

Date: 5th August 2024**Comparable companies**

The details of comparable companies considered for comparable companies' multiple method are mentioned in Para I (Page 2) of the attached letter dated 5th August 2024 issued by PwC Business Consulting Services LLP, the Registered Valuer of the Company.

For JK Lakshmi Cement Limited



(Amit Chaurasia)
Company Secretary

Encl.: As above





Private & Confidential

05 August 2024

JK Lakshmi Cement Limited
Jaykaypuram, District Sirohi,
Rajasthan – 307 019

Dear Sirs,

We refer to our engagement letter dated 30 July 2024 whereby JK Lakshmi Cement Limited (“JKLC” or “Amalgamated Company” or “Client”) had appointed us to provide the fair share exchange ratio (“Share Exchange Ratio”) report for the proposed amalgamation of Udaipur Cement Works Limited (“UCWL” or “Amalgamating Company 1”) into and with JKLC as the Amalgamated Company.

We understand from the management of Client (hereinafter together referred to as “Management”) that pursuant to a composite scheme of arrangement (the proposed “Scheme”), Client along with UCWL envisage the following proposed transactions (“Proposed Transactions”) under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“the Act”):

- **Step I:** Amalgamation of Amalgamating Company 1 into and with JKLC as the Amalgamated Company on a going concern basis and issue of equity shares by the Resulting Company to the shareholders of UCWL, in consideration thereof.
- **Step II:** Amalgamation of Hansdeep Industries & Trading Company Limited (“HITCL” or “Amalgamating Company 2”) into and with the Resulting Company post the Amalgamation of Amalgamating Company 1 with JKLC as indicated in Step I above.
- **Step III:** Amalgamation of Hidrive Developers and Industries Private Limited (“HDIL” or “Amalgamating Company 3”) into and with the Resulting Company post the Amalgamation of Amalgamating Company 2 with the Resulting Company as detailed in Step II above.

Accordingly, we have completed our procedures and submitted the Share Exchange Ratio report providing our recommendation of the fair share exchange ratio (“Share Exchange Ratio”) for Step I on 31 July 2024.

We are a firm of registered valuers and are bound to keep the data provided by our client confidential. Having said this, however, since we have received a specific request from you based on the requirement of the Stock Exchanges, we are pleased to attach our summary workings for the Share Exchange Ratio and details based on the requirements of the checklist for Schemes filed under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, (LODR Regulations) for submission to Stock Exchanges/ Regional Director, Ministry of Corporate Affairs (‘MCA’) and regulatory authorities as per the terms of our engagement letter.

Yours faithfully,

For PwC Business Consulting Services LLP
IBBI Registered Valuer No.: IBBI/RV-E/02/2022/158
NEERAJ
GARG
Digitally signed by NEERAJ GARG
Date: 2024.08.05 19:00:21 +05'30'
Neeraj Garg
Partner
IBBI Membership No.: IBBI/RV/02/2021/14036



Certified to be True
For JK Lakshmi Cement Ltd.

Amit Chaurasia
Company Secretary

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LLPIN : AAO-9288 Registered with limited liability.

Registered Office : 11-A, Sucheta Bhawan, 1st Floor, Vishnu Digambar Marg, New Delhi, 110 002.

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

Comparable companies considered for the valuation of JKLC using comparable companies' multiple methods are as follows:

- i. Birla Corporation Limited
- ii. JK Lakshmi Cement Limited
- iii. Mangalam Cement Limited
- iv. Nuvoco Vistas Corporation Limited
- v. Orient Cement Limited
- vi. Sagar Cements Limited
- vii. The Ramco Cements Limited
- viii. Shree Digvijay Cement Company Limited
- ix. Star Cement Limited

II. If the Income Approach method used in the Valuation, Revenue, PAT and EBIDTA (in value and percentage terms) details of entities involved in the scheme for all the number of years considered for valuation. Reasons justifying the EBIDTA/PAT margin considered in the valuation report.

• **JK Lakshmi Limited**

Particulars (INR Crore)	Actual		Projected					
	FY24	01 April 2024 to 30 June 2024	01 July 2024 to 31 March 2025	FY25	FY26	FY27	FY28	FY29
Number of Months	12	3	9	12	12	12	12	12
Revenue	6,320	1,445	4,716	6,160	6,992	7,534	7,837	8,062
EBITDA	864	185	659	843	1,072	1,236	1,294	1,340
EBITDA margins	14%	13%	14%	14%	15%	16%	17%	17%

• **Udaipur Cement Works Limited**

Particulars (INR Crore)	Actual		Projected					
	FY24	01 April 2024 to 30 June 2024	01 July 2024 to 31 March 2025	FY25	FY26	FY27	FY28	FY29
Number of Months	12	3	9	12	12	12	12	12
Revenue	1,164	325	1,220	1,545	1,934	2,076	2,106	2,139
EBITDA	186	39	194	233	347	407	416	427
EBITDA margins	16%	12%	16%	15%	18%	20%	20%	20%

Our DCF analysis considers the financial forecasts as provided by the companies. Our analysis considered historical performance, management explanations/ discussions on profitability and business expansion in future and high-level industry benchmarking basis information readily available in the public domain.



III. Confirmation that the valuation done in the scheme is in accordance with applicable valuation standards.

PwC BCS is registered with IOVRVF which has prescribed the use of International Valuation Standards (IVS). These IVS have been used in our analysis. Page no 9 of the Report carries a reference to this effect.

IV. Summary Workings

Share Exchange Ratio for the proposed amalgamation of UCWL into and with JKLC as the Amalgamated Company:

Approach	JKLC (A)		UCWL (B)	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach-Net Asset Value Method	280.41	0.0%	15.63	0.0%
Income Approach - Discounted Cashflow Method	1,113.77	50.0%	42.60	50.0%
Market Approach				
Comparable Companies Method				
-EV/EBITDA	1,138.17	25.0%	NA	NA
-Market Price Method (Higher of 10 trading days or 90 trading days VWAP)	870.35	25.0%	41.88	50.0%
Relative Value per Share	1,059.01		42.24	
Share Exchange Ratio (A:B) *	4		100	

**Rounded*

For Fair Share Exchange Ratio - Refer Appendix A.1 for underlying workings for JKLC and Appendix A.2 for underlying working for UCWL.

Further, we have considered the financials of JKLC, UCWL, HITCL, HDIL, Dwarkesh Energy Limited and Ram Kanta Properties Pvt. Ltd. as of 30 June 2024 for the purpose of our analysis.



Appendix A.1

JK Lakshmi Cement Limited

Method	JKLC	
	Value per share (INR)	Weight
Income Approach (DCF Method) (i)	1,113.77	50.0%
Market Approach (CCM method) (ii)	1,138.17	25.0%
Market Price Method (Higher of 10 trading days or 90 trading days VWAP)	870.35	25.0%
Net Asset Value Method	280.41	0.0%
Value per share	1,059.01	100.0%

(i) Income Approach - Discounted Cashflow Method

Particulars	INR crores
Present value of horizon period cash flows	3,150
Terminal value	8,170
Enterprise value as on 30 July 2024	11,321
Adjustments for:	
Add: Surplus assets	1,073
Less: Debt & Debt Like Items	(1,142)
Add: Investments	
(1) Value of 100% equity stake in Hidrive Developers and Industries Private Limited	28
(2) Value of 100% equity stake in Hansdeep Industries & Trading Company Limited	130
(3) Value of 33.38% equity stake in Dwarkesh Energy Limited	12
(4) Value of 71.12% equity stake in Udaipur Cement Works Limited	1,684
Equity value as on 30 July 2024 (i)	13,106
Number of equity shares as on 30 July 2024 (ii)	117,670,066
Equity value per share as on 30 July 2024 (INR) (i / ii)	1,113.77

Totals may not add due to rounding

Notes:

- 1) Refer Appendix A.1.(a) for underlying workings for Hidrive Developers and Industries Private Limited.
- 2) Refer Appendix A.2.(b) for underlying workings for Hansdeep Industries & Trading Company Limited.
- 3) Refer Appendix A.2.(c) for underlying workings for Dwarkesh Energy Limited.
- 4) Refer Appendix A2 for underlying workings for Udaipur Cement Works Limited.



(ii) Market Approach - Comparable Companies Method

Particulars	INR crores
Comparable companies' applied multiple (rounded)	12.80x
TTM EBITDA (01 July 2023 to 30 June 2024)	881
Operating value as on 30 July 2024	11,273
Add: CWIP as per 30 June 2024 standalone balance sheet of JKLC	335
Enterprise value as on 30 July 2024	11,608
Adjustments for:	
Add: Surplus assets	1,073
Less: Debt & Debt Like Items	(1,142)
Add: Investments	
(1) Value of 100% equity stake in Hidrive Developers and Industries Private Limited	28
(2) Value of 100% equity stake in Hansdeep Industries & Trading Company Limited	130
(3) Value of 33.38% equity stake in Dwarkesh Energy Limited	12
(4) Value of 71.12% equity stake in Udaipur Cement Works Limited	1,684
Equity value as on 30 July 2024 (i)	13,393
Number of equity shares as on 30 July 2024 (ii)	117,670,066
Equity value per share as on 30 July 2024 (INR) (i / ii)	1,138.17

Totals may not add due to rounding

Peer Company	EV/EBITDA	Weights
Birla Corporation Limited	9.6x	11.1%
JK Lakshmi Cement Limited	11.0x	11.1%
Mangalam Cement Limited	13.8x	11.1%
Nuvoco Vistas Corporation Limited	10.1x	11.1%
Orient Cement Limited	13.3x	11.1%
Sagar Cements Limited	17.4x	11.1%
The Ramco Cements Limited	14.5x	11.1%
Shree Digvijay Cement Company Limited	10.9x	11.1%
Star Cement Limited	14.5x	11.1%
Weighted average multiple of peer companies	12.8x	

Notes:

- 1) Refer Appendix A.1.(a) for underlying workings for Hidrive Developers and Industries Private Limited.
- 2) Refer Appendix A.2.(b) for underlying workings for Hansdeep Industries & Trading Company Limited.
- 3) Refer Appendix A.2.(c) for underlying workings for Dwarkesh Energy Limited.
- 4) Refer Appendix A2 for underlying workings for Udaipur Cement Works Limited.



Appendix A.2

Udaipur Cement Works Limited

Method	UCWL	
	Value per share (INR)	Weight
Income Approach (DCF Method) (i)	42.60	50.0%
Market Approach (CCM method)	NA	NA
Market Price Method (Higher of 10 trading days or 90 trading days VWAP)	41.88	50.0%
Net Asset Value Method	15.63	0.0%
Value per share	42.24	100.0%

(i) Income Approach - Discounted Cashflow Method

Particulars	INR crores
Present value of horizon period cash flows	1,051
Terminal value	2,666
Enterprise value as on 30 July 2024	3,717
Adjustments for:	
Add: Surplus assets	39
Less: Debt & Debt Like Items	(1,368)
Equity value as on 30 July 2024 (i)	2,388
Number of equity shares as on 30 July 2024 (ii)	560,537,670
Equity value per share as on 30 July 2024 (INR) (i / ii)	42.60



Appendix A.1.a
Hidrive Developers and Industries Private Limited

Particulars	INR crores	
	Book value	Fair Value
Net Asset Value Method		
Non Current Assets		
(1) Property, Plant and Equipment	26.65	26.65
Total Non Current Assets	26.65	26.65
Current Assets		
Investments	1.15	1.15
Cash and Bank Balance	0.03	0.03
Other Current Assets	0.00	0.00
Total Current Assets	1.18	1.18
Total Assets	27.83	27.83
Total Liabilities	(0.14)	(0.14)
Net Asset Value	27.69	27.69

*Totals may not add due to rounding
Numbers in the above table have been presented in two decimal places considering the quantum of the values.*

Notes:

- 1) Property, Plant and Equipment comprises of a land parcel situated at Village Dastan, Taluka Palsana, District Surat, Gujarat - 394310. Fair Value of the land parcel is based on a third party valuation report provided by the Management.



Appendix A.1.b
Hansdeep Industries & Trading Company Limited

Particulars	INR crores	
	Book value	Fair Value
Net Asset Value Method		
Non Current Assets		
Tangible Assets	38.21	38.21
Capital Work in Progress	9.29	9.29
(1) Investment in Ram Kanta Properties Pvt. Ltd.	115.34	128.90
Capital Advances	1.55	1.55
Total Non Current Assets	164.39	177.95
Current Assets		
Investments	0.54	0.54
Cash and Bank Balance	0.09	0.09
Other Current Assets	0.73	0.73
Total Current Assets	1.36	1.36
Total Assets	165.75	179.31
Total Liabilities	(49.19)	(49.19)
Net Asset Value	116.56	130.12

*Totals may not add due to rounding
 Numbers in the above table have been presented in two decimal places considering the quantum of the values.*

Notes:

- 1) Refer Appendix A.1.(d) for underlying workings for Ram Kanta Properties Pvt. Ltd.



Appendix A.1.c
Dwarkesh Energy Limited

Particulars	INR crores	
	Book value	Fair Value
Net Asset Value Method		
Non Current Assets		
Capital Work in Progress	1.31	1.31
Security deposits & Capital Advances	1.48	1.48
Total Non Current Assets	2.79	2.79
Current Assets		
Investments in Mutual Funds	16.07	16.07
(1) Value of 3.88% equity stake in Udaipur Cement Works Limited	98.36	91.77
Cash and Bank Balance	0.07	0.07
Other Current Assets	0.03	0.03
Total Current Assets	114.53	107.93
(2) Land held for sale	6.34	7.74
Total Assets	123.66	118.47
Total Liabilities	(82.42)	(82.42)
Net Asset Value	41.24	36.05

Totals may not add due to rounding

Numbers in the above table have been presented in two decimal places considering the quantum of the values.

Notes:

- 1) Refer Appendix A.2 for underlying workings for Udaipur Cement Works Limited.
- 2) Fair value of 'Land held for sale' is based on the total acreage of 142 acres and price per acre of ~INR 0.55 million (basis price of the land parcels recently sold by the Company).



Appendix A.1.d
Ram Kanta Properties Pvt. Ltd.

Particulars	INR crores	
	Book value	Fair Value
Net Asset Value Method		
Non Current Assets		
(1) Investment Property	114.79	128.68
Security Deposits	0.06	0.06
Total Non Current Assets	114.84	128.73
Current Assets		
Investments	0.33	0.33
Cash and Bank Balance	0.01	0.01
Total Current Assets	0.34	0.34
Total Assets	115.18	129.07
Total Liabilities	(0.17)	(0.17)
Net Asset Value	115.01	128.90

*Totals may not add due to rounding
Numbers in the above table have been presented in two decimal places considering the quantum of the values.*

Notes:

- 1) Fair value of Investment Property based on third party valuation report provided by the Management.



Certified to be True
For JK Lakshmi Cement Ltd.

Amit Chaurasia
Company Secretary