

SSPA & CO.

Chartered Accountants
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STRICTLY PRIVATE & CONFIDENTIAL

March 27, 2026

To
The Board of Directors,
Dynalog India Limited
G-Wing, 3rd Floor Park Site,
Kailash Vaibhav,
Behind Godrej Colony, Vikhroli (W),
Mumbai – 400079

To,
The Audit Committee,
EMA India Limited
5th Floor, Gopala Chambers,
Parade,
Kanpur – 208 001
Uttar Pradesh

Dear Sir(s) / Madam,

Sub: Recommendation of fair equity share exchange ratio for the proposed amalgamation of EMA India Limited with Dynalog India Limited

We refer to the engagement letter dated March 18, 2026 whereby SSPA & Co., Chartered Accountants (hereinafter referred to as 'SSPA' or 'Registered Valuer' or 'We'), have been appointed by Dynalog India Limited (hereinafter referred to as 'DIL' or the 'Transferee Company') and EMA India Limited (hereinafter referred to as 'EMA' or the 'Transferor Company') (hereinafter collectively referred to as the 'Companies' or the 'Client') to issue a report containing recommendation of fair equity share exchange ratio for the proposed amalgamation of EMA with DIL ('hereinafter referred to as 'Proposed Amalgamation').

The management of DIL and EMA are hereinafter collectively referred to as the 'Management'.

1. SCOPE AND PURPOSE OF THIS REPORT

1.1 The Board of Directors of DIL and EMA are considering a proposal for the Proposed Amalgamation pursuant to a scheme between the Companies and their respective shareholders under Sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Scheme').

Subject to necessary approvals, EMA would be merged with DIL with effect from the appointed date of April 01, 2026 ('Appointed Date').



- 1.2 In consideration for the Proposed Amalgamation, equity shareholder(s) of EMA would be issued equity shares of DIL based on the fair equity share exchange ratio determined.
- 1.3 In this regard, we have been appointed by the Companies to carry out the relative valuation of equity shares of EMA and of DIL to recommend fair equity share exchange ratio for the Proposed Amalgamation. Further upon the scheme being effective, the equity shares of EMA held by DIL would stand cancelled.
- 1.4 We have been informed that till the Proposed Amalgamation becomes effective, neither Companies would declare any substantial dividends having materially different yields as compared to past few years.
- 1.5 For the purpose of this valuation, the bases of value is 'Relative Value' and the valuation is based on 'Going Concern' premise. For the purpose of this valuation, March 26, 2026 has been considered as the 'Valuation Date'.
- 1.6 The report sets out our recommendation of the fair equity share exchange ratio and discusses the methodologies and approaches considered for arriving at relative value of equity shares of the Companies for the purpose of recommendation of fair equity share exchange ratio.

2. BRIEF BACKGROUND

2.1. DYNALOG INDIA IMITED

DIL, incorporated on May 24, 1985, is engaged in the business of providing technology solutions in the domain of electronics and control systems to various industries, including Defence Sector in India. DIL has been supplying numerous rugged defense electronics products and sub-system for ground based static, mobile, airborne and naval applications ranging from missile launcher to electronic warfare and communication. It has undertaken design, development, supply and turnkey execution of several DRDO Projects.

The shareholding pattern of DIL as on December 31, 2025 is given below:

Particulars	No of equity shares	% of holding
Promoter and Promoter Group	40,01,754	80.02%
Other Shareholders	9,99,000	19.98%
Total (face value INR 10 each)	50,00,754	100.00%

The standalone revenue from operations and profit before tax of the Transferee Company for nine months period ended December 31, 2025 ('9ME Dec25') is INR 85.82 crores and INR 6.32 crores respectively.



2.2. EMA INDIA LIMITED

EMA, incorporated on May 06, 1971, has its registered office at 5th Floor, Gopala Chambers, Parade, Kanpur – 208 001, Uttar Pradesh. Currently, EMA does not have any business operations. The equity shares of EMA are listed on BSE Limited ('BSE').

The shareholding pattern of EMA as on December 31, 2025 is given below:

Particulars	No of equity shares	% of holding
Promoter and Promoter Group	4,90,749	48.83%
Public	5,14,251	51.17%
Total (face value INR 10 each)	10,05,000	100.00%

3. REGISTERED VALUER – SSPA & CO., CHARTERED ACCOUNTANTS

SSPA is a partnership firm, located at 1st Floor, "Arjun" Building, Plot No. 6A, V. P. Road, Andheri (West), Mumbai - 400 058, India. SSPA is engaged in providing valuation and various other corporate consultancy services.

We are a firm of practising Chartered Accountants registered with The Institute of Chartered Accountants of India ('ICAI'). We are also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126.

4. SOURCES OF INFORMATION

The valuation exercise is based on the following information which has been received from the Management and any information available in the public domain:

- (a) Audited financial statements of EMA and DIL for the financial year ended March 31, 2025.
- (b) Limited reviewed financial results of EMA comprising of profitability statement and balance sheet for 9ME Dec25.
- (c) Special purpose audited standalone financial statements of DIL for 9ME Dec25.
- (d) Financial projections of DIL comprising of profitability statement, statement of working capital requirements and statement of capital expenditure requirements for three months period ending March 31, 2026 ('3ME Mar26') and from FY 2026-27 to FY 2030-31, as provided by the management of DIL.
- (e) Draft Scheme for the Proposed Amalgamation.
- (f) Discussions with the Management on various issues relevant to valuation including prospects and outlook of the business and other relevant information, etc.



- (g) Such other information and explanations as we required and which have been provided by the Management, including management representations.

5. PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

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

- Obtained financial and qualitative information from the Management.
- Used data available in public domain related to the Companies and its peers.
- Discussions with the Management to understand the business and fundamental factors that affect company's earning-generating capability including historical financial performance and future outlook.
- Analysis of comparable companies / comparable transactions using information available in public domain and / or proprietary database subscribed by us.
- Selection of well accepted valuation methodologies as considered appropriate by us.
- Arriving at the recommendation.

6. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

- 6.1. This report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. Further, our report on recommendation of fair equity share exchange ratio for the Proposed Amalgamation is in accordance with ICAI Valuation Standards 2018 issued by The Institute of Chartered Accountants of India.
- 6.2. Valuation is not a precise science and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While we have provided an assessment of value by applying certain formulae which are based on the information available, others may place a different value.
- 6.3. The report assumes that the Companies comply fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, 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 litigations and other contingent liabilities that are not recorded/reflected in the balance sheet provided to us.



- 6.4. The draft of the present report was circulated to the Management (excluding the recommended fair equity share exchange ratio) for confirming the facts stated in the report and to confirm that the information or facts stated are not erroneous.
- 6.5. Valuation analysis and results are specific to the purpose of valuation and the Valuation Date mentioned in the report and is as per agreed terms of our engagement.
- 6.6. For the purpose of this exercise, we were provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Management and / or auditors / consultants of the Companies, is that of the Management. Also, with respect to explanations and information sought from the Management, we have been given to understand by the Management that they have not omitted any relevant and material information about the Companies. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/conclusions.
- 6.7. Our work does not constitute an audit, due diligence or certification of information referred to in this report including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report and consequential impact on the present exercise. However, we have evaluated the information provided to us by the Management through broad inquiry, analysis and review. However, nothing has come to our attention to indicate that the information provided / obtained was materially misstated / incorrect or would not afford reasonable grounds upon which to base the report.
- 6.8. Our valuation is based on the estimates of future financial performance as projected by the management of DIL, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to commercial and financial aspects of DIL and the industry in which DIL operate. But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved, or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.



- 6.9. We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.
- 6.10. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the Management has 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 value of the shares of EMA and DIL including any significant changes that have taken place or are likely to take place in the financial position of the Companies. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.
- 6.11. We are independent of the Companies and have no current or expected interest in the companies or its assets. The fee paid for our services in no way influenced the results of our analysis.
- 6.12. Our report is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, competition, taxation and capital market related laws or as regards any legal implications or issues arising in India or abroad from the Proposed Amalgamation.
- 6.13. Any person / party intending to provide finance / divest / invest in the shares / convertible instruments / business of the Companies 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.
- 6.14. The decision to carry out the Proposed Amalgamation (including consideration thereof) lies entirely with the parties concerned and our work and our finding shall not constitute a recommendation as to whether or not the parties should carry out the Proposed Amalgamation.
- 6.15. Our Report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Companies and may be submitted to regulatory / statutory authority for obtaining requisite



approvals. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall SSPA assume any responsibility to any third party to whom the report is disclosed or otherwise made available.

- 6.16. SSPA nor its partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. We owe responsibility only to the Client that has appointed us 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. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Client, their directors, employees or agents.

7. VALUATION APPROACH AND METHODOLOGIES FOR RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO

- 7.1. For the purpose of valuation, generally following approaches can be considered, viz,
- (a) the 'Cost' Approach;
 - (b) the 'Market' Approach; and
 - (c) the 'Income' Approach

Each of the aforesaid approaches proceeds on different fundamental assumptions which have greater or lesser relevance and at times even no relevance, to a given situation. Thus, the approach to be adopted for a particular valuation exercise must be judiciously chosen.

7.2. 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 present case, the business of DIL 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 valuation of equity shares of DIL.

As mentioned in para 2.2 above, EMA currently does not have any business operations. Considering this, Net Asset Value Method under 'Cost' Approach has been considered for the valuation of equity shares of EMA.



7.2.1. NET ASSET VALUE METHOD

Under the Cost Approach, Net Assets Value ('NAV') Method has been adopted considering the value of the assets owned by EMA and the attached liabilities.

The Net Assets Value as arrived above is divided by the number of equity shares to arrive at the value per share of EMA.

7.3. MARKET APPROACH

Under the Market approach, the equity shares of EMA are listed on BSE and its shares are frequently traded. Considering this, we have thought fit to consider Market Price ('MP') Method under 'Market' Approach for valuation of equity shares of EMA.

Further, EMA currently does not have any business operations. Also, sufficient and reliable details of comparable transactions are not available in public domain; therefore, we have not considered Comparable Companies' Multiple ('CCM') Method and Comparable Transactions Multiple Method under 'Market' Approach for valuation of equity shares of EMA.

The equity shares of DIL are not listed on any stock exchanges. Therefore, MP Method has not been adopted for valuation of equity shares of DIL.

We have thought fit to consider CCM Method under 'Market' Approach for valuation of equity shares of DIL.

7.3.1. MARKET PRICE METHOD

The market price of an equity share, as quoted on a stock exchange, is normally considered as the fair 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.

As mentioned earlier, the equity shares of EMA are listed on a recognized stock exchange. The value of equity shares of EMA under this method is determined considering the share prices observed on BSE over an appropriate period.

7.3.2. COMPARABLE COMPANIES MULTIPLE ('CCM') METHOD

Under CCM method, the value of equity shares of the company 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.



In the present case, Enterprise Value ('EV') to Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA') multiple of comparable listed companies are considered to arrive at EV of DIL.

To the value so arrived, appropriate adjustments have been made for contingent liabilities, loan funds, value of investments, value of surplus assets and cash and cash equivalents after considering the tax impact, wherever applicable, to arrive at the equity value.

The equity value as arrived above is divided by the outstanding number of equity shares to arrive at the value per share of DIL.

7.4. INCOME APPROACH

7.4.1. EMA currently does not have any business operations. Accordingly, we have thought fit not to consider the Income approach for the valuation of equity shares of EMA.

7.4.2. Under 'Income' Approach, equity shares of DIL have been valued using Discounted Cash Flow ('DCF') Method.

7.4.3. Under DCF method, the projected free cash flows from business operations, after considering fund requirements for projected capital expenditure and incremental working capital, are discounted at the Weighted Average Cost of Capital ('WACC'). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.

7.4.4. 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 adding back to the adjusted earnings before tax (i) interest on loans, if any and (ii) depreciation and amortizations (non-cash charge). The cash flow is adjusted for outflows on account of (i) capital expenditure, (ii) incremental working capital requirements and (iii) tax.

7.4.5. 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 DIL.

7.4.6. To the value so arrived, appropriate adjustments (as may be applicable) have been made for contingent liabilities, loan funds, value of investments, value of surplus assets and cash and cash equivalents, after considering tax impact wherever applicable to arrive at the equity value.

7.4.7. The equity value as arrived above is divided by the outstanding number of equity shares to arrive at the value per equity share of DIL.



8. RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO

- 8.1. The fair basis of amalgamation of EMA with DIL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under different approaches, for the purposes of recommending a ratio of exchange it is necessary to arrive at a single value for the equity shares of EMA and of DIL. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of each company. Our exercise is to work out relative value of equity shares of EMA and of DIL to facilitate the determination of a ratio of exchange. For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach.
- 8.2. As mentioned above, we have considered combination of NAV Method under 'Cost' Approach and Market Price Method under 'Market' Approach for arriving at the fair value per equity share of EMA and CCM Method under 'Market' Approach and DCF Method under 'Income Approach' for arriving at the fair value per equity share of DIL.
- 8.3. In the Proposed Amalgamation, the listed entity i.e. EMA is amalgamating with DIL, an unlisted entity. As per Regulation 158 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, amended from time to time ('ICDR Regulation') the issue of equity shares to shareholders of an unlisted entity pursuant to a National Company Law Tribunal approved scheme shall conform with the pricing provisions of preferential issue specified under Regulation 164 of the said ICDR Regulation. Even though in the present case, listed entity is amalgamating with unlisted entity, in substance the provisions of Regulation 158(1)(b) should be applicable. We have therefore, given due cognizance to the base price derived using the formula prescribed under ICDR Regulation after considering the fair value of EMA while determining the fair equity share exchange ratio.
- 8.4. The recommendation of fair equity share exchange ratio for the Proposed Amalgamation is tabulated below:



Valuation Approach	DIL		EMA	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Cost / Asset Approach - NAV Method	NA ¹	NA	48.90	50%
Income Approach	384.72	50%	NA ²	NA
Market Approach - Market Price Method - CCM Method	NA ³ 382.08	NA 50%	435.77 NA ²	50% NA
Relative value per share (a)	383.40		242.33	
Value per share based on ICDR Pricing (b)			429.38	
Relative value per share for the purpose of share exchange ratio (max (a) or (b))	383.40		429.38	
Fair Equity Share Exchange Ratio (rounded off)	28 : 25			

NA = Not Adopted / Not Applicable

¹ Since, the business of DIL is intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the 'Asset' Approach is not adopted for the present valuation exercise.

² EMA currently does not have any business operations. Therefore, the DCF Method under Income Approach and CCM Method under Market Approach has not been adopted for the present valuation

³ The equity shares of DIL are not listed on any stock exchanges. Therefore, the Market Price Method under Market Approach has not been adopted for the present valuation exercise.

8.5. The fair equity share exchange ratio has been arrived on the basis of a relative valuation of equity shares of EMA and of DIL based on the approaches explained herein earlier and considering various qualitative factors relevant to the companies and the business dynamics and growth potential of the businesses, having regard to information base, management representation and perceptions, key underlying assumptions and limitations.

8.6. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgement 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 sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to



the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'

- 8.7. In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report, in our opinion, the fair equity share exchange ratio for the Proposed Amalgamation of EMA with DIL is as under:

28 (Twenty-Eight) equity shares of DIL of INR 10 each fully paid up for every 25 (Twenty-Five) equity shares of EMA of INR 10 each fully paid up.

Thanking you,
Yours faithfully,

For SSPA & CO.
Chartered Accountants

ICAI Firm registration number: 128851W

IBBI Registered Valuer No.: IBBI/RV-E/06/2020/126

Parag S. Ved



Parag Ved
Partner

ICAI Membership No. 102432

Registered Valuer No.: IBBI/RV/06/2018/10092

UDIN: 26102432ZLJIOX8410

Place: Mumbai