirements 2015 as amended ("Limited Reviewed Financials");
- Limited Reviewed Financials of DTPL for the three months period ended 30 June 2025.
- Audited Financial Statements of Dollar Group Companies from FYE March 2023 to March 2025.
- Provisional Financial Statements of Dollar Group Companies for the three months period ended 30 June 2025.
- Projected financials of DIL and its key subsidiaries from 01 July 2025 to 31 March 2030.

- Projected financials of joint venture of DIL from FYE 01 July 2025 to 31 March 2029.
- Projected carved out financials of Demerged Undertaking from 01 July 2025 to 31 March 2030.
- Registered Valuer Reports by S.Sabapathi, Daljit Raheja and Balkrishna Lal More for valuation of immovable properties owned by the Dollar Group Companies (excluding DBPL) in Tirupur, Ludhiana and Kolkata.
- Discussion with the Management in connection with the operations of DIL, Demerged Undertaking of DTPL and Dollar Group Companies (together referred to as "the Companies"), past and present activities, future plans and prospects, share capital and shareholding pattern of the above companies.
- For our analysis, we have relied on published and secondary sources of data, whether or not made available by the Companies. We have not independently verified the accuracy or timeliness of the same; and
- Such other analysis and enquiries, as we considered necessary

We have also obtained the explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise from the Managements and representatives of the Companies. The Clients has been provided with the opportunity to review the draft report (excluding the recommended Share Entitlement Ratio and Equity Share Exchange Ratio(s)) for this engagement to make sure that factual inaccuracies are avoided in our final report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision 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 otherwise be provided by us or our network firms.

This report, its content, and the results herein are specific to the purpose of valuation as mentioned in the report and agreed as per the terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. This report is issued on the understanding that the Managements of the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the companies and any other matter, which may have an impact on our opinion, on the Share Entitlement Ratio and Equity Share Exchange Ratio(s) for the Proposed Transaction. Events and circumstances may have occurred since 30 June 2025 concerning the financial position of the Companies or any other matter and such events or circumstances might be considered material by the Companies or any third party. We have taken into account, in our valuation analysis, such events and circumstances occurring after 30 June 2025 as disclosed to us by the Companies, to the extent considered appropriate by us based on our professional judgement. Further, we have no responsibility to update the report for any events and circumstances occurring after the date of the report. Our valuation analysis was completed on a date subsequent to 30 June 2025 and accordingly, we have taken into account such valuation parameters and over such period, as we considered appropriate and relevant, up to a date close to our Report Date.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information received from the Companies till this report is issued and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). You acknowledge and agree that you have the final responsibility for the determination of the Share Entitlement Ratio and Equity Share Exchange Ratio(s) at which the proposed transaction shall take place and factors other than our Valuation report will need

to be taken into account in determining the Share Entitlement Ratio and Equity Share Exchange Ratio(s); these will include your own assessment of the Proposed Transaction and may include the input of other professional advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, financial and operating data. In accordance with the terms of our engagement, we have carried out relevant analyses and evaluations through discussions, calculations and such other means, as may be applicable and available, we have assumed and relied upon, without independently verifying, (i) the accuracy of the information that was publicly available, sourced from subscribed databases and formed a substantial basis for this report and (ii) the accuracy of information made available to us by the Companies. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness, we have obtained information, as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information. Our valuation does not constitute an audit or review in accordance with the auditing standards applicable in India, accounting/ financial/ commercial/ legal/ tax/ environmental due diligence or forensic/ investigation services and does not include verification or validation work. In accordance with the terms of our engagement letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, certified, carried out a due diligence, or otherwise investigated the historical and projected financial information, if any, provided to us regarding the Companies/ their holding/ subsidiary/ associates/ joint ventures/ investee companies, if any. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financials/ financial statements and projections. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the Companies. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the assumptions and information given by/on behalf of the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report.

The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the 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/ unaudited balance sheets of the Companies/ their holding/ subsidiary/ associates/ joint ventures/ investee companies, if any. Our conclusion of value assumes that the assets and liabilities of the Companies reflected in their respective latest audited or provisional balance sheets remain intact as of the Report Date. No investigation of the Companies'/ subsidiaries claims to title of assets has been made for the purpose of this report and the Companies'/ subsidiaries 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 a legal nature. The valuation analysis and result are governed by concept of materiality.

Our report is not nor should it be construed as our opining or certifying the compliance of the Proposed Transaction with the provisions of any law/ standards including companies, foreign exchange regulatory, accounting and taxation (including transfer pricing) laws/ standards or as regards any legal, accounting or taxation implications or issues arising from such Proposed Transaction.

Our report is not, nor should it be construed as our recommending the Proposed Transaction or anything consequential thereto/ resulting therefrom. This report does not address the relative merits of the Proposed Transaction as compared with any other alternatives or whether or not such alternatives could

be achieved or are available. Any decision by the Companies/ their shareholders/ creditors regarding whether or not to proceed with the Proposed Transaction shall rest solely with them. We express no opinion or recommendation as to how the shareholders/ creditors of the Companies should vote at any shareholders'/ creditors' meeting(s) to be held in connection with the Proposed Transaction. This report does not in any manner address, opine on or recommend the prices at which the securities of the Companies could or should transact at following the announcement/ consummation of the Proposed Transaction. Our report and the opinion/ valuation analysis contained herein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities or as providing management services or carrying out management functions. It is understood that this analysis does not represent a fairness opinion.

We express no opinion on the achievability of the forecasts, if any, relating to the Companies/ their subsidiaries/ associates/ joint ventures/ investee companies/ their businesses given to us by the Managements. The future projections are the responsibility of the respective management of the Companies. The assumptions used in their preparation, as we have been explained, are based on their present expectation of both – the most likely set of future business events and circumstances and the respective management's course of action related to them. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period may differ from the forecast and such differences may be material.

We have not conducted or provided an analysis or prepared a model for any individual assets/ liabilities and have wholly relied on information provided by the Companies in that regard.

Neither the 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 Transaction, without our prior written consent.

This valuation report is subject to the laws of India.

Any discrepancies in any table/ annexure between the total and the sums of the amounts listed are due to rounding-off.

KPMG has been appointed under the terms of the engagement letter. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions or advice given by any other person.

PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and business information;
- Obtained data available in public domain;
- Undertook high level industry analysis and research based on publicly available market data;
- Discussions (over call/ emails/ conferences) with the Management to understand the business and fundamental factors that could affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance;
- Selected internationally accepted valuation methodology/ (ies) as considered appropriate by us, in accordance with the ICAI Valuation Standards / International Valuation standards published by the International Valuation Standards Council;
 - Determined the share entitlement ratio based on the selected methodology for transfer and vesting of the Demerged Undertaking from DTPL to DIL under Part III of the Scheme.

- Determined the equity share exchange ratios based on the selected methodology for merger of Dollar Group Companies under Part IV of the Scheme;
- For the purpose of arriving at the valuation of the Companies we have considered the valuation base as 'Fair Value' and the premise of value is 'Going Concern Value'. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this report.

SHARE CAPITAL DETAILS OF THE COMPANIES

Dollar Industries Limited (DIL)

As on the Report Date, the paid up equity share capital of DIL is INR 113.4 million consisting of 5,67,16,120 equity shares of face value of INR 2/- each fully paid up. The shareholding pattern of DIL is as follows:

Category	No of Shares	% shareholding
Promoter Group	4,09,54,464	72.21%
Public	1,57,61,656	27.79%
Total	5,67,16,120	100.0%

Source: Management

Dindayal Texpro Private Limited (DTPL)

As on the Report Date, the paid up share capital of DTPL is INR 95.0 million consisting of 30,00,000 equity shares of face value of INR 10/- each fully paid up and 65,00,000 6% Non-cumulative optionally convertible redeemable preference shares ("OCRPS") of face value of INR 10/- each fully paid up. The shareholding pattern of DTPL is as follows:

Category	No of Equity Shares	No of ORCPS	% shareholding
Promoter Group	30,00,000	65,00,000	100.0%
Total	30,00,000	65,00,000	100.0%

Source: Management

We understand from the Management of DIL that the above OCRPS of DTPL will be redeemed (including the cumulative dividend) before the implementation of the Scheme and Proposed Transaction.

Adds Projects Private Limited ("Transferor Company 1")

As on the Report Date, the paid up share capital of Adds Projects Private Limited is INR 70.7 million consisting of 70,74,200 equity shares of face value of INR 10/- each fully paid up. The shareholding pattern is as follows:

Category	No of Shares	% shareholding
Promoter Group	70,74,200	100.0%
Total	70,74,200	100.0%

Source: Management

Amicable Properties Private Limited ("Transferor Company 2")

As on the Report Date, the paid up share capital of Amicable Properties Private Limited is INR 2.1 million consisting of 2,05,000 equity shares of face value of INR 10/- each fully paid up. The shareholding pattern is as follows:

Category	No of Shares	% shareholding
Promoter Group	2,05,000	100.0%
Total	2,05,000	100.0%

Source: Management

Bhawani Yarns Private Limited (“Transferor Company 3”)

As on the Report Date, the paid up share capital of Bhawani Yarns Private Limited is INR 120.0 million consisting of 1,20,00,000 equity shares of face value of INR 10/- each fully paid up. The shareholding pattern is as follows:

Category	No of Shares	% shareholding
Promoter Group	1,20,00,000	100.0%
Total	1,20,00,000	100.0%

Source: Management

Dollar Brands Private Limited (“Transferor Company 4”)

As on the Report Date, the paid up share capital of Dollar Brands Private Limited is INR 43.0 million consisting of 43,03,000 equity shares of face value of INR 10/- each fully paid up. The shareholding pattern is as follows:

Category	No of Shares	% shareholding
Promoter Group	43,03,000	100.0%
Total	43,03,000	100.0%

Source: Management

Goldman Trading Private Limited (“Transferor Company 5”)

As on the Report Date, the paid up share capital of Goldman Trading Private Limited is INR 39.8 million consisting of 39,84,120 equity shares of face value of INR 10/- each fully paid up. The shareholding pattern is as follows:

Category	No of Shares	% shareholding
Promoter Group	39,84,120	100.0%
Total	39,84,120	100.0%

Source: Management

KPS Distributors Private Limited (“Transferor Company 6”)

As on the Report Date, the paid up share capital of KPS Distributors Private Limited is INR 137.3 million consisting of 1,37,28,550 equity shares of face value of INR 10/- each fully paid up. The shareholding pattern is as follows:

Category	No of Shares	% shareholding
Promoter Group	1,37,28,550	100.0%
Total	1,37,28,550	100.0%

Source: Management

PHPL Properties Private Limited (“Transferor Company 7”)

As on the Report Date, the paid up share capital of PHPL Properties Private Limited is INR 0.75 million consisting of 75,000 equity shares of face value of INR 10/- each fully paid up. The shareholding pattern is as follows:

Category	No of Shares	% shareholding
Promoter Group	75,000	100.0%
Total	75,000	100.0%

Source: Management

Zest Merchants Private Limited (“Transferor Company 8”)

As on the Report Date, the paid up share capital of Zest Merchants Private Limited is INR 2.0 million consisting of 2,04,500 equity shares of face value of INR 10/- each fully paid up. The shareholding pattern is as follows:

Category	No of Shares	% shareholding
Promoter Group	2,04,500	100.0%
Total	2,04,500	100.0%

Source: Management

APPROACH AND METHODOLOGY – BASIS OF TRANSACTION

The Scheme contemplates demerger of the Demerged Undertaking from DTPL into DIL and merger of the Dollar Group Companies with DIL under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 and rules issued thereunder to the extent applicable.

Arriving at the Share Entitlement Ratio and Equity Share Exchange Ratio(s) for the purposes of an arrangement such as the Proposed Transaction, would require determining the relative values of DIL, DTPL’s Demerged Undertaking and Dollar Group Companies. These values are to be determined independently but on a relative basis, and without considering the effect of the arrangement.

BASIS OF VALUE

The report has been prepared on the basis of “Fair Value”. The generally accepted definition of “Fair Value” is the value as applied between a hypothetical willing vendor and a hypothetical willing prudent buyer in an open market and with access to all relevant information.

PREMISE OF VALUE

The report has adopted “Going Concern Value” as the premise of value in the given circumstances. The generally accepted definition of Going concern value is the value of a business enterprise that is expected to continue to operate in the future.

We have carried out the valuation in accordance with the principles laid in the ICAI Valuation Standards/ International Valuation Standards, as applicable to the purpose and terms of this engagement.

The three main valuation approaches are the market approach, income approach and asset approach. There are several commonly used and accepted methods within the market approach, income approach and asset approach, for determining the value of equity shares of a company, which can be considered

in the present valuation exercise, to the extent relevant and applicable, to arrive at the Share Entitlement Ratio and Equity Share Exchange Ratio(s) for the purpose of the Proposed Transaction, such as:

- Market Approach - Market Price Method; Comparable Companies Multiples (CCM) Method
- Income Approach - Discounted Cash Flow (DCF) Method
- Asset Approach - Net Asset Value (NAV) Method

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

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values 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 method of valuation has been arrived at using usual and conventional methods adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Asset Approach: Under the asset approach, the net asset value (NAV) method is considered, which is based on the underlying net assets and liabilities of the company, taking into account operating assets and liabilities on a book value basis and appropriate adjustments for, inter alia, value of surplus/ non-operating assets.

Income Approach: Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

Under DCF method, the projected free cash flows from business operations available to all providers of capital are discounted at the weighted average cost of capital to such capital providers, on a market participant basis, and the sum of such discounted free cash flows is the value of the business from which value of debt and other capital is deducted, and other relevant adjustments made to arrive at the value of the equity – Free Cash Flows to Firm (FCFF) technique; 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 cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of DCF valuation, the free cash flow forecast is based on projected financials as provided by the Management of the Companies. While carrying out this engagement, we have relied on historical information made available to us by the Management of the Companies and the projected financials for future related information. Although we have read, analyzed and discussed the Management Business Plan for the purpose of undertaking a valuation analysis, we have not commented on the achievability of the assumptions/ projections provided to us save for satisfying

ourselves to the extent possible that they are consistent with other information provided to us in the course of the assignment. We have assessed and evaluated the reasonableness of the projections based on procedures such as analyzing industry data, historical performance, expectations of comparable companies, analyst reports etc.

Market Approach: Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

- **Market Price Method:** Under this method, the value of shares of a company is determined by taking the average of the market capitalization of the equity shares of such company as quoted on a recognized stock exchange over reasonable periods of time where such quotations are arising from the shares being regularly and freely traded in an active market, subject to the element of speculative support that may be inbuilt in the market price. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share, especially where the market values are fluctuating in a volatile capital market. Further, in the 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 number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard. This method would also cover any other transactions in the shares of the company including primary/ preferential issues/ open offer in the shares of the company available in the public domain.
- **Comparable Companies Multiples (CCM) Method:** Under this method, one attempts to measure the value of the shares/ business of company by applying the derived market multiple based on market quotations of comparable public/ listed companies, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company/ business (based on past and/ or projected working results) after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. These valuations are based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.
- **Comparable Transaction Multiples (CTM) Method:** Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable transactions. This valuation is based on the principle that transactions taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

The valuation approaches/ methods used, and the values arrived at using such approaches/ methods have been tabled in the next section of this report.

BASIS OF SHARE ENTITLEMENT RATIO AND EQUITY SHARE EXCHANGE RATIO

The basis of the Proposed Transaction would have to be determined after taking into consideration all the factors, approaches and methods considered appropriate by the Valuer. Though different values have been arrived at under each of the above approaches/ methods, for the purposes of recommending the Share Entitlement Ratio and Equity Share Exchange Ratio(s) it is necessary to arrive at a single

value for the shares of the companies involved in a transaction such as the proposed Transaction. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of the Businesses but at their values to facilitate the determination of Share Entitlement Ratio and Equity Share Exchange Ratio(s). For this purpose, it is necessary to give appropriate weights to the values arrived at under each approach/ method.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgments taking into account all the relevant factors. There will always be several factors, e.g., quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share. The determination of Share Entitlement Ratio and Equity Share Exchange Ratio(s) 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 judgment. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single exchange ratio. While we have provided our recommendation of the Share Entitlement Ratio and Equity Share Exchange Ratio(s) based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Share Entitlement Ratio and Equity Share Exchange Ratio(s) for the Proposed Transaction. The final responsibility for the determination of the exchange ratio at which the Proposed Transaction shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

The Share Entitlement Ratio and Equity Share Exchange Ratio(s) has been arrived at on the basis of equity valuation of DIL, Demerged Undertaking of DTPL and Dollar Group Companies based on the various applicable approaches/ methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of these companies, having regard to information base, key underlying assumptions and limitations.

We have applied relevant methods discussed above, as considered appropriate, and arrived at the assessment of the values per equity share of DIL, Demerged Undertaking of DTPL and Dollar Group Companies. To arrive at the Share Entitlement Ratio and Equity Exchange Ratio(s) for the Proposed Transaction, suitable minor adjustments/ rounding off have been done in the values arrived at by us.

APPROACH TO VALUATION

For the present valuation analysis, we have considered it appropriate to apply Income Approach and Market Approach for DIL, Income Approach for Demerged Undertaking and DBPL and Asset Approach (NAV method) for Dollar Group Companies (excluding DBPL) to arrive at the value of equity shares for the purpose of the Proposed Transaction.

Given the nature of the businesses of DIL, Demerged Undertaking and DBPL, and the fact that Management has provided projected financials for respective businesses, we have considered it appropriate to apply DCF Method to arrive at the equity value of DIL, Demerged Undertaking and DBPL for the purpose of arriving at the Share Entitlement Ratio and Equity Share Exchange Ratio(s).

For the purpose of DCF valuation, the free cash flow forecast is based on projected financials as provided by the Management of the Companies. For the purposes of computing the swap ratio, we have relied on historical information made available to us by the Management of the Companies and the

projected financials (Management Business Plan) for future related information. Although we have read, analyzed and discussed the Management Business Plan for the purpose of undertaking a valuation analysis, we have not commented on the achievability of the assumptions/ projections provided to us save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of the assignment. We have assessed and evaluated the reasonableness of the projections based on procedures such as analyzing industry data, historical performance, expectations of comparable companies, analyst reports etc.

In the present case, the shares of DIL are listed on BSE and NSE and there are regular transactions in its equity shares with reasonable volume. In the circumstances, the share price of DIL has been considered as suggested in regulation 164 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Accordingly, higher of the below two methods has been taken for determining the value of DIL under the market price methodology.

- Volume Weighted Average Price (VWAP) for 90 trading days preceding the Valuation Report Date.
- Volume Weighted Average Price (VWAP) for 10 trading days preceding the Valuation Report Date

Further, considering the availability of comparable listed peer set in the business carried out by DIL, we have applied the Comparable Companies Multiples method under Market Approach (using EV/TTM Revenue multiple and EV/TTM EBITDA multiple) to arrive at relative valuation of the equity shares of DIL for the purpose of arriving at the Equity Share Exchange Ratio(s).

Further, we understand that the business of Demerged Undertaking and DBPL are primarily captive in nature and therefore, may not find relevant comparable companies/ transactions in public domain. Accordingly comparable companies/ transactions approach is not considered for the valuation of Demerged Undertaking and DBPL.

In the current analysis, the Proposed Transaction is proceeded with on the assumption that DIL, Demerged Undertaking and DBPL would merge as going concerns and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of the merger, with the values arrived at on the net asset basis being of limited relevance. Hence, while we have calculated the values of the shares of operating entities namely DIL, Demerged Undertaking and DBPL under the Asset Approach, we have considered it appropriate not to give any weight to the same in arriving at the Equity Share Exchange Ratio(s).

We understand from the Management that Dollar Group Companies (excluding DBPL) primarily hold immovable properties and have no significant business operations and hence its value is primarily derived from its underlying net assets rather than its earnings or prospective cashflows. Accordingly, given the nature of business and underlying properties held by Dollar Group Companies (excluding DBPL), We have considered NAV method under Asset Approach to arrive at its relative per share value.

Fair value of immovable properties held by Dollar Group Companies (excluding DBPL) as determined by the Independent Registered Valuer appointed by the Client have been considered for arriving at the equity value of Dollar Group Companies (excluding DBPL) under NAV method.

The computation of Share Entitlement Ratio as derived by KPMG, is given below:

Valuation Approach	DIL		Demerged Undertaking	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Income Approach	347.8	0%	31.5	100%
Market Approach				
Multiples Method – EV/Revenue	442.5	25%	NA	NA
Multiples Method – EV/EBITDA	502.9	25%	NA	NA
Market Price Method	379.7	50%	NA	NA
Asset Approach	163.2	0%	30.1	0%
Relative Value per Share	426.2		31.5	
Share Entitlement Ratio (Rounded off)	13.5			

The computation of Equity Share Exchange Ratio 1 as derived by KPMG, is given below:

Valuation Approach	DIL		Adds	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Income Approach	347.8	0%	NA	NA
Market Approach				
Multiples Method – EV/Revenue	442.5	25%	NA	NA
Multiples Method – EV/EBITDA	502.9	25%	NA	NA
Market Price Method	379.7	50%	NA	NA
Asset Approach	163.2	0%	20.9	100%
Relative Value per Share	426.2		20.9	
Share Exchange Ratio (Rounded off)	20.4			

The computation of Equity Share Exchange Ratio 2 as derived by KPMG, is given below:

Valuation Approach	DIL		Amicable	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Income Approach	347.8	0%	NA	NA
Market Approach				
Multiples Method – EV/Revenue	442.5	25%	NA	NA
Multiples Method – EV/EBITDA	502.9	25%	NA	NA
Market Price Method	379.7	50%	NA	NA
Asset Approach	163.2	0%	392.9	100%
Relative Value per Share	426.2		392.9	
Share Exchange Ratio (Rounded off)	1.1			

The computation of Equity Share Exchange Ratio 3 as derived by KPMG, is given below:

Valuation Approach	DIL		BYPL	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Income Approach	347.8	0%	NA	NA
Market Approach				
Multiples Method – EV/Revenue	442.5	25%	NA	NA
Multiples Method – EV/EBITDA	502.9	25%	NA	NA
Market Price Method	379.7	50%	NA	NA
Asset Approach	163.2	0%	7.7	100%
Relative Value per Share	426.2		7.7	
Share Exchange Ratio (Rounded off)	55.2			

The computation of Equity Share Exchange Ratio 4 as derived by KPMG, is given below:

Valuation Approach	DIL		DBPL	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Income Approach	347.8	0%	11.9	100%
Market Approach				
Multiples Method – EV/Revenue	442.5	25%	NA	NA
Multiples Method – EV/EBITDA	502.9	25%	NA	NA
Market Price Method	379.7	50%	NA	NA
Asset Approach	163.2	0%	10.8	0%
Relative Value per Share	426.2		11.9	
Share Exchange Ratio (Rounded off)	35.8			

The computation of Equity Share Exchange Ratio 5 as derived by KPMG, is given below:

Valuation Approach	DIL		GTPL	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Income Approach	347.8	0%	NA	NA
Market Approach				
Multiples Method – EV/Revenue	442.5	25%	NA	NA
Multiples Method – EV/EBITDA	502.9	25%	NA	NA
Market Price Method	379.7	50%	NA	NA
Asset Approach	163.2	0%	65.9	100%
Relative Value per Share	426.2		65.9	
Share Exchange Ratio (Rounded off)	6.5			

The computation of Equity Share Exchange Ratio 6 as derived by KPMG, is given below:

Valuation Approach	DIL		KPS	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Income Approach	347.8	0%	NA	NA
Market Approach				
Multiples Method – EV/Revenue	442.5	25%	NA	NA
Multiples Method – EV/EBITDA	502.9	25%	NA	NA
Market Price Method	379.7	50%	NA	NA
Asset Approach	163.2	0%	27.0	100%
Relative Value per Share	426.2		27.0	
Share Exchange Ratio (Rounded off)	15.8			

The computation of Equity Share Exchange Ratio 7 as derived by KPMG, is given below:

Valuation Approach	DIL		PHPL	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Income Approach	347.8	0%	NA	NA
Market Approach				
Multiples Method – EV/Revenue	442.5	25%	NA	NA
Multiples Method – EV/EBITDA	502.9	25%	NA	NA
Market Price Method	379.7	50%	NA	NA
Asset Approach	163.2	0%	1,231.5	100%
Relative Value per Share	426.2		1,231.5	
Share Exchange Ratio (Rounded off)	0.4			

The computation of Equity Share Exchange Ratio 8 as derived by KPMG, is given below:

Valuation Approach	DIL		Zest	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Income Approach	347.8	0%	NA	NA
Market Approach				
Multiples Method – EV/Revenue	442.5	25%	NA	NA
Multiples Method – EV/EBITDA	502.9	25%	NA	NA
Market Price Method	379.7	50%	NA	NA
Asset Approach	163.2	0%	392.5	100%
Relative Value per Share	426.2		392.5	
Share Exchange Ratio (Rounded off)	1.1			

RATIO

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above, we recommend the following Share Entitlement Ratio and Equity Share Exchange Ratio(s) for the proposed Transaction:

Share Entitlement Ratio:

Ten (10 Only) equity shares of Dollar Industries Limited of INR 2/- each fully paid up for every One Hundred Thirty Five (135 Only) equity shares of Dindayal Texpro Private Limited of INR 10/- each fully paid up.

Equity Share Exchange Ratio 1:

Ten (10 Only) equity shares of Dollar Industries Limited of INR 2/- each fully paid up for every Two Hundred Four (204 Only) equity shares of Adds Projects Private Limited of INR 10/- each fully paid up.

Equity Share Exchange Ratio 2:

One Hundred (100 Only) equity shares of Dollar Industries Limited of INR 2/- each fully paid up for every One Hundred Eight (108 Only) equity shares of Amicable Properties Private Limited of INR 10/- each fully paid up.

Equity Share Exchange Ratio 3:

Ten (10 Only) equity shares of Dollar Industries Limited of INR 2/- each fully paid up for every Five Hundred Fifty Two (552 Only) equity shares of Bhawani Yarns Private Limited of INR 10/- each fully paid up.

Equity Share Exchange Ratio 4:

Ten (10 Only) equity shares of Dollar Industries Limited of INR 2/- each fully paid up for every Three Hundred Fifty Eight (358 Only) equity shares of Dollar Brands Private Limited of INR 10/- each fully paid up.

Equity Share Exchange Ratio 5:

Ten (10 Only) equity shares of Dollar Industries Limited of INR 2/- each fully paid up for every Sixty Five (65 Only) equity shares of Goldman Trading Private Limited of INR 10/- each fully paid up.

Equity Share Exchange Ratio 6:

Ten (10 Only) equity shares of Dollar Industries Limited of INR 2/- each fully paid up for every One Hundred Fifty Eight (158 Only) equity shares of KPS Distributors Private Limited of INR 10/- each fully paid up.

Equity Share Exchange Ratio 7:

One Hundred (100 Only) equity shares of Dollar Industries Limited of INR 2/- each fully paid up for every Thirty Five (35 Only) equity shares of PHPL Properties Private Limited of INR 10/- each fully paid up.

Equity Share Exchange Ratio 8:

One Hundred (100 Only) equity shares of Dollar Industries Limited of INR 2/- each fully paid up for every One Hundred Nine (109 Only) equity shares of Zest Merchants Private Limited of INR 10/- each fully paid up.

Our Valuation report, Share Entitlement Ratio and Equity Share Exchange Ratio(s) is based on the existing equity share capital structure of DIL, DTPL and Dollar Group Companies as mentioned earlier in this report. Any variation in the equity capital of the Companies may have material impact on the Share Entitlement Ratio and Equity Share Exchange Ratio(s).

Respectfully submitted,

For KPMG Valuation Services LLP

Registered Valuer Entity under Companies (Registered Valuers and Valuation) Rules, 2017

IBBI Registration No. IBBI/RV-E//06/2020/115

Asset class: Securities or Financial Assets



Mahek Vikamsey, Partner

IBBI Registration No. IBBI/RV/05/2019/11313

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