

Valuation Report

Ambuja Cements Limited

September 2022

Ref. No.: MG/Sep16-56/2022

September 16, 2022

To,

The Board of Directors
Ambuja Cements Limited
PO Ambujanagar
Taluka Kodinar
Gir Somnath district
Gujarat - 362715

Dear Sir(s)/ Madam(s),

Sub: Report on Floor Price for Preferential Allotment of Equity Shares calculated in accordance with Regulation 164(1) - Pricing of frequently traded shares and Regulation 166 & 166A of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amended from time to time.

We, BDO Valuation Advisory LLP ('BDO Val' or 'We' or 'Us'), have been appointed vide engagement letter dated September 14, 2022, bearing its reference number MG/Sep141/2022 by Ambuja Cements Limited ("You" or "ACL" or "the Client" or "the Company") in relation to determination of floor price of Equity Shares ("the Securities") of ACL as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ("ICDR Regulations" or "SEBI (ICDR) Regulations, 2018").

We understand that the Company is proposing to issue the Securities to an identified investor on preferential basis ("the Proposed Transaction") and the Client wants us to determine the floor price of the Securities as per the ICDR Regulations.

We are pleased to present herewith our report on the same. We enclose our report providing our opinion as on September 08, 2022 ("Valuation Date"). The attached report details the valuation methodologies, calculations, and conclusions with respect to this valuation.

We believe that our analysis must be considered as a whole. Selecting portions of our analysis or the factors we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions.



The preparation of a 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. Should you require further information or clarifications, please feel free to contact us.

For BDO Valuation Advisory LLP

IBBI No.: IBBI/RV-E/02/2019/103



Mandar Vikas Gadkari

Partner

IBBI No.: IBBI/RV/06/2018/10500



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1. Brief Background of the Company

Ambuja Cements Limited ('ACL')

- 1.1. Ambuja Cements Limited ("ACL" or "the Client" or "You" or "the Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act 1956. The Company's principal activity is to manufacture and market cement and cement related products.
- 1.2. As per the Investor Presentation of the Company for period ending June 2022, the current cement capacity of ACL is ~31.45 MTPA with 6 integrated cement plants, 8 standalone grinding units and 5 bulk cement terminals across India.
- 1.3. The Corporate Identification Number ("CIN") of the Company is L26942GJ1981PLC004717 and its registered office address is PO Ambujanagar, Taluka Kodinar, Gir Somnath district, Gujarat - 362715.
- 1.4. The equity shares of ACL are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") and its Global Depositary Receipt ("GDRs") are listed under the EURO Multilateral Trading Facility ("MTF") Platform of Luxembourg Stock Exchange.
- 1.5. The shareholding pattern of the Company as on June 30, 2022, is as follows:

Particulars	Number of Shares in Mn	%
Promoter & Promoter Group	1,253.2	63.2%
Public	729.8	36.8%
Shares underlying DRs	2.6	< 0.1%
Total	1,985.6	100.0%

Source: BSE Limited

1.6. Key Past Financial Matrix

	INR Mn			
Revenue	CY18	CY19	CY20	CY21
Revenue from operations	2,60,409.4	2,71,035.5	2,45,161.7	2,89,654.6
Year on Year Growth	NA	4.1%	(9.5%)	18.1%
EBITDA	40,107.9	45,969.9	50,055.7	62,306.3
EBITDA Margin (%)	15.4%	17.0%	20.4%	21.5%
PAT	29,726.9	27,831.6	31,068.4	37,110.4
PAT (%)	11.4%	10.3%	12.7%	12.8%

Source: Annual Reports of the Company

The Company has adopted Calendar Year ("CY") as its Financial Year ("FY"). The consolidated revenue in CY20 was impacted recording a decline of 9.5% over CY19 due to the impact of COVID-19 pandemic. The consolidated revenue improved in CY21 by 18.1%. The consolidated EBITDA

margin for the Company improved from 15.4% in CY18 to 21.5% in CY21. The consolidated PAT Margins also improved to 12.8% for CY21 as against 11.4% in CY18.

Key Past Balance sheet items

	INR Mn			
Balance Sheet as at	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Equity Share Capital	3,971.3	3,971.3	3,971.3	3,971.3
Other Equity *	2,19,733.5	2,36,808.6	2,23,604.7	2,49,566.1
Net Worth	2,23,704.8	2,40,779.9	2,27,576.0	2,53,537.4
Minority Interest	52,311.9	57,367.6	63,408.9	71,450.3
Debt Outstanding #	396.8	410.6	436.0	469.4
Lease Liabilities			4,270.0	4,296.3

*Other Equity includes general reserves, securities premium account, retained earnings, etc.

Debt Outstanding includes Term Loans.

Source: Annual Reports of the Company

From the above table, it can be observed that the net worth of the Company decreased to INR 2,27,576.0 Mn as on December 31, 2020 from INR 2,40,779.9 Mn as on December 31, 2019, majorly due to the dividend payout. Further, it increased to INR 2,53,537.4 Mn as on December 31, 2021. The debt outstanding of the Company increased from INR 396.8 Mn as on December 31, 2018 to INR 469.4 as on December 31, 2021.

2. Purpose of Valuation

- 2.1. We understand that the Company proposes to issue the Securities to an identified investor on preferential basis (“the Proposed Transaction”) and needs to determine the floor price of its Securities as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (“ICDR Regulations” or “SEBI (ICDR) Regulations, 2018”) (“the Purpose”).
- 2.2. The Company has informed us that they propose to issue Securities which shall be more than 5% of the post issue fully diluted share capital of the Company.
- 2.3. We, BDO Valuation Advisory LLP (“BDO Val” or “We” or “Us”), have been appointed vide letter dated September 14, 2022, bearing its reference number MG/Sep141/2022 by the Client to determine the floor price of the Securities for preferential allotment.
- 2.4. The Client’s Management (“the Management”) has informed us to consider the Valuation Date for current valuation exercise as September 08, 2022¹ (“Valuation Date”). Therefore, the cut-off date

¹ We have been informed that the meeting of shareholders to considered preferential issue shall be held on October 8, 2022.



for all information, including market data, has been considered till September 7, 2022 for valuation under Regulation 164(1) of ICDR Regulations and September 15, 2022 for valuation under first proviso to Regulation 164(1) and Regulation 166A (1) of the ICDR regulation.

3. Terms of Engagement

Context and Purpose

- 3.1. BDO Val has been appointed by the Company to determine the floor price of its Securities as per ICDR Regulations. 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 applicable provisions and circular issued by Securities and Exchange Board of India (“SEBI”). The results of our valuation analysis and our Report cannot be used or relied by the Company for any other purpose or by any other party for any purpose whatsoever.
- 3.3. This Report will be placed before the Board of Directors of ACL 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 issue of the Securities (including with SEBI and stock exchanges). 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 Company or its 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 SEBI, professional advisors of the Client and share it with the proposed allottee and be published on the website of the Company with a reference of the Valuation Report in the notice calling the general meeting of shareholders as per the Regulation 166A (1) of the ICDR Regulations. We hereby give consent to such disclosure of this Report, on the basis that we owe responsibility only to the Client/ Board of Directors 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 SEBI and Ministry of Corporate Affairs, in connection with the Proposed Transaction, 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 Company have represented that the business activities of the Company has been carried out in the normal and ordinary course till 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 Company. 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 Company and have considered them at the value as disclosed by the Company 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 Company. 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 Company 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. 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.
- 4.11. This Report is based on the information received from the sources mentioned herein and discussions with the representatives of the Company. We have assumed that no information has been withheld that could have influenced the purpose of our Report.
- 4.12. 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 Company. 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.
- 4.13. 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.
- 4.14. 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.
- 4.15. The valuation has been arrived 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.
- 4.16. Our scope is limited to recommendation of floor price of the Securities of the Company. The Report should not be construed as, our opinion or certifying the compliance of the Proposed Transaction with the provisions of any law including, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from Proposed Transaction.
- 4.17. The Report assumes that the Company comply fully with relevant laws and regulations applicable in all their areas of operation unless otherwise stated and that the Company will be managed in 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 Company.
- 4.18. 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 any other alternatives, whether or not such alternatives could be achieved or are available. The assessment of commercial and investment merits in the Company is sole responsibility of the investors of the

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

- 4.19. Valuation and determination of a fair value 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.
- 4.20. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither 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.
- 4.21. 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 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 Company, 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.
- 4.22. 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. 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.
- 4.23. This Report does not in any manner address the prices at which equity shares of ACL will trade following the announcement and/or implementation of the Proposed Transaction and we express no opinion or recommendation as to how the shareholders of the Company should vote at the shareholders' meeting(s) to be held in connection with the Proposed Transaction.
- 4.24. The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Company (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 Company and/or available in public domain:

- Audited consolidated financial statements of ACL for the financial year ending 31st of December (“FY” or “CY”) 2018 to 2021;
- Limited Review Quarterly Financial Results of ACL for the quarter ending June 30, 2021 and June 30, 2022;
- Copy of Memorandum of Association (“MoA”) and Articles of Association (“AoA”) of ACL;
- Information provided by leading database sources and available in public domain; and
- Other relevant data and information provided to us, whether in oral or physical form or in soft copy, and discussions with the representatives of the Client.

6. Procedures Adopted

6.1. In connection with the valuation exercise of the Company, we have adopted the following procedures:

- Obtained data available in public domain;
- Understood the business and fundamental factors that affect its earning-generating capability and historical financials;
- Considered ICDR Regulations.
- Selection of appropriate internationally accepted valuation methodologies after careful deliberations. Our valuation and this report are based on the premise of “going concern” value. Any change in the valuation base, or the premise could have significant impact on the outcome of the valuation exercise, and therefore, this Report.
- Determination of floor price of Securities of the Company as on the Valuation Date.
- The Client has been provided with the opportunity to review the draft Report (without numbers) as part of our standard practice to make sure that factual inaccuracies/omissions of the information are avoided in our final Report; and
- Issue of final report.

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 a similar nature.
- 7.3. It may be noted that BDO Valuation Advisory LLP is a registered valuer enrolled with Insolvency and Bankruptcy Board of India (“IBBI”) through IOV Registered Valuers Foundation which has recommended International Valuation Standards (“IVS”) for undertaking valuation exercise and same are considered by us.
- 7.4. 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:

(a) 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 values of their holdings.

(b) 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.

(C) Market Approach

Under the Market approach, the valuation is based on the market value of the company in 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 an 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 about 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 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.

Key applicable provisions of ICDR Regulations

7.5. As stated in the previous section, we have to determine the floor price of Securities of the Company, as per the relevant provisions of ICDR Regulations as applicable, which are as follows:

7.5.1. As per Regulation 164 (1) - for frequently traded shares, the floor price of the equity shares to be allotted pursuant to preferential issue shall be higher of 90/10 trading days' volume weighted average price (VWAP) of the scrip preceding the relevant date.

7.5.2. As per first proviso to Regulation 164 (1) - Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

- 7.5.3. *As per Regulation 166A (1) - An additional requirement for a valuation report from an independent registered valuer shall be required in case of change in control/ allotment of more than 5% of post issue fully diluted share capital of the issuer company to an allottee or to allottees acting in concert. The same shall be considered for determination of floor price in addition to the methodology brought out above.*
- 7.5.4. *Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable.*
- 7.5.5. *As per Regulation 164(5) - frequently traded shares” means the shares of the issuer, in which the traded turnover on any recognized stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer.*
- 7.5.6. *As per Regulation 161- the ‘relevant date’ in case of preferential issue of equity shares means the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.*

8. Valuation of the Company

- 8.1. The Summary of conclusion on valuation approaches is given below:
- 8.2. **Cost Approach:** This valuation approach is mainly used in case where the assets base dominates earnings capability. Since the true worth of the company shall be reflected in future earning potential therefore, we have not considered the cost approach for arriving at the equity value of the Company.
- 8.3. **Income Approach:**

The DCF method takes into account the specific strength of the company to be valued and represents the expected performance of the company based on its projections including the incremental working capital and capital expenditure requirement to achieve the projections. In the current case, Discounted Cash Flow Method under the Income Approach has not been considered as the management has not provided us the information related to future financial projections being price sensitive.

8.4. **Market Approach:**

8.4.1. **As per the provisions of Regulation 164 (1) of ICDR Regulations,**

- As stated above, the equity shares of the Company are listed on NSE and BSE. There are regular transaction in the equity shares with reasonable volumes. The pricing regulations stated is considered for arriving the price as per market price method.

- The equity shares ACL are frequently traded on NSE in terms of Regulation 164(5) of ICDR Regulations, with maximum volume recorded on NSE.
- Therefore, we have considered the share prices quoted on NSE for determining the floor price of the Company. The value per share of the Company as per Regulation 164 (1) of ICDR Regulations, is INR 418.87 as below:

Particulars	Value per share (INR)	Annexure
90 Trading Days' VWAP	385.10	I
10 Trading Days' VWAP	418.87	II
Higher of the above	418.87	

- Therefore, as per Regulation 164 (1), the price of the equity share of the Company is arrived as INR 418.87 per share.

8.4.2. Valuation as per first proviso to Regulation 164 (1) of ICDR Regulations:

- As per the AoA of the Company, in case of issue of shares by the Company, the value of such shares shall be determined by a registered valuer. Accordingly, the value to be considered as per first proviso to Regulation 164(1) of ICDR regulation is the value determined by us as per Regulation 166A (1) hereunder i.e., INR 418.87 per share of the Company (refer para 8.4.3.4.)

8.4.3. Valuation as per Regulation 166A (1) of ICDR Regulations:

As informed to us by the Client, the allotment of Securities shall be more than 5% of post issue fully diluted share capital of the issuer company i.e., ACL to an allottee or to allottees acting in concert. Accordingly, an independent valuation by registered valuer has been undertaken:

8.4.3.1. Market Price Method:

For the valuation as per market price method, we have considered valuation as stated in para 8.4.1 above.

8.4.3.2. Comparable Companies Method:

We have carried out analysis of listed comparable companies in the Cement Industry like Dalmia Bharat Ltd, JK Cement Ltd, Shree Cement Ltd, The Ramco Cements Limited, Ultratech Cement Ltd, Birla Corporation Ltd, Nucovo Vistas Corporation Ltd, ACC Limited with respect to the size of operations, capacity, revenue, EBITDA, EBITDA Margins (%), etc.

We have undertaken valuation of ACL as per EV/EBITDA multiple of listed comparable companies.

8.4.3.2.1. Valuation as per EV/EBITDA Multiple:

- We have analyzed the EV/EBITDA multiple of the Company vis-à-vis comparable companies.
- To arrive at valuation of the Company as CCM Method we have considered reported EBITDA for Trailing Twelve Months (“TTM”) June 22.
- The EV/EBITDA multiple of 15.44x is considered to arrive at Enterprise Valuation.
- The Enterprise Value so arrived is adjusted for Debt Outstanding, minority interest, and other adjustments including Cash & Cash equivalents, other surplus assets etc. as on June 30, 2022 to arrive at Equity Valuation.
- Equity Valuation of the Company is arrived at INR 7,98,260.73 Mn and Value per share is arrived at INR 402.02 (for 1,985.65 Mn outstanding equity shares) (Refer Annexure III).

8.4.3.3. Comparable Transaction Method:

We have analyzed deals taken place in last two-three years in the Cement industry. The deals are related to unlisted companies, hence, there is limited availability of financial data. Further few of the deals are comparable on business profile, however, they are not comparable to ACL’s stage of business, size and current financial parameters. Hence, we have not considered CTM method for our valuation.

8.4.3.4. The Valuation as per Regulation 166A (1) is as follows -

Particulars	Value per share (INR)
Value as per regulation 164(1) of ICDR regulation - Refer para 8.4.1	418.87
Price determined by us - Refer para 8.4.3.2.1	402.02
Higher of the above	418.87

Based on the above, valuation as per Regulation 166A (1) is arrived at INR 418.87 per equity share of the Company.

9. Conclusion

- 9.1. The valuation conclusions arrived at many cases are by their nature subjective and dependent on the exercise of individual judgment. There can be therefore no standard formulae to establish an indisputable value, although certain formulae are helpful in assessing reasonableness.
- 9.2. The current valuation has been carried out based on the valuation methodology explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, management perceptions and limitations, were given due consideration.
- 9.3. As stated in Para 7.5.4, the following is the summary of the valuation:

Particulars	Value per share (INR)
Regulation 164(1) of ICDR Regulation - Refer para 8.4.1	418.87
First proviso to Regulation 164(1) of ICDR regulation - Refer para 8.4.2	418.87
Regulation 166A (1) of ICDR regulation - Refer para 8.4.3.4	418.87
Higher of the above	418.87

- 9.4. Based on the above, the floor price for Preferential Allotment of Equity Shares of the Company calculated in accordance with applicable ICDR Regulations is INR 418.87 per shares.



10. Annexure

Annexure I

90 Trading Day's VWAP			
Sr.No.	Date	Volume	Value
1	September 7, 2022	2,82,72,706	12,66,55,74,571
2	September 6, 2022	2,31,84,248	9,94,35,40,483
3	September 5, 2022	60,74,232	2,53,51,23,984
4	September 2, 2022	80,68,140	3,32,19,29,309
5	September 1, 2022	1,07,62,759	4,42,30,09,185
6	August 30, 2022	78,51,221	3,21,57,51,153
7	August 29, 2022	75,57,377	3,04,63,12,943
8	August 26, 2022	1,32,59,855	5,30,84,04,109
9	August 25, 2022	1,12,74,377	4,51,67,33,225
10	August 24, 2022	1,57,32,854	6,32,99,17,950
11	August 23, 2022	1,53,03,452	6,20,50,67,022
12	August 22, 2022	1,14,30,999	4,73,50,09,316
13	August 19, 2022	2,51,71,485	10,55,97,27,611
14	August 18, 2022	1,56,35,959	6,33,74,11,215
15	August 17, 2022	94,31,378	3,78,42,51,158
16	August 16, 2022	1,15,60,886	4,54,10,90,185
17	August 12, 2022	51,87,959	1,98,78,61,644
18	August 11, 2022	24,09,612	91,55,12,800
19	August 10, 2022	41,44,801	1,57,43,55,546
20	August 8, 2022	33,47,503	1,27,47,88,522
21	August 5, 2022	50,63,415	1,93,43,46,271
22	August 4, 2022	67,66,464	2,58,09,88,530
23	August 3, 2022	48,71,595	1,85,38,84,430
24	August 2, 2022	92,80,180	3,52,33,47,863
25	August 1, 2022	28,58,911	1,07,42,31,273
26	July 29, 2022	65,22,804	2,43,86,86,594
27	July 28, 2022	27,11,190	1,00,50,41,589
28	July 27, 2022	20,93,379	77,57,80,568
29	July 26, 2022	34,57,867	1,27,87,19,402
30	July 25, 2022	32,24,932	1,19,76,96,516
31	July 22, 2022	30,91,493	1,14,80,55,469
32	July 21, 2022	32,75,734	1,21,21,08,037
33	July 20, 2022	73,81,308	2,71,85,85,641



90 Trading Day's VWAP

Sr.No.	Date	Volume	Value
34	July 19, 2022	15,67,448	58,06,49,210
35	July 18, 2022	17,45,124	64,70,47,871
36	July 15, 2022	38,56,534	1,42,55,41,430
37	July 14, 2022	27,72,420	1,02,48,64,476
38	July 13, 2022	22,91,028	85,29,67,560
39	July 12, 2022	28,70,836	1,06,31,16,535
40	July 11, 2022	31,35,297	1,15,47,51,230
41	July 8, 2022	21,26,285	78,16,89,251
42	July 7, 2022	23,78,264	87,39,17,862
43	July 6, 2022	22,09,031	81,37,21,673
44	July 5, 2022	31,20,800	1,15,02,07,659
45	July 4, 2022	22,75,112	83,81,10,443
46	July 1, 2022	27,63,265	1,01,10,94,442
47	June 30, 2022	43,83,329	1,59,62,46,522
48	June 29, 2022	45,86,257	1,67,82,17,425
49	June 28, 2022	42,85,971	1,56,84,40,064
50	June 27, 2022	30,73,581	1,11,81,80,791
51	June 24, 2022	27,13,333	97,84,34,071
52	June 23, 2022	27,99,410	1,00,65,51,503
53	June 22, 2022	25,88,905	92,49,19,308
54	June 21, 2022	36,93,727	1,32,71,90,000
55	June 20, 2022	22,97,837	82,22,26,736
56	June 17, 2022	40,12,167	1,43,66,02,007
57	June 16, 2022	29,40,387	1,06,00,05,731
58	June 15, 2022	40,77,501	1,47,38,73,413
59	June 14, 2022	69,76,071	2,51,72,09,455
60	June 13, 2022	45,09,163	1,63,61,82,627
61	June 10, 2022	39,16,129	1,43,20,31,907
62	June 9, 2022	52,38,450	1,91,68,12,810
63	June 8, 2022	50,20,929	1,82,13,16,907
64	June 7, 2022	57,08,056	2,07,74,42,226
65	June 6, 2022	1,03,90,245	3,80,19,18,671
66	June 3, 2022	80,10,976	2,94,51,76,096



90 Trading Day's VWAP			
	Date	Volume	Value
67	June 2, 2022	52,15,564	1,95,18,91,430
68	June 1, 2022	23,69,910	88,01,25,435
69	May 31, 2022	1,15,07,115	4,25,31,31,642
70	May 30, 2022	50,01,959	1,84,94,78,411
71	May 27, 2022	16,03,075	58,64,53,335
72	May 26, 2022	39,00,318	1,41,65,48,156
73	May 25, 2022	24,40,985	88,45,92,573
74	May 24, 2022	42,00,025	1,52,38,72,262
75	May 23, 2022	38,89,679	1,42,11,65,040
76	May 20, 2022	43,08,673	1,57,04,90,456
77	May 19, 2022	91,79,791	3,32,95,00,572
78	May 18, 2022	1,18,87,905	4,32,82,00,744
79	May 17, 2022	94,31,128	3,47,39,01,611
80	May 16, 2022	5,04,59,752	18,62,11,15,228
81	May 13, 2022	1,01,95,371	3,68,87,10,560
82	May 12, 2022	74,93,279	2,71,76,10,573
83	May 11, 2022	57,28,451	2,05,13,89,071
84	May 10, 2022	63,22,735	2,31,27,28,668
85	May 9, 2022	36,90,073	1,34,60,59,814
86	May 6, 2022	58,68,878	2,15,30,18,927
87	May 5, 2022	57,94,511	2,14,68,66,767
88	May 4, 2022	54,15,006	2,01,31,49,771
89	May 2, 2022	59,59,678	2,24,50,21,328
90	April 29, 2022	1,05,29,413	3,97,76,32,086
Total		61,29,88,217	2,36,06,21,56,484.9
VWAP		385.10	



Annexure II

10 Trading Day's VWAP			
Sr.No.	Date	Volume	Value
1	September 7, 2022	2,82,72,706	12,66,55,74,571
2	September 6, 2022	2,31,84,248	9,94,35,40,483
3	September 5, 2022	60,74,232	2,53,51,23,984
4	September 2, 2022	80,68,140	3,32,19,29,309
5	September 1, 2022	1,07,62,759	4,42,30,09,185
6	August 30, 2022	78,51,221	3,21,57,51,153
7	August 29, 2022	75,57,377	3,04,63,12,943
8	August 26, 2022	1,32,59,855	5,30,84,04,109
9	August 25, 2022	1,12,74,377	4,51,67,33,225
10	August 24, 2022	1,57,32,854	6,32,99,17,950
Total		13,20,37,769	55,30,62,96,911
VWAP		418.87	

Annexure III

Particulars	INR Mn
	TTM June 2022
Net Revenue	3,02,053.30
EBITDA	50,838.00
EV / EBITDA Multiple	15.44
Enterprise Value	7,85,093.93
Other Adjustments as on Valuation Date	
Less: Debt	(4,748.00)
Less: Minority Interest	(69,201.90)
Add: Cash & Cash Equivalent	85,038.00
Add: Surplus Assets	2,078.70
Equity Value	7,98,260.73
Number of shares (In Mn)	1,985.65
Value per share (INR)	402.02