

Date: September 20, 2026

To,
The Audit Committee / The Board of Directors
Himadri Speciality Chemical Limited
 23A, Netaji Subhas Road,
 8th Floor, Suite No.15,
 Kolkata – 700 001, West Bengal

Dear Sir/Ma'am,

Subject: Fairness Opinion on the share entitlement ratio for the proposed Scheme of Arrangement between Dalmia Bharat Refractories Limited and Himadri Speciality Chemical Limited

We, Jajodia Equity Advisors Services Limited, a SEBI Registered Merchant Banker having Registration Number – INM000013448, ("Jajodia" or "We" or "Us" or "Our") vide engagement letter dated August 25, 2026, have been appointed by Himadri Speciality Chemical Limited ("HSCL" or "Resulting Company") to provide a Fairness Opinion on the share entitlement ratio jointly recommended by SSPA & Co., Chartered Accountants, Registered Valuer (Reg. No: IBBI/RV-E/06/2020/126) ("Valuer 1") and CA Manish Gadia, Registered Valuer (Reg. No: IBBI/RV/06/2019/11646) ("Valuer 2") (Valuer 1 and Valuer 2 are collectively referred to as "Valuers") in their joint valuation report dated September 20, 2026, in connection with the proposed Scheme of Arrangement between Dalmia Bharat Refractories Limited ("DBRL" or "Demerged Company") and Himadri Speciality Chemical Limited ("HSCL" or "Resulting Company"), and their respective shareholders and creditors as a going concern, under the provisions of Sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 and the rules framed thereunder ("Scheme" or "Scheme of Arrangement") (hereinafter referred to as the "Proposed Demerger"). DBRL and HSCL are collectively referred to as "Companies" and individually as "Company".

JEASL has relied upon information and written representation provided by the management of the Companies that the information is materially accurate and complete, fair in its manner of portrayal and therefore forms a reliable basis for this Fairness Opinion Report ("Report"). This Report does not constitute an offer or invitation to any section of the public to subscribe for or purchase any securities in, or the other business or assets or liabilities of the Company.

This letter forms an integral part of the Report.

Yours truly,

For, Jajodia Equity Advisors Services Limited

Mr. Manav Goenka
 President
 (Investment Banking)



Place: Kolkata



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FAIRNESS OPINION REPORT

IN THE MATTER OF SCHEME OF ARRANGEMENT

BETWEEN

DALMIA BHARAT REFRACTORIES LIMITED

("DBRL" OR "DEMERGED COMPANY")

AND

HIMADRI SPECIALITY CHEMICAL LIMITED

("HSCL" OR "RESULTING COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

By

Jajodia Equity Advisors Services Limited

SEBI Registered Merchant Banker

(Registration Number – INM000013448)

Shantiniketan Building, 8, Camac Street

Block – A, 15th floor, Suit no 1501 Kolkata

West Bengal India – 700017



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1. INTRODUCTION

Himadri Speciality Chemical Limited ("**HSCL**" or "**Resulting Company**") is a global speciality chemical company focused on R&D, innovation, and sustainability, with leadership in lithium-ion battery component materials in India. Its diversified portfolio includes carbon black, speciality carbon black, coal tar pitch, refined naphthalene, advanced materials and clean power solutions serving multiple industries. The equity shares of HSCL are listed both on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**").

Dalmia Bharat Refractories Limited ("**DBRL**" or "**Demerged Company**") is engaged in the business of mining, manufacturing, research and development, production, processing, import, export and dealing in various kinds of building materials, refractory minerals and other products and by-products. DBRL is also engaged in providing tour and travel services and manufacturing and trading of tyres and related products. The equity shares of DBRL are listed on the Metropolitan Stock Exchange of India Limited ("**MSE**") and the Calcutta Stock Exchange Limited ("**CSE**").

Demerged Undertaking means the Tyre Business of DBRL comprising of the business of designing, developing and manufacturing tyres and tyre products including but not limited to tubes, flaps and all intermediary products, undertaken by DBRL. The Demerged Undertaking also includes the investment made by DBRL in Himadri Birla Tyre Manufacturer Private Limited ("**HBTMPL**").

The management(s) of the HSCL & DBRL (hereinafter collectively referred to as "**Management**") are evaluating the demerger of the Demerged Undertaking into HSCL pursuant to the scheme of arrangement with effect from the Appointed date (as defined in the Scheme). Pursuant to the Proposed Demerger, consideration by way of fully paid-up equity shares of HSCL would be discharged to the equity shareholders of DBRL as per the share entitlement ratio recommended by the Valuers (as defined herein below).

The management of respective Companies, after considering the nature of the Demerged Undertaking, its future requirements, respective strengths and strategic objectives of Resulting Company, is of the view that the proposed Demerger would provide a more focused ownership and robust operating structure for the Demerged Undertaking, while enabling each of the Companies to deploy its management attention, capital and resources towards businesses aligned with its respective strategic capabilities and long-term objectives.

The management of the respective Companies are of the view that the proposed Scheme is in the best interests of the respective Companies, their shareholders, employees, creditors and other stakeholders, and is expected to facilitate the sustainable growth of the Demerged Undertaking while enabling each Company to focus on its respective strategic objectives.

2. PURPOSE OF FAIRNESS OPINION

As per SEBI Master Circular No. SEBI/ HO/CFD/POD -2/P/CIR/2023/93 dated June 20, 2023 in relation to schemes of arrangement by listed entities, the companies going through any arrangement/amalgamation/ reconstruction etc. are required to obtain a 'Fairness Opinion' from an Independent Merchant Banker relating to the valuation of assets/ shares done by the Valuers.



In this regard, the management has appointed Jajodia Equity Advisors Services Limited, a SEBI Registered Merchant Banker registered with SEBI having Registration Number - INM000013448 to provide a fairness opinion on the Share Entitlement Ratio for the proposed Scheme of Arrangement recommended by the Valuers in their joint valuation report dated September 20, 2026.

Our Fairness Opinion is limited to the Share Entitlement Ratio proposed for the Scheme.

3. LEGAL DISCLAIMER

We have been requested to issue a Fairness Opinion Report on the joint valuation report given by the Valuers on the Share Entitlement Ratio for the Scheme. In preparing this Fairness Opinion Report, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information provided to us.

In furnishing this Report, we reserve the right to amend or replace the Report at any time. Our views are necessarily based on economic, market, and other conditions currently in effect, and the information made available to us, as of the date hereof. It should be understood that subsequent developments may affect our views and that we do not have any obligation to update, revise, or reaffirm the views expressed in the Report. Nothing contained within the Report is or should be relied upon as a promise or representation as to the future.

The Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

This report does not look into the business/ commercial reasons behind the transaction nor the likely benefits arising out of the same. Similarly, the Report 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. This Report is restricted to expressing opinion on the fairness of Share Entitlement Ratio.

We owe responsibility only to the management of Himadri Speciality Chemical Limited, who have appointed us, and nobody else. The fee for the engagement is not contingent upon the results reported.

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 Scheme.

It is understood that this letter is solely for the benefit of and use by the management of the Company for the purpose of this Proposed Demerger and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is for onward submission to the Hon'ble National Company Law Tribunal and other regulatory authorities including Securities and Exchange Board of India ("SEBI"), BSE Ltd. and National Stock Exchange of India Limited (collectively referred to as "Stock Exchanges"), Jurisdictional Regional Director, Registrar of Companies ("ROC") and Ministry of Corporate Affairs in connection with the Draft Scheme.



The management should not make this report available to any party other than as mentioned above except with the prior written consent of JEASL, except where such disclosure is required under applicable law or regulation. The report is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to the Companies underlying decision to effect to the proposed Scheme or as to how the holders of equity shares of the Companies should vote at their respective meetings held in connection with the proposed Scheme.

We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of Himadri Speciality Chemical Limited will trade following the announcement of the Proposed Demerger or as to the financial performance of Himadri Speciality Chemical Limited following the consummation of the Proposed Demerger.

In no circumstances however, will JEASL or its associates, directors or employees accept any responsibility or liability to any third party. Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement with the Companies.

4. SOURCES OF INFORMATION RELIED UPON BY US FOR THE FAIRNESS OPINION

We have prepared the Fairness Opinion Report on the basis of the following information provided to us:

- Draft Scheme of Arrangement
- Joint Valuation Report dated September 20, 2026, issued by SSPA & Co, Chartered Accountants, and CA Manish Gadia Registered Valuer, recommending the Share Entitlement Ratio
- Latest available shareholding pattern of the Companies, from stock exchange filings
- Special purpose condensed audited consolidated financial statements of HSCL for 3ME Jun26;
- Special purpose audited statement of assets and liabilities and statement of profit and loss of the Demerged Undertaking of DBRL for 3ME Jun26;
- Necessary explanations and information from the management of Companies
- Discussion with the Valuers
- All information that was provided by the Valuers
- Other data collated by us from publicly available sources

We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the executives and representatives of the Companies.



5. BRIEF BACKGROUND OF THE COMPANIES UNDER REFERENCE

i) Dalmia Bharat Refractories Limited

- a) Dalmia Bharat Refractories Limited (“DBRL” or “Demerged Company”) (CIN: L26100TN2006PLC061254) (PAN: AAKCS3708G) is a public company limited by shares, incorporated on 04th October, 2006 under the provisions of the Companies Act, 1956, having its registered office at Dalmiapuram, Tamil Nadu, India – 621651. The equity shares of DBRL

are listed on Metropolitan Stock Exchange of India Limited (“MSEI”) and The Calcutta Stock Exchange Limited (“CSE”).

- b) As set out in the object clause of the memorandum of association of DBRL is, *inter alia*, engaged in the business of mining, manufacturing, research and development, production, processing, import, export and dealing in various kinds of building materials, refractory minerals and other products and by-products. DBRL is also engaged in providing tour and travel services and manufacturing and trading of tyres and related products.

HIMADRI SPECIALITY CHEMICAL LIMITED

- a) Himadri Speciality Chemical Limited (“HSCL” or “Resulting Company”) (CIN: L27106WB1987PLC042756) (PAN: AAACH7475H) is registered as a public company limited by shares, incorporated on 28th July, 1987 under the provisions of the Companies Act, 1956, having its registered office at 23A, Netaji Subhas Road, 8th Floor, Suite no 15, Kolkata, West Bengal, India – 700001. The equity shares of HSCL are listed on National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”). The commercial papers of HSCL are listed on BSE.
- b) HSCL is a global speciality chemical company focused on R&D, innovation, and sustainability, with leadership in lithium-ion battery component materials in India. Its diversified portfolio includes carbon black, speciality carbon black, coal tar pitch, refined naphthalene, advanced materials and clean power solutions serving multiple industries.

6. VALUATION METHODOLOGY ADOPTED BY THE VALUERS

The Valuers have arrived at the Share Entitlement Ratio considering the following valuation methodologies:

The following are commonly used and accepted methods for determining the value of the equity shares of a company / undertaking:

1. Cost Approach
2. Income Approach – Discounted Cash Flow method



3. Market Approach:

- a) Market Price method
- b) Comparable Companies Multiple method
- c) Comparable Transaction Multiple Method

For the Proposed Demerger, valuers have considered the following commonly used and accepted methods for determining the value of equity share of HSCL and Demerged Undertaking for the purpose of recommending fair Share Entitlement Ratio to the extent relevant and applicable:

1. Cost Approach

The Cost Approach reflects the amount that would be required currently to replace the service capacity of an asset; often referred to as current replacement cost.

In the business of HSCL and Demerged Undertaking is intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the Cost Approach is not adopted for the present valuation exercise.

2. Income Approach - Discounted Cash Flows Method ('DCF')

Under the Income Approach, equity shares of HSCL and Demerged Undertaking are valued using DCF Method.

HSCL has historically reported reasonable operating profitability. As per the management of HSCL, operating profits are expected to increase over the projection period, supported by operating leverage, scale benefits, improved utilisation of manufacturing facilities and an increasing contribution from value-added products. The expected improvement in profitability is primarily driven by (i) higher capacity utilisation and sales volumes, (ii) operating leverage and economies of scale arising from increased production levels, and (iii) an increasing contribution from value-added products, which are expected to support overall product realisations and profitability as the Company's product portfolio scales up.

The Demerged Undertaking has experienced revenue growth in recent years, supported by growth in demand for tyres and tyre products, improved capacity utilisation and production volumes, and growth across its manufacturing operations. Its operations comprise of designing, developing and manufacturing tyres and tyre products, together with activities relating to the development and optimisation of production and manufacturing processes, quality control, marketing and branding of tyres manufactured, and other support operations. As per the management of DBRL, the Demerged Undertaking is projected to continue its revenue growth over the projected period, primarily driven by higher capacity utilisation and production volumes across existing facilities, together with the ramp-up of utilisation of manufacturing capacity. The projected growth is also supported by a gradual shift in product mix and an increasing contribution from downstream manufacturing activities.

The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adjusting earnings before tax on account of (i) interest on loans, (ii) depreciation and amortizations (non-cash charge), (iii) Cash outflow on account of lease rentals, if any, (iv) adjustments pertaining to non-controlling interest, if any, and (v) adjustment of any non-operating items of income and expenses, if any. The cash flow is adjusted for outflows on account of (i) capital expenditure, (ii) incremental working capital requirements and (iii) tax.



WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the company. In other words, WACC is the weighted average of cost of equity and cost of debt of the respective Companies.

To the value so arrived, appropriate adjustments have been made for contingent liabilities, loan funds, value of investments, cash and cash equivalents and cash outflow on account of ESOPs, considering the tax impact wherever applicable to arrive at the equity value of HSCL and the Demerged Undertaking.

3. Market Approach

a) Market Price ('MP') Method

The equity shares of HSCL are listed on both NSE and BSE and its shares are frequently traded on the recognized stock exchange. The value of equity shares of HSCL under this method is determined considering the share prices of HSCL on NSE over an appropriate period.

Further, equity shares of the Demerged Undertaking are not listed on any recognized stock exchange, hence the market price method cannot be applied for valuation of the Demerged Undertaking.

b) Comparable Companies' Multiple (CCM) / Comparable Transactions Multiples (CTM) Method

Under CCM method, the value of equity shares of Companies is determined by using multiples derived from valuations of comparable companies. This valuation is based on the principle that 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 material differences, if any.

Under CTM Method, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

Considering the absence of directly comparable listed companies in India with a similar scale, brand strength, and business profile as HSCL, CCM method has not been considered for the valuation of HSCL.

Based on the discussion with the Management, the Demerged Undertaking is incurring losses currently and is expected to generate profits in the future years therefore CCM method has not been considered for the valuation of Demerged Undertaking.

As mentioned above, the Valuers have considered a combination of Market Approach and Income Approach for arriving at the relative value per equity share of HSCL and Income Approach for arriving at the relative value per equity share of Demerged Undertaking.

7. SHARE ENTITLEMENT RATIO RECOMMENDED BY THE VALUERS

For the proposed demerger of the Demerged Undertaking of Dalmia Bharat Refractories Limited into Himadri Speciality Chemical Limited, the Valuers have recommended the following share entitlement ratio:

1 (One) equity share having face value of INR 1 each fully paid up of HSCL for every 260 (Two Hundred and Sixty) equity shares having face value of INR 10 each fully paid up held in DBRL.



8. OPINION ON SHARE ENTITLEMENT RATIO

Based on the information, and data made available to us, including the Joint Valuation Report by the Valuers and the working thereto, in our opinion the said Share Entitlement Ratio recommended for the proposed Scheme of Arrangement between Himadri Speciality Chemical Limited and Dalmia Bharat Refractories Limited is fair and proper.

For, Jajodia Equity Advisors Services Limited

Manav Goenka

Mr. Manav Goenka
President
(Investment Banking)



Date: September 20, 2026

Place: Kolkata