ANNEXURE 3

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Dated: 16 September 2024

The Board of Directors
JK Tyre & Industries Limited
Jaykaygram, PO – Tyre Factory
Kankroli – 313 342
Rajasthan, India

The Board of Directors
Cavendish Industries Limited
7, Council House Street,
Kolkata – 700 001
West Bengal, India

Re: Recommendation of the fair share exchange ratio for the proposed amalgamation of Cavendish Industries Limited ("Cavendish" or "Transferor Company") with JK Tyre & Industries Limited ("JK Tyre" or "Transferee Company").

Dear Sir / Madam,

We refer to our engagement letter dated 11 September 2024 whereby JK Tyre and Cavendish (together referred to as the "Clients" or the "Companies" or "you") have appointed PwC Business Consulting Services LLP (hereinafter referred to as "PwC BCS") to recommend the fair share exchange ratio ("Share Exchange Ratio") for the proposed amalgamation of the Transferor Company with the Transferee Company.

PwC BCS has been hereinafter referred to as the 'Valuer' or 'we' or 'us' in this share exchange ratio report ("Share Exchange Report" or "Valuation Report" or "Report").

BACKGROUND OF COMPANIES

JK Tyre & Industries Limited is a public limited company incorporated under the provisions of the Indian Companies Act, 1913 and Companies Act, 2013 with corporate identity number L67120RJ1951PLC045966 and registered office at Jaykaygram PO – Tyre Factory, Rajsamand, Kankroli - 313 342, Rajasthan, India. The Transferee Company is *inter-alia* engaged in developing, manufacturing, marketing and distribution of automotive tyres, tubes, flaps and retreads. The equity shares of the Transferee Company are listed on both National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). JK Tyre via its subsidiaries/ associates has manufacturing/ trading operations in Mexico, Middle East and USA.

Cavendish Industries Limited is a public limited company incorporated under the provisions of the Companies Act, 2013 with corporate identity number U74900WB2015PLC204899 and registered office at 7, Council House Street, Kolkata 700 001, West Bengal, India. The Transferor Company is in the process of shifting its registered office from its current address. The Transferor Company is *inter-alia* engaged in developing, manufacturing, marketing and distribution of automotive tyres, tubes & flaps. The equity shares of the Transferor Company are not listed on any stock exchanges in India or overseas. JK Tyre holds ~74.1% equity stake directly in Cavendish, ~13.3% through its subsidiary JK Tornel S.A. De C.V. and ~12.5% through its associate Valiant Pacific LLC.

SCOPE AND PURPOSE OF THIS REPORT

We understand that the managements of the Clients ("Management") pursuant to a composite scheme of amalgamation (the proposed "Scheme" or "Scheme of Amalgamation") are evaluating the amalgamation of the Transferor Company with the Transferee Company ("Proposed Transaction") under the provisions of Sections 230 to 232 of the Companies Act,

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2013 and applicable provisions of the Income Tax Act, other applicable laws and rules issued thereunder, as may be applicable.

We understand from the Scheme that as consideration for the Proposed Transaction, the equity shareholders of the Transferor Company would be issued equity shares of the Transferee Company.

For the aforesaid purpose, the Board of Directors of the Clients have appointed PwC BCS to submit a Registered Valuer Report providing the recommendation of Share Exchange Ratio for the amalgamation of the Transferor Company with the Transferee Company on a going concern basis with 13 September 2024 being the Valuation Date, for the consideration of the Board of Directors of the Clients in accordance with the generally accepted professional standards.

It is clarified that any reference to this Report in any document and/ or filing with any tribunal/ judicial/ regulatory authorities/ government authorities/ stock exchanges/ 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 Board of Directors of Clients.

As per the Scheme, we understand that the Appointed Date for the Proposed Transaction is 01 April 2025.

The Report will be used by the Clients only for the purpose, as indicated in this Report, for which we have been appointed. The results of our analysis and our Report cannot be used or relied by the Clients 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.

The scope of our services is to recommend Share Exchange Ratio for the Proposed Transaction and conduct a relative (and not absolute) valuation of equity shares of the Transferor Company and the Transferee Company.

This Report is our deliverable for the above engagement. This Report is subject to the scope, assumptions, 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.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management and gathered from public domain:

- Considered the audited standalone financial statements of the Transferor Company, Transferee Company and its key subsidiaries/ associates for the last three years ended 31 March 2024 and the three month period ended 30 June 2024;
- Considered the audited consolidated financial statements of the Transferee Company for the last three years ended 31 March 2024 and limited review consolidated financial statements for the three month period ended 30 June 2024;
- Considered the audited consolidated financial statements of JK Tornel S.A. DE C.V. for the last three years ended 31 March 2024 and the three month period ended 30 June 2024;
- Considered the financial projections of the Transferor Company from 01 July 2024 to 31 March 2030, including key underlying assumptions with respect to the projected profit & loss account, capital expenditure and working capital estimates;
- Considered the financial projections of the standalone operations of the Transferee Company and its key investee companies from 01 July 2024 to 31 March 2030, including

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key underlying assumptions with respect to the projected profit & loss account, capital expenditure and working capital estimates;

- Details of surplus assets such as real estate and valuation report/ estimates thereof;
- Considered the draft Scheme;
- Considered the market prices of the Transferee Company as published by NSE;
- Analysis of general market data, including economic and industry information that may affect the value;
- Considered information available in the public domain in respect of the comparable companies / transactions, as appropriate, if available;
- Considered the International Valuation standards (effective 31 January 2024) published by the International Valuation Standards Council, and;
- Other information and documents that we considered necessary for the purpose of this engagement.

During the discussions with the management of the Transferor Company, Transferee Company and its subsidiaries/ associates, we have also obtained explanations and information considered reasonably necessary for our exercise. The Clients have been provided with the opportunity to review the draft report (excluding our conclusions) as part of our standard practice to make sure that factual accuracies / omissions are avoided in our final report.

PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

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

- requested and received financial and qualitative information from the Management;
- considered and researched publicly available market data related to the Companies and various other industry factors;
- discussions with the management of the Companies to understand the business, key value drivers, historical financial performance and projected financial performance of the respective companies;
- selection of well accepted valuation methodology/(ies) as considered appropriate by us; and
- arriving at values of the Transferor Company and the Transferee Company on a relative basis in order to determine the Share Exchange Ratio.

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 other PwC network firms.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed per the terms of our engagement; (ii) Valuation Date and (iii) and are based on the balance sheets of the respective companies as at 30 June 2024 and other information provided by the Management. The Management has represented that the business activities of the companies have been carried out in the normal and ordinary course between 30 June 2024 and the date hereof and that no material adverse change has occurred in their respective operations and financial position between 30 June 2024 and the Valuation Date.

An analysis of this nature is necessarily based on the prevailing stock market, financial, economic, industry and other conditions in general and the information made available to us as of, date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

In terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Report, and (ii) the accuracy of information made available to us by/ on behalf of the Clients. In accordance with 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 financial information provided to us. We have not independently investigated or otherwise verified the data provided by/ on behalf of the Clients. 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 require us to conduct any 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 and their investee 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.

Also, with respect to explanations and information sought from/ on behalf of the Clients, we have been given to understand by the Management 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 conclusions are based on the assumptions and information given by/ on behalf of the Clients. The Management has indicated to us that they have understood that any material omissions, inaccuracies, or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors in the information furnished by/ on behalf of the Clients and their impact on the Report. 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 Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that these Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this 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 sheet of the Companies. Our conclusion of value assumes that the assets and liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the Report date.

No investigation of the claims of the Companies to title of assets has been made for the purpose of this Report and their 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.

We must emphasize that the projected financial information has been prepared by the management(s) of the respective Companies and provided to us for the purpose of our analysis. The fact that we have considered the projected financial information in this exercise should not be construed or taken as our being associated with or a party to such projections. 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 provide any assurance about the achievability of the projected financial information. Since the projected financial information relates 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 may be material. We express no opinion as to how closely the actual results will correspond to those projected/ forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of the Management.

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

This Report does not look into the business/ commercial reasons behind the Proposed Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Transaction as compared with any other alternative business transactions, or other alternatives, or whether or not such alternatives could be achieved or are available. We have not examined or advised on accounting, legal or tax matters involved in the Proposed Transaction.

We owe responsibility to only the Boards of Directors of the Clients that have appointed us under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions of or advice given by any other party to the Clients. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the Companies, their directors, employees, or agents.

In no circumstances shall the liability of a Valuer, its partners, its directors, or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

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, without our prior written consent other than in connection with the Proposed Transaction. In addition, we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Transaction. Our Report and the opinion/ valuation analysis contained herein is not and 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.

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 Clients) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to us.

We are independent of the Clients and have no current or expected interest in the Clients or its assets. The fee for the engagement is not contingent upon the results reported.

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.

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SHARE CAPITAL DETAILS OF THE COMPANIES

JK Tyre & Industries Limited

The issued and subscribed equity share capital of JK Tyre as at 13 September 2024 is INR 52.1 crores consisting of 260,723,629 equity shares of face value of INR 2/- each. The equity shareholding pattern of JK Tyre is as follows:

Shareholders	Number of Equity Shares	% Share Holding
Promoter and Promoter Group	138,525,055	53.1%
Public	122,198,574	46.9%
Grand Total	**260,723,629**	**100.0%**

Source: Management

Further, JK Tyre has issued and allotted 24,000 Compulsorily Convertible Debentures ("CCDs") having face value of INR 1,00,000 each to International Finance Corporation ("IFC") on a preferential allotment basis on 20 March 2023. The CCDs carry a coupon rate of 6% p.a. compounded quarterly and shall be convertible into equity shares of INR 2 each, within a period up to 18 months from the date of allotment, at a conversion price of INR 180.50 for each equity share.

Accordingly, the equity shareholding pattern of JK Tyre on a fully diluted basis post the conversion of the above CCDs is as follows:

Shareholders	Number of Equity Shares	% Share Holding
Promoter and Promoter Group	138,525,055	50.6%
Public	135,494,972	49.4%
Grand Total	**274,020,027**	**100.0%**

Cavendish Industries Limited

The issued and subscribed equity share capital of Cavendish as at 13 September 2024 is ~INR 60.0 crores consisting of 59,971,273 equity shares of face value of INR 10/- each. The equity shareholding pattern of Cavendish is as follows:

Shareholders	Number of Equity Shares	% Share Holding
JK Tyre & Industries Ltd.	44,460,965	74.1%
JK Tornel S.A. De C.V.	8,000,000	13.3%
Valiant Pacific LLC.	7,500,000	12.5%
Others	10,308	0.0%
Grand Total	**59,971,273**	**100.0%**

Source: Management
Numbers may not add due to rounding

The Management has informed us that, without approval of the shareholders, there would not be any variation in the equity capital of the Companies till the proposed Scheme becomes effective. Accordingly, our Report and recommendation of the Share Exchange Ratio considers the above shareholding pattern of the Companies.

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APPROACH & METHODOLOGY - BASIS OF TRANSACTION

We have considered International Valuation Standards in carrying out our valuation analysis and delivering our valuation conclusion. There are several commonly used and accepted valuation approaches for determining the value of a business/ shares of a company, which have been considered in the present case, to the extent relevant and applicable:

1. Asset Approach - Net Asset Value ('NAV') Method

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

3. Market Approach
    - Market Price Method
    - Comparable Companies' Multiples ('CCM') Method
    - Comparable Companies' Transaction Multiples ('CTM') Method

Asset Approach - Net Asset Value method

The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in cases where the firm is to be liquidated i.e., it does not meet the 'going concern' criteria or in case where the assets base dominates earnings capability. A scheme of amalgamation would normally be proceeded with, on the assumption that the companies/ business would continue as going concerns and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power is of importance to the basis of amalgamation, with the values arrived at on the net asset basis being of limited relevance.

Income Approach (Discounted Cash Flows (DCF) Method)

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital/ cost of equity. The sum of the discounted value of such free cash flows is the value of the business/ firm/ equity shareholders.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:
Free cash flows are the cash flows expected to be generated by the company/ business that are available to all providers of the companies'/ business' capital – both creditors and shareholders.

Appropriate discount rate to be applied to cash flows i.e., the cost of capital:
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/ business. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

Market Approach

Under this approach, value of a company is assessed basis its market price (i.e. if its shares are quoted on a stock exchange) or basis multiples derived using comparable (i.e. similar) listed companies or transactions in similar companies. Following are the methods under Market Approach:

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- **Market Price ('MP') Method**

  The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper indicator of the fair value of the share especially where the market values are fluctuating in a volatile capital market or when the shares are thinly traded. Further, in the case of amalgamation, 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.

- **Comparable Companies' Multiple ('CCM') method**

  Under this method, value of a business / company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. The market price, as a ratio of the comparable company's attribute such as sales, capital employed, earnings, etc. is used to derive an appropriate multiple. This multiple is then applied to the attribute of the asset being valued to indicate the value of the subject asset. 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 differences between the circumstances.

- **Comparable Companies' 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.

It should be understood that the valuation of any company or its assets is inherently imprecise and is 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 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, and other factors which generally influence the valuation of the above 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 methodology of valuation has been arrived at using usual and conventional methodologies 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.

Out of the above, we have used approaches / methods, as considered appropriate. The valuation approaches/ methods used, and the values arrived at using such approaches/ methods by us have been tabled in the next section of this Report.

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BASIS OF SHARE EXCHANGE RATIO

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuer and judgment taking into account all the relevant factors. There will always be several factors, e.g., 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 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. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single 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 and constraints of our engagement, others may have a different opinion as to the Share Exchange Ratio of the equity shares of the Transferor Company and the Transferee Company. 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 Clients who should consider other factors such as their own assessment of the Proposed Transaction and input of other advisors.

Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgement, in an independent and bona fide manner based on our previous experience of assignments of a similar nature. The valuation approaches/ methods used, and the values arrived at using such approaches/ methods have been tabled below.

The Share Exchange Ratio has been arrived at on the basis of a relative equity valuation (on a per share basis) of the Transferor Company and the Transferee Company based on the various methodologies explained herein earlier and other factors considered relevant, having regard to information base, key underlying assumptions, and limitations. Though different values have been arrived at under each of the above methodologies, it is finally necessary to arrive at a single value for the Proposed Transaction. It is important to note that we are not attempting to arrive at the absolute equity values of the Transferor Company and the Transferee Company but at their relative values to facilitate the determination of the Share Exchange Ratio for the Proposed Transaction. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

In the current analysis, the amalgamation of the Transferor Company with the Transferee Company is proceeded with on the assumption that the Transferor Company and the Transferee Company would amalgamate as going concerns and actual realization of the operating assets for the Transferor Company and the Transferee Company 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 amalgamation, with the values arrived at on the net asset basis being of limited relevance. Hence, while we have calculated the values of the equity shares of the Transferor Company and the Transferee Company under the Asset Approach, we have considered it appropriate not to give any weightage to the same in arriving at the Share Exchange Ratio.

Given the nature of the businesses of the Transferor Company and the Transferee Company and the fact that we have been provided with projected financials for the Transferor Company and the Transferee Company, we have considered it appropriate to apply the DCF Method under the Income Approach to arrive at the relative value of the equity shares of both the Transferor Company and the Transferee Company for the purpose of arriving at the Share Exchange Ratio.

Within the DCF Method, equity value per share for the Transferor Company and the Transferee Company is computed as follows:

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- Enterprise Value of the Transferor Company has been computed using DCF Method. Further, adjustments for debt & debt like items, cash and cash equivalents and surplus assets as appearing in the balance sheet as at 30 June 2024 have been considered to arrive at the equity value of the Transferor Company. To arrive at the price per equity share of the Transferor Company, we have considered the total issued and paid up equity shares of the Transferor Company as at 13 September 2024.
- Equity values of the Transferee Company and its investments in certain subsidiaries and associates have been computed separately using the DCF Method and adjusted for the value of cash and cash equivalents and surplus assets as appearing in the balance sheet as at 30 June 2024 to arrive at the equity value of the Transferee Company. To arrive at the price per equity share of the Transferee Company, we have considered the total issued and paid up equity shares (on a fully diluted basis) of the Transferee Company as at 13 September 2024.

Considering the stage of operations of the Transferor Company and the Transferee Company, industry within which they operate and the historical and current profitability status, we have considered EV/EBITDA multiples of various listed comparable companies. We have relied on publicly available information and certain databases such as CapIQ, etc. to arrive at the comparable company multiple.

In the present case, the equity shares of the Transferee Company are listed on NSE and BSE and there are regular transactions in its equity shares with reasonable volume. In the circumstances, the share price of the Transferee Company 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 prices as per the below two methods has been taken for determining the value of the Transferee Company under the Market Price methodology:

- the volume weighted average price for 90 trading days preceding the Valuation Date,
- the volume weighted average price for 10 trading days preceding the Valuation Date,

Comparable Companies' Transaction Multiple (CTM) method has not been used due to lack of information in the public domain on comparable transactions of similar scale and nature of operations. Further, the transaction multiples may include acquirer specific considerations, synergy benefits, control premium and minority adjustments.

For our final analysis and recommendation, we have considered the values arrived under the Income and Market Approach to arrive at the relative value of equity shares of the Transferor Company and the Transferee Company for the purpose of the Proposed Transaction.

The basis of the proposed amalgamation would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. It is important to note that we are not attempting to arrive at the absolute equity values of the Transferor Company and the Transferee Company but at their relative values to facilitate the determination of a Share Exchange Ratio for the Proposed Transaction.

We have applied methods discussed above, as considered appropriate, and arrived at their assessment of the relative values per equity share of the Transferor Company and the Transferee Company. To arrive at the Share Exchange Ratio for the Proposed Transaction, suitable minor adjustments/ rounding off have been done in the relative values for arriving at the recommended swap ratio.

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In view of the above, considering the relevant facts and circumstances detailed in this Report, the tables below summaries the workings pertaining to the value per share of the Transferor Company and Transferee Company and the Share Exchange Ratio as derived by us.

Valuation Approach	Transferor Company		Transferee Company	
	Value per Equity Share (INR)	**Weight**	**Value per Equity Share (INR)**	**Weight**
Asset Approach – NAV	168.4	NA	169.4	NA
Income Approach - DCF Method	444.4	50.0%	480.7	50.0%
Market Approach				
Multiples Method	415.6	50.0%	471.7	25.0%
Market Price method*	NA	NA	433.0	25.0%
Concluded Value per Share	**430.0**		**466.6**	

* Higher of 10 trading days or 90 trading days volume weighted average price as of 13 September 2024.
NA – Not Applicable

In view of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following Share Exchange Ratio:

- **92 equity shares of JK Tyre (of INR 2/- each fully paid up) for every 100 equity shares of Cavendish (of INR 10/- each fully paid up).**

Respectfully submitted,

For and on behalf of
PwC Business Consulting Services LLP
IBBI Registered Valuer No.: IBBI/RV-E/02/2022/158

NEERAJ GARG
Digitally signed by NEERAJ GARG
Date: 2024.09.16 11:21:50 +05'30'

Neeraj Garg
Partner
IBBI Membership No: IBBI/RV/02/2021/14036
Date: 16 September 2024
VRN - IOVRVF/PWC/2024-2025/3941

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JK TYRE & INDUSTRIES LTD.

JK TYRE
& INDUSTRIES LTD.

October 3, 2024

JKTIL: SECTL:SE:3.2:2024

To,

The General Manager,
Department of Corporate Services,
BSE Limited,
P. J. Towers, Dalal Street,
Mumbai – 400 001

Scrip Code: 530007

Dear Sir/ Madam,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the proposed Scheme of Amalgamation of Cavendish Industries Limited ("Transferor Company") with JK Tyre & Industries Limited ("Company" or "Transferee Company") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") ("Scheme")

The Transferee Company confirms that no material event impacting the valuation has occurred during the intervening period of filing the Scheme documents with Stock Exchange and period under consideration for valuation.

For **JK Tyre & Industries Limited**

Kamal Kumar Manik
Company Secretary

JK TYRE & INDUSTRIES LTD.

Admin. Off.: 3, Bahadur Shah Zafar Marg, New Delhi-110 002, Fax: 91-11-23322059, Phone: 91-11-66001112, 66001122
Regd. Off.: Jaykaygram, PO - Tyre Factory, Kankroli - 313 342 (Rajasthan), Fax : 02952-232018, Ph. : 02952-233400 / 233000
Website : www.jktyre.com CIN : L67120RJ1951PLC045966

VIKRANT