



Strictly Private and Confidential

To,

The Board of Directors  
Ambuja Cements Limited

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Date: 17 December 2024

Sub: Valuation of equity shares of Penna Cement Industries Limited

Dear Sir / Madam,

We refer to our Engagement Letter dated 09 December 2024 whereby the Management of Ambuja Cements Limited ("Ambuja" or the "Client") (referred to as the "Management"), have requested GT Valuation Advisors Private Limited ("GTVAPL" or the "Firm") to undertake valuation of equity shares of Penna Cement Industries Limited ("PCIL" or the "Company") for the proposed amalgamation of the Company with and into Ambuja and consequent dissolution of PCIL without being wound up & payment to the equity shareholders as cash consideration ("Proposed Transaction") pursuant to a Scheme of Arrangement as per the provisions of Sections 230 to 232 and other applicable clauses of the Companies Act, 2013 ("Scheme" or "Scheme of Arrangement").

Ambuja and PCIL are together referred to as the "Specified Companies".

GTVAPL has been hereafter referred to as 'Valuer' or 'we' in this valuation report ('Report').

In the following paragraphs, we have summarized our valuation analysis together with the description of the methodologies used and limitations on our scope of work.

## 1. CONTEXT AND PURPOSE OF THIS REPORT

### 1.1 Background Information

#### 1.1.1 Ambuja Cements Limited

Ambuja is among the leading cement manufacturing companies in India, and a part of the Adani Group. The equity shares of Ambuja are listed on Bombay Stock Exchange and National Stock Exchange of India. The registered office of Ambuja is located at Ahmedabad, India.

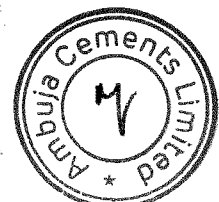
#### 1.1.2 Penna Cement Industries Limited

PCIL, operating as a subsidiary of Ambuja, is engaged in cement manufacturing and distribution through its integrated units in Telangana and Andhra Pradesh. The registered office of the Company is located at Hyderabad, Telangana.

### 1.2 Proposed Transaction

1.2.1 We have been informed that the Management of the Client is contemplating amalgamation of PCIL into and with Ambuja, consideration of which will be discharged by way of cash payable to the shareholders of the Company.

1.2.2 As per the Scheme, upon coming into effect of the Proposed Transaction, the equity shares issued by PCIL & held by Ambuja shall stand cancelled and extinguished and in lieu thereof, there shall be no allotment of any new equity shares nor payment shall be made in cash.



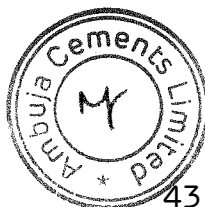
- 1.2.3 For the aforesaid purpose, the Management of Ambuja have appointed GTVAPL, Registered Valuer – Securities and Financial Assets, to submit a report on the fair value of equity shares of the Company for the Proposed Transaction as required under the relevant provisions of the Companies Act, 2013.
- 1.2.4 We would like to emphasize that certain terms of the Proposed Transaction are stated in our Report, however, the detailed terms of the Proposed Transaction would be more fully described and explained in the Scheme document between the Specified Companies. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the relevant Scheme documents.

### 1.3 Scope of Work and Purpose of Valuation

- 1.3.1 We are given to understand that the Management of Ambuja is contemplating amalgamation of PCIL into and with Ambuja pursuant to a Scheme of Arrangement under the provisions of Sections 230 to 232 and other applicable clauses of the Companies Act, 2013.
- 1.3.2 For the aforesaid purpose, the Client has requested GTVAPL to submit an independent report on the valuation of equity shares of PCIL for the consideration of the Board of Directors of Ambuja. This report will be placed before the Board of Ambuja, and to the extent mandatorily required under applicable laws of India, maybe produced before judicial, regulatory or government authorities, in connection with the Proposed Transaction.
- 1.3.3 The scope of our services is to conduct a fair valuation of the equity shares of the Company for the Proposed Transaction in accordance with generally accepted professional standards.
- 1.3.4 For the aforesaid purpose, the valuation analysis is carried out by giving cognizance to the ICAI Valuation Standards, 2018 and as part of valuation process by assigning appropriate weights to the applicable internationally accepted methodologies.
- 1.3.5 This Report is our deliverable for the above engagement.
- 1.3.6 For the purpose of this report, we have considered the valuation date as 16<sup>th</sup> December 2024 ("Valuation Date").
- 1.3.7 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.

## 2. SOURCE of INFORMATION

- 2.1. In connection with this exercise, we have used the following information received from the Management and/or gathered from public domain while arriving at the value of equity shares of the Company for the Proposed Transaction:
- a) Consolidated audited financial statements of the Company from FY19 to FY24;
  - b) Audited Financial Statements for the period ended 30 September 2024;
  - c) Financial Projections from FY25 to FY30;
  - d) Latest Shareholding Pattern of the Company;
  - e) Management view on materiality of contingent liabilities;
  - f) Draft Scheme of Arrangement;
  - g) International Databases such as Capital IQ, World Wide Web
  - h) Correspondence with the management of the Company including Management Representation Letter.
- 2.2. During the discussions with the Management, we have also obtained the explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise. The Management of the Client has been provided with the opportunity to review the draft Report (excluding the concluded equity value) as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final Report.



2.3. The management has informed us over telephonic calls, representation letter or otherwise that:

- a) There are no unusual / abnormal events in the Company other than those represented to us by the Management till the Report Date materially impacting its operating / financial performance. Further, the Management has informed us that all material information impacting the Company has been disclosed to us.
- b) The Management has confirmed that the valuation of all the surplus or non-operating assets in the Company can be considered as per the audited Balance Sheet as on 30 September 2024.

2.4. We have taken into consideration market parameters as on the Valuation Date, in our analysis and made adjustments for information made known to us by the Management till the date of this Report ("Report Date") which will have a bearing on the valuation analysis.

2.5. We understand from the Management that IDBI Capital Markets & Securities Limited have been appointed to provide fairness opinion on the equity value per share of PCIL for the purpose of afore-mentioned Proposed Transaction. At the request of the Management, we have had discussions with the Fairness Opinion provider mentioned above on the valuation approach adopted and assumptions made by us.

### 3. ABOUT THE VALUER

3.1. GT Valuation Advisors Private Limited is a Registered Valuer entity under Insolvency and Bankruptcy Board of India (IBBI) having Registration No IBBI/RV-E/05/2020/134. GTVAPL holds certificate of practice with RVO ICMAI to value Securities and Financial Assets and Plant and Machinery.

3.2. Darshana Kadakia is a Director in GTVAPL and is a registered valuer with IBBI. The valuer is registered with Insolvency and Bankruptcy Board of India (IBBI) to undertake valuation under asset class Securities and Financial Assets and holds certificate of practice as a valuer.

### 4. DISCLOSURE OF THE REGISTERED VALUER'S INTEREST OR CONFLICT, IF ANY AND OTHER AFFIRMATIVE STATEMENTS

4.1. We do not have any financial interest in the Client or the Specified Companies. We are currently engaged by the Client to undertake valuation for recommendation of share exchange ratio in lieu of the Proposed Scheme of Arrangement involving Ambuja and Sanghi Industries Limited. We however do not perceive this as a conflict of interest in carrying out this valuation, as of the date of the engagement letter till the Report Date. We further state that we are not related to the Client / Company / their promoters, if any or their director or their relatives.

### 5. VALUATION PROCEDURES ADOPTED

5.1. Procedures used in our analysis included such substantive steps as we considered necessary under the circumstances, including, but not limited to the following:

#### 5.1.1. Discussion with the Management to:

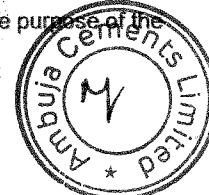
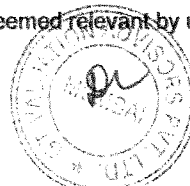
- a) Understand the business of the Company.
- b) Enquire about the historical financial performance, current state of affairs of the Company.
- c) Enquire about business plans and future performance estimates.

#### 5.1.2. Undertook Industry Analysis:

- a) Research on publicly available market data on the Cement industry that may impact the valuation.
- b) Analysis of key trends and valuation multiples of comparable companies using:
  - i. Valuer internal transactions database
  - ii. Proprietary databases subscribed by the Valuer
- c) Other publicly available information.

5.1.3. Analysis of the financial and quantitative information.

5.1.4. Obtaining and analyzing data of peers available in public domain, as deemed relevant by us for the purpose of the present exercise.



- 5.1.5. Selection of appropriate internationally accepted valuation methodology / (ies) after deliberations  
 5.1.6. Determination of equity value of the Company for the Proposed Transaction.

## 6. SHAREHOLDING PATTERN OF PCIL

- 6.1.1. The issued and subscribed share capital of PCIL as on 28 October 2024 was INR 1,338.0 million consisting of 133.8 million equity shares of face value of INR 10/- each.
- 6.1.2. The summary of shares outstanding on a fully diluted basis as on the Valuation Date are presented in the table below:

| Sr. No. | Particulars                 | No of Shares       |
|---------|-----------------------------|--------------------|
| 1.      | Ambuja Cements Limited      | 133,714,994        |
| 2.      | Manish Vinodchandra Mistry* | 1                  |
| 3.      | Anil Ramsahay Agrawal*      | 1                  |
| 4.      | Aditya Ranjan*              | 1                  |
| 5.      | Nitesh Maheshwari*          | 1                  |
| 6.      | Yash Maheshbhai Joshi*      | 1                  |
| 7.      | Ronak Vinodbhai Shah*       | 1                  |
| 8.      | Preeti                      | 60,000             |
| 9.      | Apeetha Enterprises Limited | 25,000             |
|         | <b>Total Shares</b>         | <b>133,800,000</b> |

Source: Management

- 6.1.3. The total fully diluted number of equity shares considered as on the Valuation Date is 133,800,000.

## 7. VALUATION APPROACH & METHODOLOGY

### 7.1. Valuation Procedures

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

#### 7.1.1. Data Collection and Planning:

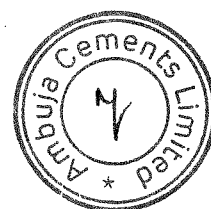
- Collected operational data for the historical period.
- Held discussions with the Management pertaining to the business and the expected performance indicators during the projected period.
- Any details needed for industry data, market share, surplus assets, assets and liabilities classified as held for sale, contingent liabilities, and other data required based on further understanding.

#### 7.1.2. Data Analysis and Management Discussions:

- Sought discussions with the Management to understand the business and fundamental factors that affect the earning-generating capability including its strengths, weaknesses, opportunity and threats analysis and historical financial performance.
- Where needed, analyzed publicly available information whether or not provided by Management.

#### 7.1.3. Undertook Industry Analysis:

- Research publicly available market data including economic factors and industry trends that may impact the valuation.
- Analysis of the market to identify comparable companies and comparable transactions.
- Other publicly available information.



**7.1.4. Performing Valuation Analysis:**

- a) Selected appropriate Internationally acceptable valuation methodologies to be used based on the information received, understanding gathered through interviews with the Management, publicly available information and prior experience.
- b) Understood key drivers of valuation and supporting assumptions.
- c) Identified key assumptions and arrived at equity value of the Company for the Proposed Transaction.

**7.2. Valuation Parameters**

**7.2.1. Valuation Base:** Valuation base means the indication of the type of value being used in an engagement. Different valuation bases may lead to different conclusions of value. The standard of value used in our analysis is "Fair Value" which is often understood as the price, that would be received to sell an asset in an orderly transaction between market participants at the valuation date. Fair value is the price in an orderly transaction in the principal (or most advantageous) market at the valuation date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

**7.2.2. Premise of Value:** A premise of value or assumed use describes the circumstances of how an asset or liability is used. We have considered the "going concern value" as Premise of Value.

**7.2.3. Intended Users:** This Report is intended for consumption of the Client, its advisors supporting the Proposed Transaction as well as relevant regulatory and statutory authorities.

**7.2.4. Valuation Date:** The Valuation Date considered for this engagement is 16 December 2024.

**7.2.5. Valuation Standards:** The report is being prepared in accordance with the relevant ICAI Valuation Standards, 2018 such as ICAI Valuation Standard 102 – Valuation Bases, ICAI Valuation Standard 103 – Valuation Approaches and Methods, ICAI Valuation Standard 301 – Business Valuation.

**7.3. Valuation Approach & Methodology**

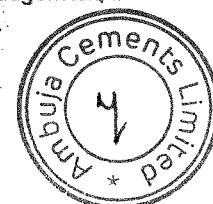
**7.3.1.** Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- a) Specific nature of the business
- b) Whether the entity is listed on a stock exchange
- c) Industry to which the company belongs
- d) Past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated
- e) Extent to which industry and comparable company information is available.

**7.3.2.** The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. Certain valuation techniques have evolved over time and are commonly in vogue.

**7.3.3.** It should be understood that the valuation of any business/ company or its assets/ equity shares is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. Valuation results could fluctuate with lapse of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions, financial and otherwise, and other factors which generally influence the valuation of companies.

**7.3.4.** The application of any 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. The choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature, regulatory guidelines, and our reasonable judgement, in an independent and bona fide manner based on our previous experience of assignments of similar nature.



7.3.5. We have evaluated the following valuation methodologies as per any internationally accepted valuation methodology / (ies) on arm's length basis. The valuation techniques can be broadly categorized as follows:

- a) Market Approach
  - i. Market Price Method
  - ii. Comparable Companies Multiple ("CCM") Method
  - iii. Comparable Transactions Multiple ("CTM") Method
- b) Income Approach – Discounted Cash Flow Method
- c) Asset / Cost Approach – Net Asset Value Method

#### 7.4. Valuation Methods

##### 7.4.1. Market Price Method

The market price of an equity shares as quoted on stock exchanges 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.

The equity shares of PCIL are not listed on any of the stock exchanges in India, hence we have not considered this method for arriving at the equity value of the Company.

##### 7.4.2. Comparable Companies Multiple ("CCM") Method

Under this methodology, appropriate valuation multiples of comparable listed companies are computed and applied to the financials of the company being valued in order to arrive at a multiple based valuation. This is based on the premise that the market multiples of comparable listed companies are good benchmarks to derive valuation.

We are unable to use this method for our valuation analysis of PCIL due to lack of listed companies with comparable financial & operational parameters.

##### 7.4.3. Comparable Transactions Multiple ("CTM") method

This method is similar to the above CCM method, with the exception that the companies used as guidelines are those that have been recently acquired. Under the Transaction Multiple Method, acquisitions or divestitures involving similar companies are identified, and the multiples implied by their purchase prices are used to assess the subject company's value. There is no rule of thumb for the appropriate age of a reasonable transaction; however, it is important to be aware of the competitive market at the time of the transaction and factor any changes in the marketplace environment into the analysis. All other things being equal, the more recent the transaction, the more reliable the value arrived at using this technique.

In the present valuation analysis, we were able to identify a few transactions involving acquisition of sizable stake by existing players. Given the context of the Proposed Transaction, we have considered the CTM method as one of the methods to estimate the value of equity shares of PCIL.

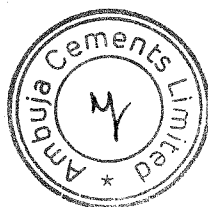
##### 7.4.4. Discounted Cash Flow ("DCF") Method

Under the DCF method the projected free cash flows to the firm/ equity are discounted at the weighted average cost of capital/ equity. In general, the DCF method is a strong and widely accepted valuation tool, as it concentrates on cash generation potential of a business. DCF analysis is based mainly on the following elements:

- o Projection of financial statements (key value driving factors),
- o The cost of capital to discount the projected cash flows.

Considering the above, we have used this method to estimate the fair value of the Company, since it captures the Company's growth and cash generating potential.

We have used the free cash flows to firm (the "FCFF") approach under the DCF method to estimate the equity value of the Company based on the financial projections (including profit & loss statement and the balance sheet) as provided to us by the Management.



Please note that we have relied on explanations, financial projections and information provided by the Management. Projections and assumptions for the projected period are only the best estimates of the Management for the Company's growth and sustainability of profitability margins. Although, we have reviewed the data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.

#### 7.4.5. Net Asset Value ("NAV") Method

The value arrived at under this approach is based on the latest available audited/ unaudited/ provisional financial statements of the business and may be defined as the Shareholder's Funds or Net Asset Value of the company.

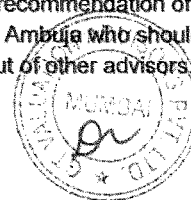
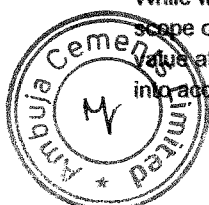
Under this method, the net assets as per the financial statements are adjusted for market value of surplus/ non-operating assets, potential and contingent liabilities, if any. The NAV is generally used as the minimum break-up value for any business since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy or invest in the business as a going concern.

Based on our discussions with the Management, and analysis of the historical and projected profit and loss statements of the Company, we understand that the current NAV only reflects the historical costs and accumulated profits of the Company which do not reflect the fair value of the assets and liabilities as of the Valuation Date.

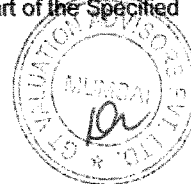
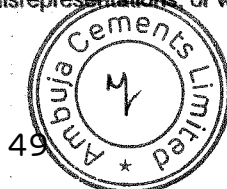
Since, the current NAV is not reflective of the Company future cash generation and performance, keeping in mind the context and purpose of the Report, we have not used this method to estimate the equity value of the Company.

### 8. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

- 8.1. Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. These services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.
- 8.2. The recommendation contained herein is not intended to represent value at any time other than the date of the Report. Also, it may not be valid if done on behalf of any other entity.
- 8.3. This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and (iii) are based on the data detailed in the section – Sources of Information. An analysis of this nature is necessarily based on the information made available to us financial, economic, and other conditions in general and industry trends in particular, as of the Valuation Date. 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.
- 8.4. The recommendation rendered in this Report only represents our recommendation based upon information till date, furnished by the Management (or its representatives) and other sources and the said recommendation 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).
- 8.5. It should be understood that the valuation of any entity 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 have relied on explanations provided by the Management and have made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Company. This valuation could fluctuate with lapse of time, changes in prevailing market conditions and prospects, foreign exchange rates, industry performance and general business and economic conditions, financial and otherwise, of the companies, and other factors which generally influence the valuation of companies and their assets.
- 8.6. Valuation 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. There is, therefore, no single undisputed value for the Company. While we have provided our recommendation on the value based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the recommendation of the value at which the Proposed Transaction shall take place will be with the Board of Directors of Ambuja who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

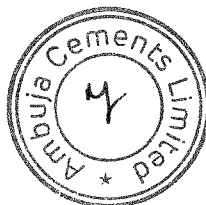


- 8.7. In the course of the valuation, we were provided with both written and verbal information, including information as detailed in the section - Sources of Information. In accordance with the terms of our engagement, we have assumed and relied upon, (i) the accuracy of the information that was publicly available and formed a basis for this Report and (ii) the accuracy of information made available to us by the Management. As per our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited or otherwise investigated the historical/projected financial information provided to us. Although, we have made the necessary enquiries regarding key assumptions considered in the business model in the context of the Company, its industry or their economy and reviewed such data for consistency and reasonableness, we have not independently investigated the data provided by the Management. 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 financial statements. Also, with respect to explanations and information sought from the Management, we have been given to understand by Management that they have not omitted any relevant and material factors. Our conclusions are based on the assumptions and information given by/on behalf of the Company. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Also, we assume no responsibility for financial/technical information furnished by Management.
- 8.8. Accordingly, we assume no responsibility for any errors in the information furnished by the Management or obtained from public domain 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.
- 8.9. We have relied on data from external sources. These sources, although considered to be reliable, are external and hence, we assume no liability for the accuracy of the data. We have assumed that the business continues normally without any disruptions due to statutory or other external/ internal occurrences.
- 8.10. The Management has represented that the business activities have been carried out in the normal and ordinary course between 30 September 2024 and the Report Date for the Company and that no material adverse change has occurred in their respective operations and financial position between the respective aforementioned dates.
- 8.11. The Report assumes that the Company, its subsidiaries, associates and Joint Ventures ("JVs") comply fully with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that all the 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 regulatory nature, tax nature (including domestic and international tax etc.) and 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 Company, their subsidiaries and JVs. Our conclusion of value assumes that the assets and liabilities of the Company, their subsidiaries, associates and JVs, reflected in their respective latest balance sheets remain intact as of the Report Date.
- 8.12. 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 transaction or other alternatives or whether such alternatives could be achieved or are available. In addition, we express no opinion or recommendation as to how the shareholders of the Company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Transaction.
- 8.13. No investigation / inspection of the Company's claim to title of assets has been made for the purpose of this Report and the Company's 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.
- 8.14. We have no present or planned future interest in Ambuja, except for the disclosure made in Para 4.1 above. The fee for this report is not contingent upon the values or results reported herein.
- 8.15. 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 advisor to the Company. 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 Specified Companies, their directors, employees, or agents.





- 8.16. We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion on the valuation of the Company. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. Our report is not, nor should it be construed as our opinion or certifying the compliance of the Proposed Transaction with the provisions of any law including companies, taxation or as regards any legal implications or issues arising thereon.
- 8.17. This Report is subject to the laws of India.
- 8.18. Our appointment was formalized via engagement letter dated 09 December 2024, however, the work had started earlier based on verbal confirmation. Further, the information provided by the Management have been appropriately reviewed in carrying out the valuation. Sufficient time and information were provided to us to carry out the valuation.
- 8.19. Neither this 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 except for disclosures to be made to relevant regulatory authorities including National Company Law Tribunal, recognized stock exchanges or as required under applicable law.
- 8.20. This Report and the information contained in it is absolutely confidential and intended only for the sole use and information of the Board of Ambuja and only in connection with the Proposed Transaction. Without limiting the foregoing, we understand that the Client may be required to share this Report with regulatory or judicial authorities in connection with the Proposed Transaction. We hereby give consent to such disclosure of this Report, on the basis that the Valuer owes responsibility only to Ambuja that has engaged us, under the terms of the engagement, and no other person; and that, to the fullest extent permitted by law, the Valuer accepts no responsibility or liability to any other party, in connection with this Report. It is clarified that reference to this Report in any document and / or filing with any recipient, 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 Ambuja.
- 8.21. The scope of work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this report, which might be relevant in the context of the Proposed Transaction and which a wider scope might uncover. Our assistance/ this report should not be considered any advice for financial reporting purposes. The Report is for regulatory compliance only and may not be used for any other purpose other than that stated herein and in our Engagement Letter, in particular for accounting or financial reporting purposes. Management is solely responsible for determining any amounts it records in its books and records and financial statements and footnotes thereto.
- 8.22. Our report can 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 / business of the Specified Companies / their holding companies / subsidiaries / associates / investee companies / other 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.
- 8.23. Any discrepancies in any table / annexure between the total and the sums of the amounts listed are due to rounding-off.



**9. CONCLUSION**

Based on the forgoing, and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we estimate the equity value of the Company at INR 41,373.6 Mn and a per share value of INR 309.2 as of the Valuation Date.

Respectfully submitted,

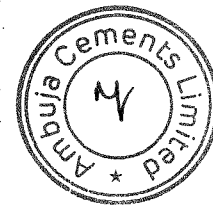
**For GT Valuation Advisors Private Limited**  
Registered Valuer Entity – Securities and Financial Assets  
IBBI Registration Number: IBBI/RV-E/05/2020/134

*D.R. Kadakia*  
**Darshana Kadakia**



**Director**

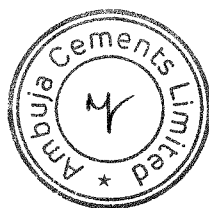
Register Valuer – Securities and Financial Assets  
IBBI Registration Number: IBBI/RV/05/2022/14711



Date: 17 December 2024

**Annexure**

| Valuation Approach                               | Weights | Value (INR Min) | Value per Share (INR) |
|--|---------|-----------------|-----------------------|
| Income Approach- Discounted Cash Flow Method     | 50%     | 40,775.5        | 304.7                 |
| Market Approach - Comparable Transactions Method | 50%     | 41,971.7        | 313.7                 |
| <b>Concluded Value</b>                           |         | <b>41,373.6</b> | <b>309.2</b>          |



**Ambuja Cements Limited**

Adani Corporate House, Shantigram,  
Near Vaishnav Devi Circle, S.G. Highway,  
Khodiyar, Ahmedabad, Gujarat 382421

**GT Valuation Advisors  
Private Limited**

16th Floor, Tower III  
One International Centre,  
S B Marg Prabhadevi (W)  
Mumbai - 400013

T +91 22 6626 2600

27 December 2024

**Sub:** Valuation of equity shares of Penna Cement Industries Limited ("PCIL")

Dear Sir / Madam,

We refer to your request to provide specific information sought by the Stock Exchanges in India with respect to the valuation of equity shares of PCIL in connection with the proposed amalgamation of PCIL with and into Ambuja Cements Limited ("Ambuja") ("Proposed Transaction") as per our report dated 17 December 2024 ("Report"). Please note below our comments against each of the requirements:

**Requirement**

List of comparable companies considered for comparable companies' multiple method, if the same method is used in valuation.

**Comments**

Kindly refer the Annexure 1B of valuation workings, below.

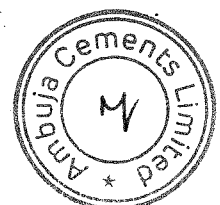
**Requirement**

Detailed rationale for arriving at the swap ratio for issuance of shares as proposed in the draft scheme of arrangement by the Board of Directors of the listed company.

**Comments**

As mentioned in Para 1.2.1 of the Report, upon the Scheme becoming effective, consideration for the Proposed Transaction shall be discharged by way of cash payable to the shareholders of the Company. Accordingly, no swap ratio has been derived for the proposed scheme of arrangement.

*(This space has been intentionally left blank)*



**Requirement**

Details of Revenue, PAT, and EBITDA (in value and percentage terms) of entities involved in the scheme for all the number of years considered for valuation under the Income Approach and reasons justifying the EBITDA/PAT margin considered in the valuation report.

**Comments**

As mentioned above and in Section 1.2.1 of the valuation report, since the consideration for the Proposed Transaction is expected to be discharged in cash, the valuation report includes the valuation of PCIL's equity shares only and no valuation has been carried out for Ambuja. Following are the details pertaining to PCIL:

**PCIL**
**(INR Mn)**

| Particulars   | 6M FY25  | FY26     | FY27     | FY28     | FY29     | FY30     |
|---------------|----------|----------|----------|----------|----------|----------|
| Revenue       | 13,271.9 | 30,259.6 | 42,445.5 | 44,354.8 | 46,232.8 | 46,615.7 |
| EBITDA        | 5,713.1  | 7,614.5  | 11,612.6 | 13,767.5 | 16,283.4 | 16,718.6 |
| EBITDA margin | 43.0%    | 25.2%    | 27.4%    | 31.0%    | 35.2%    | 35.9%    |

**Rationale:** As we understand from our discussions with the Management, PCIL has signed Master Service Agreements, whereby entire production of clinker and cement will be sold to Ambuja and ACC Limited. We also understand that the Management has capacity expansion plans for PCIL. Better utilization of existing capacity and higher available capacity are expected to support growth in revenue in the projected period.

Further, optimal capacity utilisation, cost synergies expected through Ambuja's acquisition, and operating leverage is expected to support improvement in EBITDA margins in the projections.

**Requirement**

Detailed Valuation workings for all entities involved.

**Comments**

Kindly refer Annexure 1, below.

Further, please note that as mentioned above and in Section 1.2.1 of the valuation report, since the consideration for the Proposed Transaction is expected to be discharged in cash, the valuation report includes the valuation of PCIL's equity shares only and no valuation has been carried out for Ambuja.

Thanking you

**For GT Valuation Advisors Private Limited**

Registered Valuer Entity – Securities and Financial Assets  
 IBBI Registration Number: IBBI/RV-E/05/2020/134

eSigned using Aadhaar  
 (Leegality.com - khOHfVT)  
 Darshana Kadakia

Date: Fri Dec 27 11:35:25 IST  
 2024

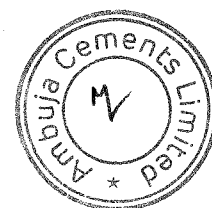
**Darshana Kadakia**

Director

Registered Valuer – Securities and Financial Assets

IBBI Registration Number: IBBI/RV/05/2022/14711

Date: 27 December 2024



| Discounted Cash Flow Method ("DCF")                           |           |            |          |          |          |          |                                     |
|---|-----------|------------|----------|----------|----------|----------|-------------------------------------|
| Particulars (a)   | FY2025*   | FY2026     | FY2027   | FY2028   | FY2029   | FY2030   | (INR Million)<br>Terminal Value (b) |
| Earnings before Interest, Tax, Depreciation, and Amortisation | 5,713.1   | 7,614.5    | 11,612.6 | 13,767.5 | 16,283.4 | 16,718.6 |                                     |
| Less: Depreciation & Amortisation                             | 2,697.8   | 5,336.4    | 4,882.4  | 4,496.5  | 4,053.1  | 3,676.1  |                                     |
| Less: Tax (c)   | -         | -          | 1,009.6  | 2,333.3  | 3,078.1  | 3,282.5  |                                     |
| Gross Free Cash Flows to Firm (Post-Tax)                      | 3,015.3   | 2,278.1    | 5,720.6  | 6,937.6  | 9,152.2  | 9,759.9  |                                     |
| Add: Depreciation & Amortisation                              | 2,697.8   | 5,336.4    | 4,882.4  | 4,496.5  | 4,053.1  | 3,676.1  |                                     |
| Less: Change in Non-Cash Working Capital                      | (1,431.5) | 272.3      | 236.4    | 32.0     | 22.0     | 7.3      |                                     |
| Less: Capital Expenditure                                     | 7,858.8   | 20,288.0   | 2,310.0  | 2,310.0  | 1,540.0  | 1,540.0  |                                     |
| Net Free Cash Flows to Firm                                   | (714.2)   | (12,945.8) | 8,056.6  | 9,092.2  | 11,643.3 | 11,888.7 |                                     |
| Terminal Value / Exit Multiple (Note 1) (INR)                 | 8,900.0   |            |          |          |          |          | 124,600.0                           |
| Discount Rate / PV Factor (Note 2) (d)                        | 14.1%     | 0.97       | 0.88     | 0.77     | 0.67     | 0.59     | 0.52                                |
| Present Value of Net Free Cash Flows                          | (691.2)   | (11,350.1) | 6,191.7  | 6,125.2  | 6,875.7  | 6,154.1  | 64,498.4                            |

\* for the period 1 October 2024 to 31 March 2025

| Particulars                                     | (INR Million)<br>Amount |
|---|-------------------------|
| Present Value of Cash Flows for Explicit Period | 13,305.5                |
| Present Value for Terminal Period               | 64,498.4                |
| Enterprise Value                                | 77,803.8                |
| Add: Adjustments (e)                            | (37,028.3)              |
| Equity Value                                    | 40,775.5                |
| Number of equity shares of PCIL                 | 133,800,000             |
| Equity Value Per Share (INR)                    | 304.7                   |

## Note 1: Terminal Period Assumptions

| Particulars                                     |           |
|---|-----------|
| Concluded Multiple - EV per Ton (INR) (Rounded) | 8,900.0   |
| Installed Exit Capacity of PCIL (Million Tons)  | 14.0      |
| Terminal Value                                  | 124,600.0 |

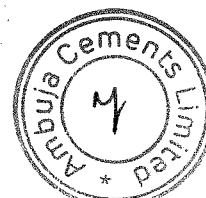
| Exit Multiple                  | (INR)<br>EV per Ton |
|--------------------------------|---------------------|
| Comparable Companies           |                     |
| JK Lakshmi Cement Limited      | 7,377.8             |
| Orient Cement Limited          | 8,442.1             |
| Star Cement Limited            | 11,961.6            |
| HeidelbergCement India Limited | 7,935.3             |
| Average                        | 8,929.2             |

## Note 2: Calculation of Discount Rate / PV Factor

| Particulars                       | Values |
|-----------------------------------|--------|
| Risk-free Rate (f)                | 6.7%   |
| Beta (g)                          | 0.99   |
| Equity Risk Premium (h)           | 6.8%   |
| Base Cost of Equity               | 13.4%  |
| Company Specific Risk Premium (i) | 2.0%   |
| Adjusted Cost of Equity           | 15.4%  |
| Debt Borrowing Rate (j)           | 10.0%  |
| Tax Rate (k)                      | 25.2%  |
| Post-tax Cost of Debt             | 7.5%   |
| D/TC (l)                          | 16.7%  |
| Weighted Average Cost of Capital  | 14.1%  |

## Footnotes

- (a) We have used the financial projections for the explicit period as provided to us by the Management of PCIL.
- (b) Terminal Value beyond the explicit period is calculated by applying an exit multiple approach as per details provided in Note 1.
- (c) No cash outflows towards tax are expected during H2FY25 and FY26 on account of large amount of unabsorbed depreciation available for set off with PCIL as per information provided to us by the Management of PCIL.
- (d) The present value of explicit period and terminal period cashflows are derived based on discount rate of 14.1% as per details provided in Note 2.
- (e) Adjustments primarily consist of borrowings, leases, and cash & cash equivalents based on the balance sheet of PCIL as on 30 September 2024.
- (f) Risk-free Rate is based on 10-Year wholesale debt Government securities as on Valuation Date as per Clearing Corporation India Limited.
- (g) The beta is based on the long term asset beta of comparable companies as on the Valuation Date.
- (h) The expected return of the market in excess of the risk-free rate basis Grant Thornton's Internal research
- (i) Additional risk premium has been considered on account of high customer concentration and illiquidity.
- (j) Cost of borrowing for PCIL is based on the inputs provided by Management
- (k) Based on corporate tax rate applicable to companies in India
- (l) The Debt to Total Capital is arrived at using the Debt to Equity ratio which is based on the applicable industry D/E ratio as on the Valuation Date.



| Market Approach                                    |                |
|--|----------------|
| Comparable Transaction Method ("CTM Method") (INR) |                |
| Comparable Transactions                            | EV per Ton*    |
| India Cements                                      | 8,207.5        |
| Kesoram Industries                                 | 7,069.8        |
| Sanghi Industries                                  | 8,500.0        |
| <b>Average</b>                                     | <b>7,925.7</b> |

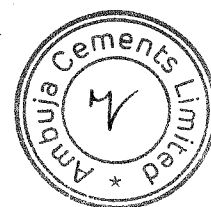
\*computed based on information available in public domain.

| (INR Million)                                   |                 |
|---|-----------------|
| Particulars                                     | EV per Ton      |
| Concluded Multiple - EV per Ton (INR) (Rounded) | 7,900.0         |
| Installed Capacity of PCIL (Million Tons)*      | 10.0            |
| <b>Enterprise Value</b>                         | <b>79,000.0</b> |
| Adjustments**                                   | (37,028.3)      |
| <b>Equity Value</b>                             | <b>41,971.7</b> |
| Number of shares of PCIL                        | 133,800,000     |
| <b>Equity Value Per Share (INR)</b>             | <b>313.7</b>    |

\*as per the installed cement manufacturing capacity of PCIL as of the Valuation Date.

\*\*Adjustments primarily consist of borrowings, leases, and cash & cash equivalents based on the balance sheet of PCIL as on 30 September 2024.

| Particulars                                  | Weights | Value in INR Million | Value per Share (INR) |
|--|---------|----------------------|-----------------------|
| Income Approach (DCF Method)                 | 50%     | 40,775.5             | 304.7                 |
| Market Approach (CTM Method)                 | 50%     | 41,971.7             | 313.7                 |
| <b>Weighted Average Equity Value of PCIL</b> |         | <b>41,373.6</b>      | <b>309.2</b>          |



**Date: 31<sup>st</sup> December, 2024**

To,  
**BSE Limited,**  
P.J. Towers, Dalal Street,  
Mumbai – 400 001.  
**Scrip Code: 500425**

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the Scheme of Arrangement between Penna Cement Industries Limited (Transferor Company) and Ambuja Cements Limited (Transferee Company) and their respective Shareholders.**

Dear Sir,

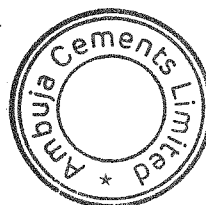
In connection with the above application. we, Ambuja Cements Limited (Transferee Company) hereby confirm that no material event impacting the valuation has occurred during the intervening period of filing the scheme documents with Stock Exchange and period under consideration for valuation.

Declaration/ details on any past defaults of listed debt obligations of the entities forming part of the scheme: Not applicable

**For, Ambuja Cements Limited**



**Manish Mistry**  
**Company Secretary & Compliance Officer**



**Ambuja Cements Limited**

**Registered Office:**

Adani Corporate House  
Shantigram, Near Vaishno Devi Circle,  
S. G. Highway, Khodiyar,  
Ahmedabad – 382 421, Gujarat, India  
Ph +91 79-2656 5555  
[www.ambujacement.com](http://www.ambujacement.com)  
CIN: L26942GJ1981PLC004717



**Fair Equity Share Valuation  
in relation to the  
'Scheme of Arrangement'**

**December 2024**



Tel: +91 22 6974 0300  
www.bdo.in

HO  
The Ruby, Level 9, North West Wing  
Senapati Bapat Marg, Dadar (W),  
Mumbai 400028, INDIA

Ref. No.: MG/Dec17-234/2024

December 17, 2024

To,

The Board of Directors  
**Penna Cement Industries Limited**  
8 - 3 - 975, Plot No. 128,  
Srinagar Colony, Khairatabad,  
Telangana, India - 500 073

Dear Sir(s)/ Madam(s),

**Subject: Recommendation of Fair Valuation of Equity Shares of Penna Cement Industries Limited ('PCIL' or 'Transferor Company') in relation to the Proposed Scheme Of Arrangement of PCIL and Ambuja Cements Limited ('ACL' or 'Transferee Company') and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013**

We, BDO Valuation Advisory LLP ('BDO Val' or 'We' or 'Us'), have been appointed vide engagement letter dated November 27, 2024 bearing reference number MG/Nov272/2024 to recommend the fair value of Penna Cement Industries Limited ('PCIL' or the 'Transferor Company') to be paid to the equity shareholders of PCIL with respect to the amalgamation of PCIL and into Ambuja Cements Limited ('ACL' or 'Transferee Company') on a going concern basis, as per the Proposed Scheme of Arrangement between PCIL and ACL and their respective shareholders in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013 ('the Act') and or any statutory modifications, re-enactment or amendments thereof for the time being in force read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ('the Rules'), as amended from time to time and all other applicable provisions, if any, of the Act and any other applicable law for the time being in force including the applicable provisions of SEBI Guidelines and the rules. ('the Proposed Scheme').

PCIL and ACL shall be collectively referred to as (the 'Companies').

We are pleased to present herewith our report ('Report') on the same. We have determined the fair value of PCIL for the Proposed Scheme as of December 16, 2024 ('Valuation Date').

We hereby confirm that we have no present or planned future interest in the Companies except to the extent of our appointment as a registered valuer for this Report.

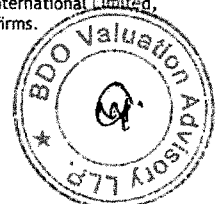
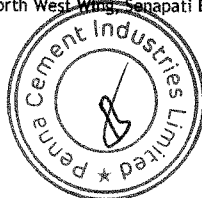
We have considered the valuation base as 'Fair Value' and the premise of value is 'going concern' for estimating the value of the Companies. We hereby confirm that the valuation is carried out as per International Valuation Standards ("IVS"). Any change in the valuation base or the premise could have a significant impact on the outcome of the valuation exercise, and therefore, this Report.

A summary of the analysis is presented in the accompanying Report, as well as a description of the methodology and procedure we used, and the factors we considered in formulating our opinion.

We believe that our analysis must be considered as a whole. Selecting a portion of our analysis or the factors we considered, without considering all factors and analysis together could create a misleading

BDO Valuation Advisory LLP, an Indian limited liability partnership firm, with LLP Identity No. AAN 9463, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Head Office: The Ruby, Level 9, North West Wing, Senapati Bapat Marg, Dadar (W), Mumbai 400028, INDIA



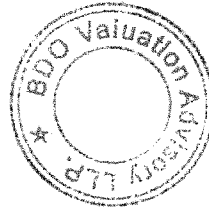


view of the process underlying the valuation conclusions. The preparation of valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

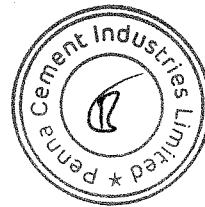
This letter should be read in conjunction with the attached report.

For BDO Valuation Advisory LLP  
IBBI Regn No.: IBBI/RV-E/02/2019/103

VRN Number: IOVRVF/BDO/2024-2025/4416  
Name: Mandar Vikas Gadkari  
Designation: Partner  
IBBI Regn No.: IBBI/RV/06/2018/10500



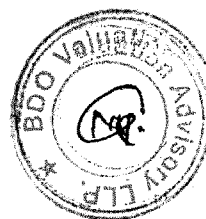
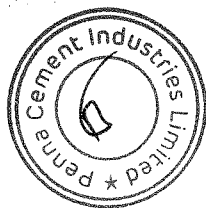
Encl: As Above





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## 1. Brief Background of the Companies

### Ambuja Cements Limited ('ACL' or 'the Transferee Company')

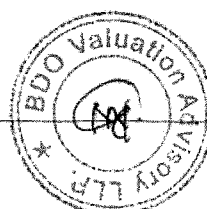
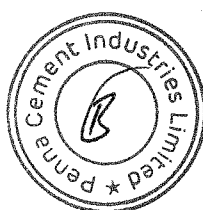
- 1.1. Ambuja Cements Limited (CIN: L26942GJ1981PLC004717) is a public limited company incorporated under the Companies Act, 1956, having its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad, Gujarat - 382 421, India.
- 1.2. The Transferee Company is engaged in the business of manufacturing cement and cement-related products.
- 1.3. The equity shares of ACL are listed on BSE Limited ('BSE') and permitted to trade on National Stock Exchange of India Limited ('NSE'). BSE and NSE shall collectively be referred to as 'Stock Exchanges'. The Global Depository Receipts issued by the Transferee Company are listed on the Luxembourg Stock Exchange.
- 1.4. The authorised share capital and the issued, subscribed and fully paid-up share capital of ACL, as on November 30, 2024, was as follows:

| Particulars   | INR Mn          |
|---|-----------------|
| <u>Authorised Share Capital</u>                     |                 |
| 40,017,500,000 equity shares of INR 2/- each        | 80,035.0        |
| 150,000,000 preference shares of INR 10/- each      | 1,500.0         |
| <b>Total</b>  | <b>81,535.0</b> |
| <u>Issued Share Capital</u>                         |                 |
| 246,34,49,998* equity shares of INR 2/- each        | 4,926.9         |
| <b>Total</b>  | <b>4,926.9</b>  |
| <u>Subscribed &amp; Fully Paid-up Share Capital</u> |                 |
| 2,46,31,23,478* equity shares of INR 2/- each#      | 4,926.2         |
| <b>Total</b>  | <b>4,926.2</b>  |

Source: Management of ACL

\* The issued and paid-up share capital of ACL includes 13,39,841 equity shares represented by 13,39,841 global depository receipts.

# The difference of 3,26,520 equity shares between issued, subscribed and paid-up capital is on account of past issuance of right shares which are in abeyance.



1.5. The summarized shareholding pattern of ACL as on November 30, 2024, is as follows:

| Shareholder Category   | No. of Equity Shares  | % Holding     |
|--|-----------------------|---------------|
| I. Promoter and Promoter Group                                       | 1,66,33,81,052        | 67.57%        |
| II. Public   | 79,84,02,585          | 32.43%        |
| III. Non-Promoter Non-Public (Shares underlying Depository Receipts) | 13,39,841             | 0.00%         |
| <b>Total</b>   | <b>2,46,31,23,478</b> | <b>100.0%</b> |

Source: Management of ACL

1.6. The Transferee Company is the holding company of the Transferor Company and as shown in the Report Date holds 99.94% of the paid-up share capital of the Transferor Company.

**Penna Cement Industries Limited ('PCIL' or 'the Transferor Company')**

1.7. Penna Cement Industries Limited (CIN: U26942TG1991PLC013359) is a company incorporated under the Companies Act, 1956, having its registered office at 8 - 3 - 975, Plot No. 128, Srinagar Colony, Khairatabad, Telangana, India - 500 073

1.8. The Transferor Company is mainly engaged in the business of manufacturing and selling of cement and cement related products.

1.9. An application for shifting of the registered office of the Transferor Company from the State of Telangana to the State of Gujarat has been filed by the Transferor Company with the Regional Director, South East Region, Hyderabad, Telangana on December 11, 2024

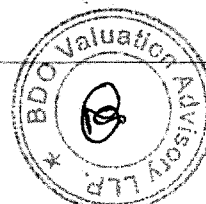
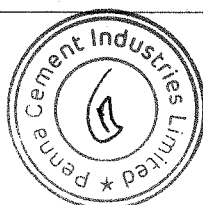
1.10. The authorised share capital and the issued, subscribed and fully paid-up share capital of PCIL, as on November 30, 2024, was as follows:

| Particulars  | INR Mn         |
|--|----------------|
| <b><u>Authorised Share Capital</u></b>                             |                |
| 200,000,000 equity shares of INR 10/- each                         | 2,000.0        |
| <b>Total</b>   | <b>2,000.0</b> |
| <b><u>Issued, Subscribed &amp; Fully Paid-up Share Capital</u></b> |                |
| 133,800,000 equity shares of INR 10/- each                         | 1,338.0        |
| <b>Total</b>   | <b>1,338.0</b> |

Source : Management of PCIL

1.11. We have been informed by the management and representatives of PCIL that there has been no change in the above share capital of PCIL from November 30, 2024 till the date of issuance of this Report.

1.12. The Transferee Company on August 16, 2024, acquired 99.92% of the paid-up equity share capital of the Transferor Company from the erstwhile promoters/promoter affiliates of the Transferor Company. As on November 30, 2024, the Transferee Company holds 99.94% of the paid-up equity



share capital of the Transferor Company. The Transferor Company is a subsidiary of the Transferee Company.

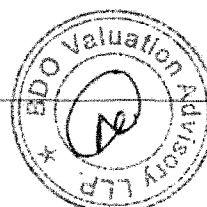
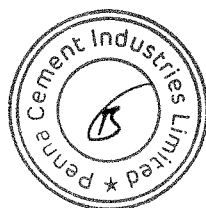
## 2. Purpose of Valuation

- 2.1. The management of the Companies have informed us that they are proposing amalgamation of PCIL into and with ACL and the consequent dissolution of the Transferor Company without being wound up, and payment to the equity shareholders of the Transferor Company (other than the Transferee Company) in the form of cash consideration, in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013 or any statutory modifications, re-enactment or amendments thereof for the time being in force read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, as amended from time to time and all other applicable provisions, if any, of the Act and any other applicable law for the time being in force including the applicable provisions of Securities and Exchange Board of India ('SEBI') Guidelines and the rules.
- 2.2. In this regard we have been appointed to undertake and recommend the fair value of PCIL to be paid to the equity shareholders of PCIL with respect to the amalgamation of PCIL and into ACL.
- 2.3. The Appointed Date for the Scheme is August 16, 2024.
- 2.4. Further, we understand by way of separate schemes of amalgamation, it is proposed
  - (a) to merge Adani Cementation Limited (a wholly owned subsidiary of Adani Enterprises Limited) with the Transferee Company ('Adani Cementation Merger Scheme'); and
  - (b) to merge Sanghi Industries Limited (a subsidiary of the Transferee Company) with the Transferee Company ('Sanghi Merger Scheme').
- 2.5. Post the acquisition, PCIL has entered into a Master Supply Agreement and Master Service Agreement (collectively referred to as 'MSA') with ACL and ACC Limited ('ACC'). The MSA covers the purchase/sale of raw materials, spare parts, and availing/rendering of services. Under the MSA, ACL and ACC will bulk purchase clinker and cement produced by PCIL, which will be sold under the Ambuja/ACC brand.

## 3. Terms of Engagement

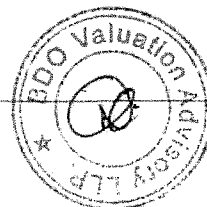
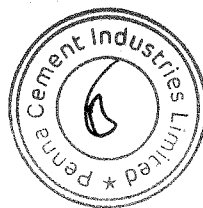
### Context and Purpose

- 3.1. BDO Val has been appointed to determine the fair value of PCIL for the Proposed Scheme of Arrangement as mentioned in para 2.2 of this Report. This valuation exercise and Valuation Report are solely for the purpose mentioned in the Report.



**Restricted Audience**

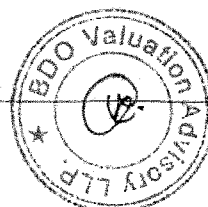
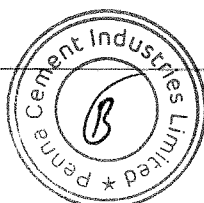
- 3.2. This Report and the information contained herein are absolutely confidential and are intended for the use of the Client only for submitting to the statutory authorities for compliance under section sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and applicable provisions and circular issued by SEBI applicable to the Proposed Scheme. The results of our valuation analysis and our Report cannot be used or relied by the Companies for any other purpose or by any other party for any purpose whatsoever.
- 3.3. This Report will be placed before the Audit Committee/the Board of Directors of PCIL and intended only for their sole use and information only. To the extent mandatorily required under applicable laws of India, this Report maybe produced before judicial, regulatory or government authorities, in connection with the Proposed Scheme. We are not responsible to any other person or party, for any decision of such person or party based on this Report. Any person or party intending to provide finance/ invest in the shares/ business of the Companies or their holding companies, subsidiaries, associates, joint ventures 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 BDO Val.
- 3.4. 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.
- 3.5. Without limiting the foregoing, we understand that the Client may be required to share this Report with regulatory or judicial authorities including Stock Exchanges, SEBI, Regional Director, Registrar of Companies, National Company Law Tribunal, professional advisors of the Client including merchant banker providing fairness opinion on the fair valuation, in connection with the Proposed Scheme ('Permitted Recipients'). We hereby give consent to such disclosure of this Report, on the basis that we owe responsibility only to the Client that has engaged us, under the terms of the engagement, and no other person; and that, to the fullest extent permitted by law, we accept no responsibility or liability to any other party, in connection with this Report. It is clarified that reference to this Report in any document and/or filing with Permitted Recipients, in connection with the Proposed Scheme, shall not be deemed to be an acceptance by us of any responsibility or liability to any person/ party other than the Client.



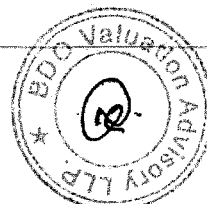
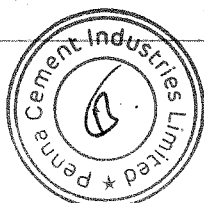


#### 4. Caveats, Limitations and Disclaimers

- 4.1. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 4.2. This Report, its contents, and the analysis herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement, (ii) the Report date and (iii) based on the data detailed in the section - Sources of Information. The management of the Companies have represented that the business activities of the Companies have been carried out in the normal and ordinary course till the Report date and that no material changes are expected in their respective operations and financial position to occur up to the Report date.
- 4.3. We were provided with sufficient information and time to make our opinion for this valuation exercise. However, our opinion may change if any material information is not disclosed / hidden from us during our valuation exercise.
- 4.4. The scope of the assignment did not include performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was used during the course of the work. Accordingly, we express no audit opinion or any other form of assurance on this information on behalf of the Companies. 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 or legal title search of the assets or liabilities of the Companies and have considered them at the value as disclosed by the Companies in their regulatory filings or in submissions, oral or written, made to us.
- 4.5. Further, this valuation Report is based on the extant regulatory environment and the financial, economic, monetary and business/market conditions, and the information made available to us or used by us up to the date hereof, which are dynamic in nature and may change in future, thereby impacting the valuation of the Companies. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and we shall not be obliged to update, review or reaffirm this Report if the information provided to us changes. Further 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.
- 4.6. We have no present or planned future interest in the Companies or any of their group entities.
- 4.7. The recommendation contained herein is not intended to represent value at any time other than the Valuation Date.
- 4.8. This Report is subject to the laws of India.
- 4.9. The fee for this engagement is not contingent upon the outcome of the Report.
- 4.10. Any discrepancies in any table / annexure between the total and the sums of the amounts listed are due to rounding-off.

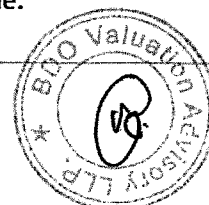
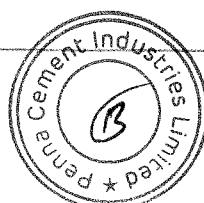


- 4.11. In rendering this Report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.
- 4.12. This Report is based on the information received from the sources mentioned herein and discussions with the representatives of the Companies. We have assumed that no information has been withheld that could have influenced the purpose of our Report.
- 4.13. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us, we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Companies. Nothing has come to our knowledge to indicate that the material provided to us was mis-stated or incorrect or would not afford reasonable grounds upon which to base our Report.
- 4.14. For the present valuation exercise, we have also relied upon information available in the public domain; however, the accuracy and timeliness of the same has not been independently verified by us.
- 4.15. In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out here in which may occur subsequent to the date of our Report or by virtue of fact that the details provided to us are incorrect or inaccurate.
- 4.16. We have arrived at a fair value based on our analysis. Any transaction price may however be significantly different and would depend on the negotiating ability and motivations of the respective buyers and sellers in the transaction.
- 4.17. Our scope is limited to the recommendation of fair value of equity share. The Report should not be construed as, our opinion or certifying the compliance of the Proposed Scheme of Arrangement with the provisions of any law including the Companies Act 2013, Foreign Exchange Management Act, 1999, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from Proposed Scheme of Arrangement.
- 4.18. The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all their areas of operation 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 Report has given no consideration to matters of legal nature, including issues of legal title and compliance with local laws, litigation and other contingent liabilities that are not recorded in the financial statements of the Companies.
- 4.19. This Report does not look into the business/commercial reasons behind the Proposed Scheme of Arrangement nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Scheme of Arrangement as compared with any other alternative business transaction or any other alternatives, whether or not such alternatives could be achieved or are available. The assessment of commercial and investment merits in the Companies is sole



responsibility of the investors of the Companies and we don't express opinion on the suitability or otherwise of entering into any financial or other transactions with the Companies.

- 4.20. Valuation is not a precise science, and the conclusions arrived at in many cases 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 the value based on an analysis of information available to us and within the scope of our engagement, others may place a different opinion.
- 4.21. Whilst we have conducted analysis of the financial projections of the Companies, for arithmetic and logical consistency, our review was not in the nature of an audit/ due diligence. We do not express an opinion as to how closely the actual revenues, expenses, cash flows and position of assets and liabilities will correspond to these financial projections. There will usually be differences between predicted and actual results and those differences may be material. The Clients have provided us with a set of financial projections that are based on internal estimates including growth expectations of end user industries, cost estimations, etc. and represent their best estimate of the expected performance of the Companies going forward. We take no responsibility for the achievement of the predicted results.
- 4.22. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither of us, nor any of our partners, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all liabilities which may arise based upon the information used in this Report.
- 4.23. We owe responsibility to only the Board of Directors of the Client 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 Companies. 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 the part of the Companies, their directors, employees or agents. In the particular circumstances of this case, our liability, if any (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, howsoever the loss or damage caused, shall be limited to the amount of fees actually received by us from the Client as laid out in the engagement letter, for such valuation work.
- 4.24. We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fair opinion. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.
- 4.25. This Report does not in any manner address the price at which equity shares of ACL will trade following the announcement and/or implementation of the Proposed Scheme and we express no opinion or recommendation as to how the shareholders of ACL should vote at the shareholders' meeting(s) to be held in connection with the Proposed Scheme.

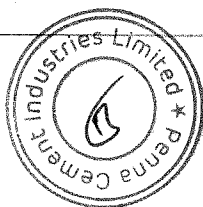




- 4.26. The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Companies (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

## 5. Sources of Information

- 5.1. For the purpose of undertaking this valuation exercise, we have relied on the following sources of information provided by the management and representatives of the Companies/ available in public domain:
- Detailed business profile and information of current business operations of PCIL;
  - Audited financial statements of PCIL for the year ended March 31, 2024;
  - Audited financial statements of PCIL for the period ending April 01, 2024, to August 15, 2024;
  - Limited Review Financial statements of PCIL for the period ending August 16, 2024, to September 30, 2024;
  - Projected Financial Statements of PCIL for the period October 01, 2024, to March 31, 2030;
  - Master Supply Agreement ('MSA') dated August 16, 2024, between ACL and PCIL;
  - Master Supply Agreement ('MSA') dated August 16, 2024, between ACC and PCIL;
  - Income Tax Return of PCIL for the Assessment Year 2024-25;
  - Latest shareholding details of ACL and PCIL;
  - Relevant data and information provided to us by the management and representatives of the Client either in written or oral form or in form of soft copy and information available in public domain;
  - Information provided by leading database sources (proprietary databases subscribed by us or our network firm), market research reports and other published data (including the Stock Exchanges); and
  - Draft of Proposed Scheme.
- 5.2. We have also obtained the explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise from the Management of PCIL. Our client has been provided with the opportunity to review the draft Report (excluding the recommended Fair Equity Value of PCIL) as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in our final Report.





- 5.3. The management of PCIL has informed us that there would be no significant variation between the draft Scheme and the final scheme approved and submitted with the relevant authorities.

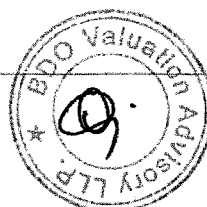
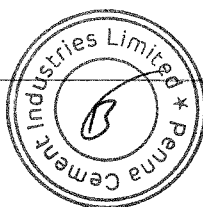
## 6. Procedures Adopted

- 6.1. Procedures used in our analysis included such substantive steps as we considered necessary under the circumstances, including but not limited to the following:

- Requested and received financial information;
- Obtained data available in public domain;
- Undertook industry analysis such as researching publicly available market data including economic factors and industry trends that may impact the valuation;
- Detailed analysis of comparable companies for the business similar to the Transferor Company;
- Discussions (over call/emails/conferences) with the management of the Transferor Company to understand the business and fundamental factors;
- Selection of valuation methodology/(ies) as per International Valuation Standards, 2022 and the internationally accepted valuation methodologies
- Determined the fair value of equity shares of the Transfer Company using the selected methodology.

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'. Any change in the valuation base, or the premise could have a significant impact on our valuation exercise, and therefore, this report.

- 6.2. Client has informed us that Vivro Financials Services Private Limited ('Fairness Opinion Provider') has been appointed to provide fairness opinion on the recommended Fair Valuation of the Transferor Company for the purpose of aforementioned Proposed Scheme. Further at the request of the Client, we have had discussions with the Fairness Opinion provider on the valuation approach adopted and assumptions made by us.
- 6.3. We understand that ACL has appointed GT Valuation Advisors Private Limited, a Registered Valuer (IBBI Registration No IBBI/RV-E/05/2020/134) (here in after referred to as "the other Valuer") to issue a valuation report on the fair value of the Transferor Company for its regulatory compliance and evaluation purpose for the proposed amalgamation.
- 6.4. As stated earlier, our scope is to undertake and recommend fair value of the equity shares of PCIL with respect to the amalgamation of PCIL into ACL on a going concern basis, as per the Proposed Scheme. We have also been requested by the Client to discuss valuation approach with the other valuer engaged by ACL.



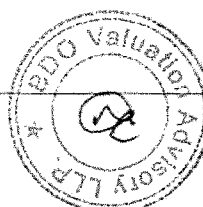
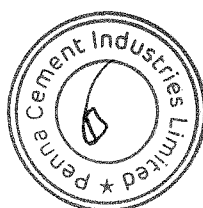


- 6.5. While we have independently carried out the valuation of PCIL for recommending the fair equity value of PCIL. Further, since the consideration is discharged in the form of cash, we were not required to arrive at a consensus on the fair equity value of PCIL.

## 7. Valuation Approaches

- 7.1. It is pertinent to note 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, and prospects, financial and otherwise, of the companies/businesses, and other factors which generally influence the valuation of the companies, its businesses and assets.
- 7.2. 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, analysis of businesses, in an independent and bona fide manner based on our previous experience of assignments of similar nature.
- 7.3. It may be noted that BDO Val is enrolled with IOV Registered Valuers Foundation, which has recommended to follow International Valuation Standards ("IVS") for undertaking valuation and accordingly we have considered the International Valuation Standards issued by International Valuation Standards Council ("IVSC") in carrying out the valuation exercise.
- 7.4. Valuation Date is December 16, 2024 ('Valuation Date'). For valuation exercise, market parameters have been considered up to and including December 16, 2024.
- 7.5. There are three generally accepted approaches to valuation:
- (a) "Asset" / "Cost" Approach
  - (b) "Income" Approach
  - (c) "Market" Approach

Within these three basic approaches, several methods may be used to estimate the value. An overview of these approaches is as follows:



## **Asset / Cost Approach**

### **Summation Method**

The summation method, also referred to as the underlying asset method, is typically used for investment companies or other types of assets or entities for which value is primarily a factor of the value of their holdings.

This valuation approach is mainly used in cases where the assets base dominates earnings capability.

### **Income Approach**

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

### **Discounted Cash Flow Method**

Under the Discounted Cash Flow ('DCF') method, the value of the undertaking is based on expected 'cash flows for future, discounted at a rate, which reflects the expected returns and the risks associated with the cash flows as against its accounting profits. The value of the undertaking is determined as the present value of its future free cash flows.

Free cash flows are discounted for the explicit forecast period and the perpetuity value thereafter. Free cash flows represent the cash available for distribution to both, the owners and creditors of the business.

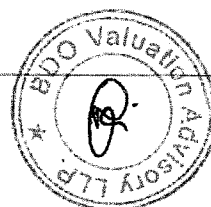
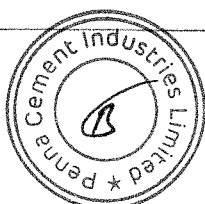
Discount rate is the Weighted Average Cost of Capital ('WACC'), based on an optimal vis-à-vis actual capital structure. It is appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk and also debt-equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business's potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth (for perpetuity) in the cash flows over the last year of the forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business's future operations.

The Business/Enterprise Value so derived, is further reduced by value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of business. The surplus assets / non-operating assets are also adjusted.

In case of free cash flows to equity, the cash available for distribution to owners of the business is discounted at the Cost of Equity and the value so arrived is the Equity Value before surplus/ non-



operating assets. The surplus assets / non-operating assets are further added to arrive at the Equity Value.

#### **Market Approach**

Under the Market approach, the valuation is based on the market value of the company in the case of listed companies and comparable companies trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

##### **i. Market Price Method**

Under this method, the market price of the equity shares of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the trading. The market value reflects the investors' perception of the true worth of the company.

##### **ii. Comparable Companies Multiple Method**

Under the Comparable Companies Multiple ('CCM') method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed 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 differences between the circumstances.

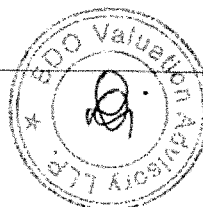
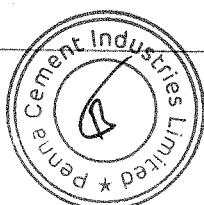
To the value of the business so arrived, adjustments need to be made for the value of contingent assets/liabilities, surplus Asset and dues payable to preference shareholders, if any, in order to arrive at the value for equity shareholders.

##### **iii. Comparable Transactions Multiple Method**

Under the Comparable Transactions Multiple ('CTM') method, the value of a company can be estimated by analyzing the prices paid by purchasers of similar companies under similar circumstances. This is a valuation method where one will be comparing recent market transactions in order to gauge the current valuation of target company. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. This valuation approach is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

## **8. Conclusion on Valuation Approach**

- 8.1. In order to consider reasonable methods for the valuation exercise, we have referred to the International Valuation Standards and the specific information/explanations available of PCIL. We have considered the following methods for the valuation:





- 8.2. **Cost Approach:** In a 'going concern' scenario, for an operating entity, the earning power, as reflected under the Income and Market approaches, are of greater importance to the basis of amalgamation, than the value arrived on the net asset basis, which is of limited relevance. Therefore, we have not considered the Asset / Cost approach for valuation since the asset / cost approach does not reflect the intrinsic value of the business operations in a "going concern scenario".
- 8.3. **Income Approach:** Discounted Cash Flow Method under the Income Approach has been considered based on the forecast financial statement provided to us.
- 8.4. **Market Approach:**
- 8.4.1. In the present case, the shares of PCIL are not listed on any Stock Exchanges, hence, we have not considered the market price methodology for determining the fair value of PCIL.
- 8.4.2. Considering the MSA signed with ACL and PCIL as mentioned above, we have used EV/Capacity based multiple using Comparable Transaction Multiple method based on transactions in comparable companies operating with similar capacity in India.
- 8.4.3. Considering the MSA signed with ACL and PCIL as mentioned above, we have used EV/Capacity based multiple using Comparable Companies Multiple method based on listed comparable companies operating with similar capacity in India.

**Summary of Valuation Approaches Considered:**

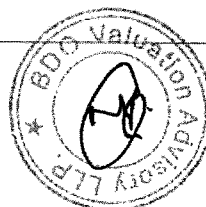
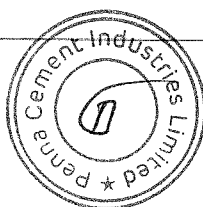
| Name of the Companies | Methods Adopted  |
|-----------------------|--|
| PCIL                  | Discounted Cashflow Method<br>CCM Method<br>CTM Method |

**9. Major factors that were considered during the valuation**

- 9.1. Key operating/ financial parameters of PCIL;
- 9.2. Nature of operations of PCIL;
- 9.3. MSA entered into by PCIL with ACL and ACC;
- 9.4. Discussion with the management of the Companies.
- 9.5. Business projections of PCIL;

**10. Conclusion**

- 10.1. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion 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 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 in *Gold Coast Selection Trust Ltd. vs. Humphrey* reported in 30 TC 209 (House of Lords) and quoted with approval by the Honorable Supreme Court of India in the case reported in 176 ITR 417 as under:

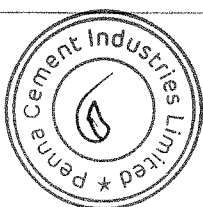
*"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of 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 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".*

- 10.2. As discussed earlier, we have used DCF method, CTM method and CCM method for valuation of PCIL to arrive at the recommended fair value of PCIL for amalgamation of PCIL with ACL as follows:

| Valuation Approach                 | Valuation Method | PCIL                  |         | ACL <sup>5</sup>      |         |
|------------------------------------|------------------|-----------------------|---------|-----------------------|---------|
|                                    |                  | Value Per Share (INR) | Weights | Value Per Share (INR) | Weights |
| <b>Cost Approach<sup>1</sup></b>   | Summation Method | NA                    | NA      | NA                    | NA      |
| <b>Income Approach<sup>2</sup></b> | DCF Method       | 307.3                 | 50%     | NA                    | NA      |
| <b>Market Approach<sup>3</sup></b> | MP Method        | NA                    | NA      | NA                    | NA      |
| <b>Market Approach<sup>4</sup></b> | CTM Method       | 316.2                 | 25%     | NA                    | NA      |
| <b>Market Approach<sup>4</sup></b> | CCM Method       | 330.2                 | 25%     | NA                    | NA      |
| <b>Fair Value</b>                  |                  | <b>315.2</b>          |         | <b>NA</b>             |         |
| <b>Fair Value Per Share</b>        |                  | <b>315.2</b>          |         |                       |         |

NA means Not Adopted / Not Applicable.

1. Since Summation Method under 'Cost Approach' does not reflect the intrinsic value of the business of the Companies in a 'going concern scenario', we have not considered Asset / Cost Approach for this valuation exercise.
2. Discounted Cash Flow Method ("DCF") under the Income Approach has been considered for valuation of PCIL as the true worth of its businesses would be reflected in its future earnings potential.
3. PCIL is not listed on BSE or NSE. Hence, we have not considered market price method for valuing PCIL.
4. Under market approach we have used CCM Method and CTM Method for valuation of PCIL based on comparable companies operating in similar businesses.





5. Since the transaction is in the form of cash consideration there is no requirement for the valuation of ACL.

10.3. Upon the coming into effect of this Scheme, the equity shares of the Transferor Company held by the Transferee Company (either directly or through nominees) on the Effective Date shall stand cancelled without any further application, act or deed.

10.4. Following is the recommended Fair Value Per Share of PCIL for Amalgamation:

*Cash Consideration of INR 315.2 per share for every 1 equity share held in PCIL (of INR 10/- each fully paid up).*

