

VRN: IOVRVF/VAE/2023-2024/2879

Date: 02.02.2024

To,

The Audit Committee,
Board of Directors,
Dalmia Bharat Sugar and Industries Limited (DBSIL)
R.O.: Dalmiapuram, Distt. Tiruchirappalli
Tamil Nadu – 62165

And,

The Audit Committee,
Board of Directors,
Dalmia Bharat Refractories Limited (DBRL),
Dalmiapuram, Distt. Tiruchirappalli Tamil Nadu – 621651

Subject: Recommendation of Fair Equity Share Exchange Ratio

References: Intimation of appointment dated 16.11.2023

Dear Sir/Madam

We refer the engagement mail dated 16th of Nov 2023 where Dalmia Bharat Sugar and Industries Limited (DBSIL) & Dalmia Bharat Refractories Limited (DBRL) have jointly requested Valecs Ecotech Pvt Ltd – a Registered Valuer Entity to recommend fair share exchange ratio for the proposed demerger of Dalmia Magnesite Corporation (DMC) & Govan Travels (GT) (demerged undertaking) of DBSIL, on a “going concern” premise into DBRL (resulting company), pursuant to a scheme of arrangement under section 230-232 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013, read with Section 2(19AA) and other applicable provisions of the Income Tax Act, 1961 (the “Scheme”).

DBSIL & DBRL are together hereafter referred to as the “Specified Companies”.

The fair Share Exchange Ratio for the proposed Scheme of Arrangement of DMC Unit and GT Unit with DBRL is **1 equity shares of DBRL of INR 10 each fully paid up for every 48.18 equity shares of DBSIL of INR 2 each fully paid up.**


VALECS ECOTECH PVT. LTD.
Registered Valuer
IBBI/RV-E/02/2022/178

The Report is subject to the scope, assumptions, exclusions, limitations, and disclaimers. As such report is to be read in totality, and not in parts. In conjunction with relevant documents referred in the report.

Executive Summary

1. Valuer's Identity:

Sl. No.	Name of Registered Valuer & Asset Class	Organisation	IBBI Registration number, Email Id, Mob Number
1	Mr. Abhay Kumar, P&M	Valecs Ecotech Pvt Ltd – a RVE	Reg. No.: IBBI/RV/02/2018/10003 km.abhay@gmail.com Mob: 9871918822 abhaykumar@valecs.in
2	Mr. Tanuj Kumar Bhatnagar, (L&B)	Valecs Ecotech Pvt Ltd – a RVE	Reg. No.: IBBI/RV/02/2018/10404 Valuer.tka@gmail.com Mob: 9868455181 valecsecotechpvt@gmail.com
3	Mr. Rajeev Dhingra, S/FA	Individual	Reg. No. IBBI/RV/06/2020/13509 carajeevdhingra.ip.rv@gmail.com ; Mob: 9910041421

2. **Client Identity:** Dalmia Bharat Sugar and Industries Ltd & Dalmia Bharat Refractories Limited
3. **Intended User:** Audit Committee, Board of Directors, Dalmia Bharat Sugar and Industries Ltd & Dalmia Bharat Refractories Limited
4. **Expert (S/FA Valuer):** Mr. Rajeev Dhingra, S/FA Valuer Reg No. IBBI/RV/06/2020/13509
5. **Asset Owner:**
 - 5.1. Dalmia Magnesite Corporation (DMC), Govan Travels a division of Dalmia Bharat Sugar and Industries Ltd (DBSIL)
 - 5.2. Dalmia Bharat Refractories Limited (DBRL) as a Company.
6. **Registered Office of the Companies:**
 - 6.1. Dalmia Bharat Sugar and Industries Limited Dalmiapuram - 621 651, District: Tiruchirappalli, Tamil Nadu
 - 6.2. Dalmia Bharat Refractories Limited, Dalmiapuram, Tamil Nadu
7. **Purpose of Valuation:** Evaluating the market/fair value of assets and liabilities associated with DMC, Govan Travels (Units of DBSIL), and DBRL Utilizing this assessment to establish a fair share exchange ratio for the Company, in accordance with the scheme of arrangement between DBSIL and DBRL.
8. **Basis of Value:** Market Value/Fair Value
9. **Location of the Assets:** Refer respective valuation report

10. Restriction: This Valuation Report is confidential and has been prepared exclusively for the Management of the Companies for aforesaid purpose only. It should not be used, reproduced or circulated to any other person, in whole or in part, without our prior consent. We are however aware that this valuation report and its conclusion may be used for the purpose of Board and shareholders approvals and for certain statutory disclosures with the Stock Exchanges, NCLT and other statutory authorities in connection with the proposed scheme of arrangement and we provide our consent for the same.

11. Important Dates

11.1. **Appointment Date:** 16-11-2023

11.2. **Date of Visit & Inspection:** Refer respective valuation report

11.3. **Date of Valuation:** For assets & Liabilities 31.12.2023, swap ratio calculation as on 02.02.2024

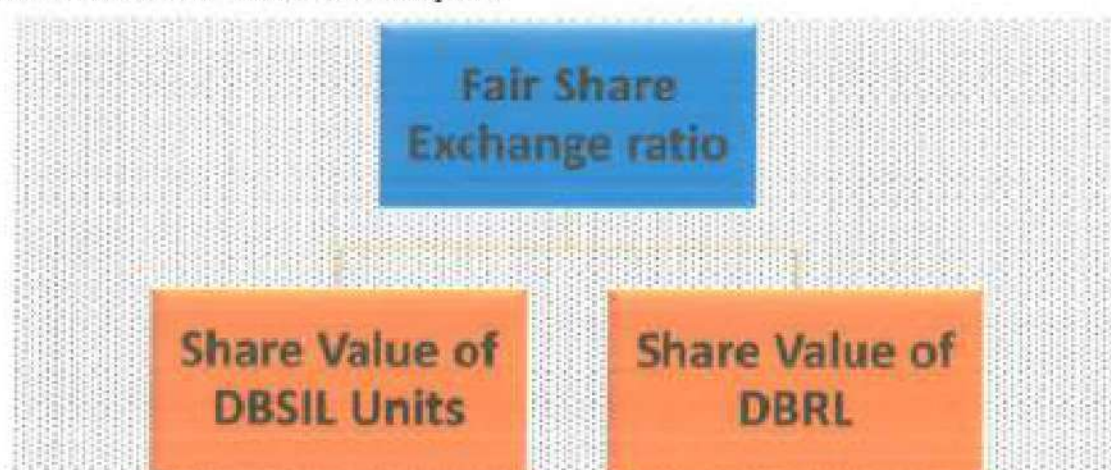
11.4. **Date of Executive Summary:** 02.02.2024

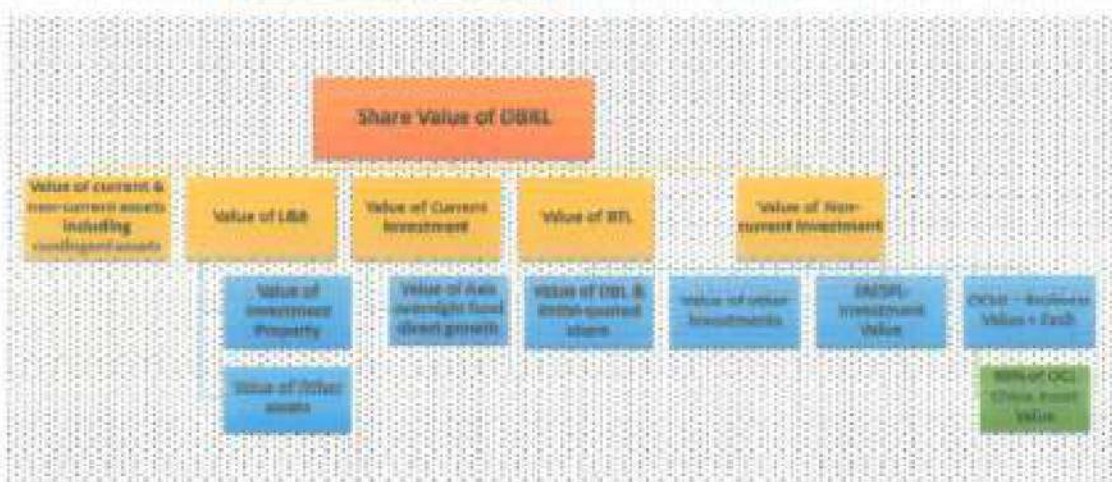
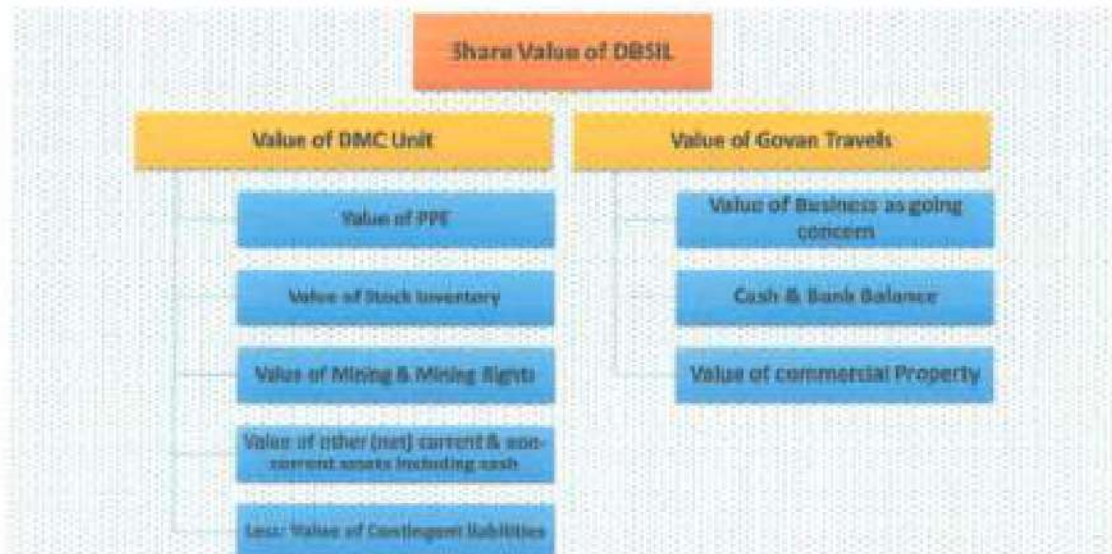
12. Valuation Currency: INR

13. Valuation Standard: International Valuation Standard & ICAI Valuation Standard

14. Other details: In respective Valuation Report

15. Valuation Flow – a schematic diagram





16. Value in INR

16.1. DBSIL entity

16.1.1. DMC

DALMIA MAGNESITE CORPORATION			
S.No.	Particulars	Value of 1 Equity Share in Rs	Reference
1	Share Value of Dalmia Magnesite Corporation	11.96	

S.No.	Particulars	Market/Fair Value in Rs. Cr.	Reference
1	Value of DMC Unit	96.82	
	Value of		
	- Land	129.08	Valecs
	- Building	15.78	Valecs
	- Plant & Machinery, Equipment	10.17	Valecs
	- Stock inventory	15.4	Valecs
	- Mining Rights	24.28	Valecs
	- Other (net) Current & non Current Assets including Cash	54.98	
	- (less) Contingent liabilities	120.34	RD
	- (less) Other liabilities	26.93	

16.1.2. Govan Travels:

GOVAN TRAVELS			
S.No.	Particulars	Value of 1 Equity Share in Rs.	Reference
1	Share Value of Govan Travels	2.08	RD

S.No.	Particulars	Market/Fair Value in Rs. Cr.	Reference
2	Value of Govan Travel	16.83	
	Value of		
	- Business as Going Concern	1.92	RD
	- Cash & Bank Balances	1.5	RD
	- Commercial Property	13.43	Valecs

16.2. Dalmia Bharat Refractories Limited (DBRL) entities

DALMIA BHARAT REFRACTORIES LTD			
S.No.	Particulars	Value of 1 Equity Share in Rs.	Reference
1	Share Value of DBRL	676.50	RD

S.No.	Particulars	Market/Fair Value in Rs. Cr.	Reference
1	Value of Land & Buildings	233.28	
	Land Assets	33.85	Valecs
	BTL Assets under DBRL (Directly)	189.53	Valecs
	Commercial Property	9.9	Valecs
2	Investment Property	0.31	Valecs
3	Value of Current Assets	493.05	
	Other Assets + Tax Assets	311.19	
	Value of Axis Overnight Fund-Direct Growth	151.86	RD
4	Value of Non Current Investments	2,239.40	
	Dalmia Bharat Limited - Quoted Share Value	366.72	RD
	RHI Magnesite India - Quoted Share Value	1816.31	RD
	HBTMPL Investment Vale	0.00	RD
	OCL Global	189.7	RD
	Contingent Asset	5.24	RD
	DBRL in BTL	22.52	RD
	Other Investments	455.00	
3	Net Current Assets - Value of Liabilities	343.92	
TOTAL		2,930.15	(1+2+3+4)-Liabilities
	Net of Assets & Liabilities	2,930.15	RD

17. Fair equity Share Exchange Ratio:

Fair Equity Share Exchange Ratio (relative Value per Share) - Base 03-03-2024						
Particulars	DBRL		DBRIL			
	Dalmia Bharat Refractories Ltd (1)		Dalmia Magnesite Corporation (2)		Govan Travels (3)	
	Value per Share	Weightage	Value per Share	Weightage	Value per Share	Weightage
	676.50	100%	11.96	100%	2.08	100%
Relative Value per Share	676.50		11.96		2.08	
Exchange Ratio			56.55		324.95	
Overall Exchange Ratio			48.53			
1 equity shares of DBRL of INR 20 each fully paid up for every 48.53 equity shares of DBRIL of INR 2 each fully paid up						

18. Annexures:

18.1. Report on Fair Equity Share Exchange Ratio

19. Undertaking

We hereby declare that

We have no direct or indirect interest in the Company

We are not a related party Dalmia Bharat Sugar Industries Limited and Dalmia Bharat Refractories Limited

We have not been an auditor of Dalmia Bharat Sugar Industries Limited and Dalmia Bharat Refractories Limited for last three years preceding date of valuation.

Thanking You

Yours' Sincerely


Director (Valecs Ecotech Pvt Ltd)
Reg No. IBB/RV-E/02/2022/178

VALECS ECOTECH PVT. LTD.
Registered Valuer
IBBI/RV-E/02/2022/178

Enclosure: Valuation Report on Fair Equity Share Exchange Ratio

February 02, 2024

The Directors,

Valecs Ecotech Pvt. Ltd., Registered Valuer Entity,
3rd Floor, Community Centre, Ashok Vihar, Phase 2, Delhi – 110052.

Along with the intended users:

Audit Committee of the Board of Directors,
Dalmia Bharat Refractories Limited (CIN L26100TN2006PLC061254),
R.O.: Dalmiapuram, Distt. Tiruchirappalli Tamil Nadu – 621651

AND

Audit Committee of the Board of Directors,
Dalmia Bharat Sugar and Industries Limited (CIN L15100TN1951PLC000640),
R.O.: Dalmiapuram, Distt. Tiruchirappalli Tamil Nadu – 621651

Dear Sir(s) / Madam(s),

Sub: Recommendation of fair equity share exchange ratio ("Share Swap Ratio") pursuant to the proposed Scheme of Arrangement ("Scheme of Arrangement" / "Scheme") between Dalmia Bharat Sugar Industries Limited ("DBSIL" / "Demerged Company" / "Company") and DBRL transferring DMC and GT from DBSIL to DBRL against issuance of equity shares by DBRL to the shareholders of DBSIL as of February 02, 2024, the Valuation Date.

In terms of the engagement letter Dated 16.11.2023 issued to Valecs Ecotech Pvt. Ltd. (the Land & Building and Plant & Machinery Valuers / "Valecs" / "Valuers"), RVE having Registration No. IBBI / RV – E / 02 / 2022 / 178, by DBRL and DBSIL, the undersigned is engaged as SFA Valuer vide Valecs communication of even date to the undersigned.

This updated Valuation Report has been prepared for the purpose of recommending Share Swap Ratio pursuant to the Scheme of Arrangement of the companies / units, as shared by the Companies, as per the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read along with relevant rules / regulations, applicable as may be, as of February 02, 2024 (the "Valuation Date").

This Valuation Report is confidential and has been prepared exclusively for the management of the Companies for aforesaid purpose only. It should not be used, reproduced or circulated to any other person, in whole or in part, without our prior consent. We are however aware that this valuation report and its conclusion may be used for the purpose of board and shareholders approvals and for certain statutory disclosures with the stock exchanges of both the Companies, NCLT and other statutory authorities in connection with the proposed scheme of arrangement and we provide our consent for the same.

Yours Faithfully,

RAJEEV
DHINGRA

Digitally signed by
RAJEEV DHINGRA
Date: 2024.02.02 17:42:16
+05'30'



CA Rajeev Dhingra

Registered Valuer (Securities / Financial Assets)

Registration No.: IBBI/RV/06/2020/13509, ICAI RVO/RV-P00123/2020-21

UDIN: 24090158BKCYNJ6049

Date: February 02, 2024

Place: New Delhi

Rajeev
VALECS ECOTECH PVT. LTD.
Registered Valuer
IBBI/RV-E/02/2022/178

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VALECS ECOTECH PVT. LTD.

Registered Valuer

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I. INTRODUCTION

A. Purpose of Valuation

Based on discussions with the Management, this report assesses the Share Swap Ratio for the proposed Scheme of Arrangement between DBSIL and DBRL, effective July 1, 2023 ("Appointed Date"). The ratio will be determined based on the relative valuations of DBSIL's Transferor Units and DBRL's equity shares, adhering to valuation requirements under the Companies Act, 2013, SEBI regulations, and any applicable updates. As consideration for the Scheme, DBRL will issue its equity shares to DBSIL shareholders in exchange for their Transferor Units.

For the purpose of this report, DMC unit and GT unit are collectively referred to as "**Transferor Units**" and DBRL is referred to as "**Transferee Company**". Additionally, DBSIL and DBRL are collectively referred to as the "**Companies**".

The report is being furnished by CA Rajeev Dhingra in the capacity of Registered Valuer (SFA) ("**SFA Valuer**") under section 247 of the Companies Act, 2013, based on Land & Building, Plant & Machinery (including inventory) and DMC unit mining rights valuations done by the concerned Valuers, which would suffice the requirements of Securities Exchange Board of India and Companies Act, 2013.

B. Identity of Client, the Appointing Authority and other Intended Users

The Directors,

Valecs Ecotech Pvt. Ltd., Registered Valuer Entity, ("**Valecs**" / "**Valuers**")

3rd Floor, Community Centre, Ashok Vihar, Phase 2, Delhi - 110052.

The intended users:

Audit Committee of the Board of Directors,

Dalmia Bharat Refractories Limited (CIN L26100TN2006PLC061254).

R.O.: Dalmiapuram, Distt. Tiruchirappalli Tamil Nadu - 621651

AND

Audit Committee of the Board of Directors,

Dalmia Bharat Sugar and Industries Limited (CIN L15100TN1951PLC000640),

R.O.: Dalmiapuram, Distt. Tiruchirappalli Tamil Nadu - 621651

C. Identity of Valuers

Sl. No.	Registered Valuer Name	Asset Class	Registered Valuers IBB1 Registration number, Email Id, Mobile Number,
1	Mr. Abhay Kumar	P&M	IBBI Reg. No.: IBB1/RV/02/2018/10003 // km.abhay@gmail.com ; abhaykumar@valecs.in // Mob: 9871918822
2	Mr. Tanuj Kumar Bhatnagar	L&B	IBBI Reg. No.: IBB1/RV/02/2018/10404 // valuer.tka@gmail.com; valececotechpvt@gmail.com // Mob: 9868455181
3	Mr. Rajeev Dhingra	SFA	IBBI Reg. No.: IBB1/RV/06/2020/13509 // dhingra_fca@yahoo.com ; carajeevdhingra.ip.rv@gmail.com // Mob: 9910041421

Per mandate through Valecs, valuation of Plant and Machinery, Land and Building, Inventory along with DMC Unit Mining Rights, for the entire assignment, would be carried out by Valecs and accordingly has been relied upon by the SFA Valuer.

D. Valuation Date of this SFA report ascertaining Share Swap Ratio

February 02, 2024.



E. Valuation Currency

Indian Rupees (INR) unless specified.

F. Background Information

DBSIL

DBSIL, a public company limited by shares, listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"), incorporated on November 01, 1951 under the provisions of the Indian Companies Act is primarily engaged in the business of manufacturing of sugar, generation of power and manufacturing of industrial alcohol, refractory products. In the DMC unit, DBSIL is engaged in the business of manufacturing of refractories from dead burnt magnesite and having mines while GT unit of DBSIL is engaged in the business of providing tours and travels services.

DBRL

DBRL, a public company limited by shares, listed on Metropolitan Stock Exchange ("**MSE**") and the Calcutta stock exchange ("**CSE**"), is not very actively traded. As per the object clause of Memorandum of Association, DBRL has the object to carry on the business of miners, manufacturer, research and development, producer, processor, importer, exporter etc. dealing in cement, any kind of building material and refractory mineral and other products and byproducts, to act as a tour and travel service provider, to acquire business and to make investments, to manufacture tyre and allied business, along with its other main objects.

The Management of both DBSIL and DBRL have proposed to demerge the DMC unit and GT Unit from DBSIL, the Demerged Undertakings into DBRL, the Resulting Company. Both the Companies belong to the same Dalmia Bharat Group. Appointed Date, for the purpose of Scheme of Arrangement, means commencement of business on 1 July 2023, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.

G. Rationale of the Scheme

- (A) Demerger of DMC Unit and GT Unit (being non-core businesses of DBSIL) from DBSIL and transfer and vesting of the same to DBRL which will yield beneficial results and enhanced value creation for their respective shareholders and better security and protection for their lenders and employees.
- (B) The management of DBSIL is of the view that segregation of the DMC Unit and GT Unit from DBSIL will lead to the following benefits:
- Segregation of non-core businesses from sugar business;
 - Efficient and focused management individually on DMC Unit, GT Unit, and sugar business; and
 - Increased flexibility for value extraction and fund raisings.
- (C) The management of DBRL is of the view that acquisition of the DMC Unit and GT Unit will lead to the following benefits:
- Focus on the refractory operations, along with its existing presence in the concerned field, of DMC Unit by demerging it from DBSIL for whom this is currently a non-core business.
 - Focus on the business as travel agents, tour operators, clearing and forwarding agents and to do all activities ancillary to these activities which are related to GT Unit; and
- (D) This Scheme shall be in the beneficial interest of all the stakeholders and the shareholders of the Demerged Company and the Resulting Company. In these circumstances, it is considered desirable and expedient to demerge DMC Unit and GT Unit from the Demerged



Company to the Resulting Company in the manner and on the terms and conditions stated in the Scheme.

H. Standards complied with, valuation basis, assumptions, scope limitations, qualifications, exclusions and disclaimers.

Our analysis and report are in conformity with the ICAI Valuation Standards (“**IVS**”) issued by the Institute of Chartered Accountants of India. The valuation basis used in arriving at valuation conclusion is ‘Fair Value’ as defined under IVS 102.

We have assessed the Valuation Date’s Share Swap Ratio based on December 31, 2023 financials, which have been validated by the Management, and Limited Reviewed by the Auditors of respective companies, besides confirmed by the Valuers, to reasonably reflect the Valuation Date position. No material changes were reported by management in the financial position, list of assets or liabilities, and business activities or confirmed by the Valuers between December 31, 2023 and the Valuation Date, and accordingly, accepted as a reasonable proxy for the fair value of equity shares of the respective Company / Units. Any industry/economic-driven value shifts in assets/liabilities during this period were factored into the Transferor Units and Transferee Company’s relative values to determine the final Share Swap Ratio as of the Valuation Date.

The Management has shared updated projections till March 2028, wherever required for Fair Valuation under Income Approach with intentions to continue the concerned unit / entity as a going concern unit / entity without disposing off the assets / business giving strong signals in support of valuation of the unit on Income Approach basis for working out fair value of the unit as against Asset Approach of valuation.

We have appraised a fully marketable, controlling ownership interest in the assets of the subject business. The appraisal was performed under the premise of value in continued use as a going concern business enterprise, excluding potential buyer’s specific synergies or economies of scale, which could not be identified or quantified for these purposes.

As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. This report must be considered in the context mentioned herein only and is not to be considered as an advisory document for any other purpose and is subject to the scope limitations detailed in this report / in terms of assigned scope only by DBRL and DBSIL, and in turn by Valuers i.e. recommending a Share Swap Ratio in terms of the Scheme of Arrangement, as on the Valuation Date.

Determining a singular, definitive value for a business is inherently imprecise. Our estimate, is based on established valuation methods and available data, and may differ from others perspectives due to the subjective nature of goodwill and individual judgment. While not an absolute guarantee, we have used conceptually sound and commonly accepted methods and procedures of valuation in determining the estimate of value included in this report.

The draft of the present report (excluding the recommended Share Swap Ratio) was shared with the Management / Valuers for confirming the facts stated in the report and to confirm that the information or facts stated are not erroneous.

This report has been worked upon independently. Some resemblance as to structure / wordings etc. to any other report could be consequential / coincidental / in line with standard practice followed by valuers for such kind of reports.

Valuation analysis and results are specific to the Purpose and the valuation date mentioned in the report as agreed with the Management and may not be used out of the context presented herein. It is exclusively for the use of the intended Companies. The report should not be shared,



copied, distributed, reproduced, used, or made available to any persons without the express written consent of the undersigned, except those concerned as part of the legal requirements in terms of achievement of the Purpose of Valuation stated here in this report. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom the report is disclosed or otherwise made available.

This report draws on information from sources like financials and tax returns, mainly from the Company's Management. Historical data presented is for internal context only and not for external use. Our valuation utilizes this data, reviewed but not audited, for the sole purpose of this report. Accordingly, this report should not be construed, or referred to, as an audit / examination or guarantee by SFA Valuer and accordingly, takes no responsibility for such data. This report is neither an offer to sell, nor a solicitation to buy securities, and/or equity in, or assets of the Company.

Our liability for engagement under this report is limited to net fees received. We assume no liability for losses arising from the Company's fraud, misrepresentations, or intentional misconduct.

The Company and its representatives warranted to us that the information they supplied was complete and accurate to the best of their knowledge and that the financial statement information reflects the Company's results of operations and financial condition, unless otherwise noted. Information supplied by the Management has been accepted as true and correct, and we express no opinion on that information.

We have relied upon representations of owners, the Management and other third parties concerning value and useful condition of all equipment, real estate investments, investment used in business, and any other assets or liabilities except as specifically stated to the contrary in this report.

We have relied on the valuation of Plant and Machinery, Land and Building, Mining Rights and Inventory Valuation, of the units / entities under consideration, done by the Valuers all the more since the current valuation exercise involved technical expertise of relevant professionals. We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the Company has good title to all assets.

We have assumed that there is full compliance with all applicable central and state regulation, and laws unless otherwise specified.

Any recast financial statements, forecasts, or proforma statements are result of data provided by the Company, their officers, or representatives, or are based on assumptions as indicated in this report. Such recast, forecasted, or proforma statements may not anticipate the economic, socioeconomic, political, market, or legal factors, which may impact the operations of the subject company. Accordingly, SFA Valuer makes no representations, express or implied, as to the validity of such recast, forecasted, or proforma statements.

SFA Valuer has no financial interest beyond the agreed professional fee for this valuation, in any involved company/unit or associated professionals. We may have past professional dealings with individuals involved in this assignment, but hold no current audit or audit-related relationships with the company or its associates.

We have no responsibility or obligation to update this report for events or circumstances brought to our attention or occurring subsequent to the date of this report. The fee for the engagement and this report is not contingent upon the results reported.

The report sets out our recommendation of Share Swap Ratio and discusses the methodologies and approach considered in the computation of the relative values of the Transferor Units and the Transferee Company.

For the purpose of this exercise, we were provided with both written and verbal information



including information detailed in the para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Companies/auditors/consultants is that of the Companies. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements by the Management may materially affect our valuation analysis/conclusions. Our work does not constitute an audit, due diligence or certification of these information referred to in this report including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any information referred to in this report and consequential impact on the present exercise. However, nothing has come to our attention to indicate that the information provided/obtained was materially misstated/incorrect or would indicate reasonable grounds upon which not to base the report.

The Management has represented that the Companies have clear and valid title of assets. No investigation on the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid.

Our recommendation is based on the estimates of future financial performance as projected by the Management, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to commercial and financial aspects of the Companies/Units and the industry in which the Companies/Units operate. But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. As part of our evaluation process, we have evaluated the reasonableness of the projections prepared by the Management and had discussion with the Management to understand the basis and assumptions for the preparation of projections. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as being associated with or a party to such projections.

A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies/Units and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Companies/Units including any significant changes that have taken place or are likely to take place in the financial position of the Companies/Units. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.

Our report is not to be, nor should it be, construed as opining or certifying the compliance of the proposed transaction with the provisions of any law including companies, competition, taxation (including transfer pricing) – direct / indirect and capital market related laws or as regards any legal implications or issues arising in India or abroad from such Scheme of Arrangement.

The decision to carry out the transaction (including consideration thereof) lies entirely with the Management. Our work and our finding shall not constitute a recommendation as to whether or not the Management should carry out the transaction.

Neither the Valuers, the SFA valuer, nor its employees / associates make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim



any and all liability for/or based on or relating to any such information contained in the valuation.

I. Valuation Approach

For valuing the Company / the Transferor Units, we considered three approaches to valuation - the market approach, the income approach and the asset approach. We have reviewed and analysed several methods and their results to determine which methods would generate the most reasonable opinion of value of their operations as on the Valuation Date. A description of the methods used and the methods considered but not used are included within this report.

Our opinion is based on review analysis and interpretation, among other things, of our estimate of the risks faced, internal factors like financial position and results of operations as well as external factors like status of the economy and position influencing the Company / Transferor Units relative to the industry besides the return on investment that would be expected on alternative investments with similar levels of risk.

J. Nature and Sources of Information Used or Relied Upon.

Our fair value opinion rests on all relevant procedures, financial information, authenticated data from Management, public sources, and discussions to understand the businesses and key factors, and analysis of the factors affecting the Companies and selection of appropriate valuation methodologies as a result thereof.

Our recommendation at Share Swap Ratio is based on the information listed below.

- Proposed Scheme of Arrangement between DBSIL and DBRL.
- Carved out financial statements of the Transferor Units as of and for the years / period ended March 31, 2019 through December 31, 2023.
- Projected financial statements of GT Unit as shared by the management as of and for the period / years ending March 31, 2024 through March 31, 2028.
- Projected income statement related to mining operations for the period/years ended March 31, 2024 through March 31, 2030
- Limited reviewed financial statements and list of assets of DBRL as of and for the period ended December 31, 2023.
- Financial statements and list of assets of OCL Global Limited duly Reviewed and OCL China Limited duly Audited as of and for the period ended December 31, 2023.
- Projected income statements of OCL Global Limited as shared by the management as of and for the period / years ending March 31, 2024 through March 31, 2028.
- Summary of fixed assets assessment provided by a Chinese valuer, held by OCL China Limited as of March 31, 2023, dated May 19, 2023 duly revalidated to be valid as on December 31, 2023 vide Management letter dated January 24, 2024.
- Valuation Report(s) for the valuation of land and building, plant and machinery, inventory and mining rights held by DBRL, DMC Unit and GT Unit, bearing reference date as 25-01-2024 / 02-02-2024 issued by Valuers, the RVE for Land & Building and for Plant & Machinery, appointed by DBRL / DBSIL as part of this valuation exercise.
- Resolution Plan submitted by DBRL as successful Resolution Applicant, duly approved vide Hon'ble NCLT, Division Bench, Court No. II, Kolkata delivered on October 19, 2023 for acquisition of Birla Tyres Ltd., that underwent CIRP, through IBC process along with the said order of Hon'ble NCLT.
- Financial statements as on 31.03.2023 of Veeda Clinical Research Limited ("Veeda") along with investment PPT and Valuation Report prepared for Veeda as taken into account for investment.



- Valuation report as on May 31st, 2023 as well as on October 31, 2023 of Hippostores Technology Pvt. Ltd. as taken by Hippo.
- Data extracted from publicly available sources believed to be reliable and true.
- Discussions with the Management / Valuers, and other quantitative and qualitative data.

Supporting data, copies of source documents and other pertinent information supporting our opinion of value are maintained in our files for future reference and record.

II. OVERVIEW.

A. DALMIA BHARAT REFRACTORIES LTD. ("DBRL")

Post transfer of Indian refractory business to RHI Magnesita India Limited in January 2023, DBRL is focusing on restrengthening of its carved out refractory business and revival of recently acquired tyre business, as of the Valuation Date, besides having various investments across different asset classes and geographies.

SHARE CAPITAL STRUCTURE OF DBRL as on Valuation Date:

Issued, Subscribed and Paid-up Share Capital	IN INR Crores
4,42,00,107 equity shares of Rs. 10/- each	44.20
1 redeemable preference share of INR 10/- each	0.0000001
Total	44.2000001

Equity Shareholding Pattern of DBRL as on Valuation Date:

Category of Shareholders	Number of Equity Shares	% holding
Promoter and Promoter Group	3,31,47,379	74.99
Public	1,10,52,728	25.01
Total	4,42,00,107	100

DBRL has allotted 1 redeemable preference share of INR 10/- to Himadri Specialty Chemical Limited on December 28, 2023, in terms of order of Hon'ble NCLT, for scheme of demerger annexed to the approved resolution plan of BTL.

INVESTMENTS OF DBRL

Brief description of investments of DBRL in various Indian / Overseas entities, either directly or through step down subsidiaries is given herein below.

A. Indian Investments

Quoted Investments in equity shares

DBRL has made investment into equity shares of Dalmia Bharat Limited and RHI Magnesita India Limited, which are listed on BSE and NSE.

Unquoted Investments in equity shares

Pursuant to order dated October 19, 2023, delivered by Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT Kolkata") under IBC process, DBRL has subscribed to 99.99% equity* in Birla Tyres Limited ("**BTL**"). DBRL also holds 99.99% equity investment in Himadri Birla Tyre Manufacturer Private Limited (formerly known as Dalmia Mining and Services Private Limited) ("**HBTMPL**").

**Vide the same order, NCLT Kolkata, while approving the resolution plan has also approved extinguishment of earlier existing capital and allowed delisting of BTL, which is yet to be completed, due to which Birla Tyre Limited has been considered as an unlisted company as on Valuation Date.*

Investment in unquoted NCDs / OCDs / Mutual funds

DBRL also holds investments in NCDs / OCDs of few Private Limited Company / listed mutual funds as part of its financial planning.



B. Overseas Investments:

DBRL also holds 100% equity interest in OCL Global Limited, Mauritius ("OGL") and OGL holds 90% equity interest in OCL China Limited, China ("OCL"), making OCL as the step down subsidiary of DBRL.

K. DALMIA BHARAT SUGAR INDUSTRIES LTD.

Since DMC unit and GT unit are business undertakings of DBSIL, presented hereunder is the share capital structure and shareholding pattern of DBSIL as of the Valuation Date.

Share Capital Structure of DBSIL as on Valuation Date:

Issued, Subscribed and Paid-up Share Capital	IN INR Crores
8,09,39,303 (8,09,39,303) ordinary equity shares of Rs. 2/- each	16.19
Total	16.19

Equity Shareholding Pattern of DBSIL as on Valuation Date:

Category of Shareholders	Number of Equity Shares	% holding
Promoter Shareholding	6,06,34,122	74.91
Public	2,03,05,181	25.09
Total	8,09,39,303	100

L. DMC UNIT

DMC unit, located in Salem, Tamil Nadu, India, established in 1947, is engaged in – Mining and Refractory Manufacturing Operations. As part of DMC Unit's mining operations, DBSIL has taken on lease a mine for the mining of Magnesite and Dunite. According to information provided by the Management, the mine has been non-operational for the past more than five years for want of various regulatory clearances. DMC unit is primarily engaged in manufacturing of refractory products viz. Dead Burnt Magnesite, magnesia carbon bricks, monolithic, Ramming Mass, and Insulator Cement etc. in its plant, which has been operating at a very low-capacity utilisation and generated very insignificant revenue and cash flows during the historical period reviewed.

Mining Rights of DMC Unit

A Mining Lease was granted to Dalmia Cement (Bharat) Limited ("DCBL"), renamed as DBSIL in 2010, vide Mining Lease agreement dated August 20, 1966. Leased land area was 562.358 hectares situated at Chettichavadi Village, Salem with a validity of 20 years. The lease was renewed on March 30, 1998, for an area of 1,314 acres by the State Government with retrospective effect from August 20, 1986 for next 20 years. As on the Valuation Date, in terms of the order of Commissionerate of Geology and Mining dated September 12, 2022, the mine lease rights, for captive consumption purposes, have been extended upto period ending on March 31, 2030 under 'deemed extended provisions'. However, presently the mine is not in operations due to pendency of some regulatory approvals and requisite Government clearances.

M. GT UNIT

Business History and Background

Established in 1972 as part of DBSIL, GT Unit operates in the travel and tourism sector, offering services like hotel bookings, car rentals, passport and visa processing, and other travel-related activities, and mainly provides services to its affiliate/group entities. GT Unit is accredited by International Air Transport Association ("IATA"), the Department of Tourism and Ministry of External Affairs, Government of India. GT unit is a member of International Travel associations



including Indian Association of Tour Operators ("IATO"), Travel Agents Association of India ("TAAI"), Parallel Advanced Technology Attachment ("PATA"), American Society of Travel Advisors ("ASTA"), and United Federation of Travel Agents' Associations ("UFTAA") as well. As of the Valuation Date, GT operates from three centres located across India wherefrom it carries out its commercial activities.

Share Capital structure and Shareholding Pattern of DMC Unit and GT Unit

Since DMC Unit and GT unit, the two units being transferred as part of this Scheme of Arrangement are part of DBSIL only, the shareholding pattern of DBSIL presented herein above will be applicable for the DMC Unit and GT Unit as of the Valuation Date as well.

III. OPINION OF VALUE

N. VALUATION APPROACHES AND METHODOLOGIES

Share valuation, involves inherent subjectivity. M&A valuation focuses on "relative values" for share swap ratios, considering company specifics and industry context. Different approaches - asset-based, earnings-based, etc. - suit different circumstances, like valuing a manufacturer versus an investment company. Notably, value is time-specific and influenced by prevailing economic, industry, and company conditions at the valuation date. Basis of valuation would depend upon the purpose of valuation, the type of business, the future prospects and other attendant circumstances.

The below table summarizes the approaches and methodologies of valuation with our comments.

O. RECOMMENDATION OF SHARE SWAP RATIO

Approach	Valuation Methodologies	Our Comments
Asset	Net Asset Value (NAV) Method	The Asset based method views the business as a set of assets and liabilities that are used as building blocks of a business value. The difference in the net adjusted value of these assets and liabilities on a Book Value basis or Realizable Value basis or Replacement Cost basis is the business value recognizing historical cost of net assets only without recognizing its present earnings, comparative financial performance of its peers and their enterprise values etc. In general Net Asset Value reflects the minimum proxy value of the company. In general, it is not advised completely for companies intended to be continued on a 'going concern basis' / operating business.
Market	Comparable Companies Trading Multiples (CCM) Method	This methodology uses the valuation ratio of publicly traded listed companies and applies that ratio to the subject company being valued. The valuation ratio typically expresses the valuation as a function of a measure of financial performance or Book Value (e.g., Revenue, EBITDA, EBIT, Earnings per Share or Book Value). A key benefit of Comparable Companies Trading Multiples / Transaction Multiples analysis is that this methodology is based on the current market / transaction price of peer companies which is generally viewed as one of the best valuation metrics as an observable input.
	Market Price Method	For public listed company on NSE / BSE etc. and where equity shares are frequently traded, to arrive at Equity Value per share, we apply pricing methodology prescribed under SEBI Preferential allotment guidelines as per Regulation 164 of SEBI ICDR Regulations, 2018.
Income	Discounted Free Cash Flow (DFCF) Method	Income approach provides an estimate of the present value of the monetary benefits expected to flow in future to the owners of the business requiring projections of cash flows that business is expected to generate. These cash flows are then converted to their present value by means of discounting, using a rate of return that accounts for the time value of money and the appropriate degree of risk in the investment. The value of the business is the sum of the discounted cash flows. The DFCF method expresses the present value of the business as a function of its future cash earnings capacity. The value of the firm is arrived at by estimating the Free Cash Flows (FCF) to Firm and discounting the same with Weighted Average cost of capital (WACC). In the DFCF approach, the appraiser estimates the cash flows of any business after all operating expenses, taxes, and after accounting for necessary changes in working capital and Capex.

Based on the stated Purpose as to determining a Share Swap Ratio for the transfer of DMC and GT from DBSIL into DBRL as on the Valuation Date, the valuation would have to be done after taking cognizance of all the factors and methodologies mentioned herein above. For Share Swap Ratio, we need to work out relative value of shares of the Companies / Units to facilitate



determination of an exchange ratio albeit without attempting to arrive at the absolute values of the shares of each company, for which we need to give appropriate weightage to the values arrived at under each approach. That way even after using different methods that would yield different values, for recommending an exchange ratio, we will arrive at a single value for the shares of the companies/units.

The capitalization of FCFE / FCFF is a single-period method that assumes a stable level of cash flow. The projected free cash flow is capitalized using an appropriate capitalization rate. It is important that any income or expense items generated from non-operating assets and liabilities be removed from estimated future benefits prior to applying this method. The fair value of net non-operating assets and liabilities is then added to the value of the business derived from the capitalization of earnings. This method is appropriate for valuing companies which have reached a stable stage and are expected to generate a stable level of cash flow in the future years. As stated earlier, DBRL after transfer of its Indian refractory business is focusing on restrengthening of its carved out refractory business and revival of recently acquired tyre business. The available resources as of now are being deployed towards various quoted and unquoted investments. Hence, DBRL as on the Valuation Date does not generate significant operational income to justify the use of the income approach as an appropriate method of valuation. After careful consideration of each method's underlying assumptions and variables needed for this method, we concluded that DCF method should not be used to value DBRL.

Comparable Company / Transaction Multiple Method (CCM) involves reviewing valuation / transaction multiples for companies that are in the same or similar line of business as the company being valued and then applying the relevant valuation / transaction multiples to the subject company to determine its value. Due to the fact that DBRL majorly holds a wide variety of investments across multiple asset classes, different geographies, different proportions of investments inter se, different production cycles the calculation of these valuation multiples along with application of weightage around them would not yield the appropriate result. Accordingly, use of this method as well was not considered to be appropriate for DBRL. DBRL equity shares though listed on Metropolitan Stock Exchange and Calcutta Stock Exchange but are not very actively traded due to which a computation based on traded price too would not have resulted in fair valuation of shares and accordingly was not considered to be an appropriate valuation method. Hence the guideline / comparable public company / transaction method in terms of Market Approach will not be appropriate for which market approach has not been used.

Adjusted net asset value method is an asset-based approach to valuation where the value of the business is based on the difference between the fair value of the assets and liabilities of the business primarily used for estimating value of a non-operating business, such as real estate holding company, or a business that is continuing to generate losses, or which is expected to be liquidated. As of the Valuation Date, DBRL value is majorly dependent upon value of its assets, including investment assets and liabilities. Accordingly, we have applied the adjusted net asset value method under Asset Approach to compute fair value of its equity shares. And for the same it is necessary to compute fair value of the entities DBRL has its investments into using the appropriate valuation approaches for respective investments. Tabled below are the approaches and methodologies adopted for valuing various assets / units / entities under consideration as on Valuation Date.

<u>Asset Description</u>	<u>Valuation Approach and Method used</u>	<u>Grounds for option used</u>
DBRL. For deriving Fair Value of DBRL, sum of parts methodology has been opted, and not market price method since shares of DBRL are not actively traded, and market price will not yield appropriate Fair Value of DBRL.		



Chinese subsidiary (Subsidiary to Mauritius entity)	Asset Approach - Adjusted net asset value method	Entity working much below the capacity, DCF will not give correct Fair Value
Mauritius entity - subsidiary of DBRL	Market Approach - DCF method based on business projections shared by Management + cash and bank balance.	Proportionate Value derived for Chinese Investment + fair value through DCF method, since from Mauritius, primarily trading activities take place with negligible assets base. DCF method gives most appropriate Fair value
DBL Shares and Mutual Fund Investments	Market approach - Quoted: share price / Mutual Fund value	DBL and Mutual Fund Investments are actively traded on stock exchanges therefore quoted market price has been considered.
RHI shares	Market approach - Quoted share price (with Put Option Discounting)	RHI is an actively traded share but for disposing such huge quantity without affecting sale price, longer time period would be required, and therefore market rate with Put Option has been considered.
BTL and HBTMPL -asset acquired under IBC route	Asset Approach - Adjusted net asset value method	Post acquisition of these assets Management has got 'Purchase Price Allocation' valuation done through IBBI Registered Valuers, which has been re-confirmed by the Valuers as well. In Tyre vertical, no commercial activities have commenced as yet. It was appraised by the Management as well as the Valuers that as of now time period required for commencement of commercial activities, its cost impact, cannot be predicted with reasonable accuracy. Due to this, besides various legal cases going on around this acquisition, Adjusted Net Asset Value method has been adopted for valuation of these assets.
NCD / OCD / other unlisted investment in closely held Private / Public limited unlisted Companies	Asset Approach - Book Value - Invested amount	No public data for these companies are available to evaluate any Market comparison or opt for adjusted book value method, book value of these investments have been taken as Fair Value. Moreover, these Investments have been made recently during FY24 itself, not much variance is perceived in these investments.
DMC Unit of DBISL - Mine located in Chettichavadi Village, Salem, Tamil Nadu is being transferred as part of the Scheme of Arrangement. Mining rights are available till 31.03.2030. Based on recent developments on pending procedural clearances, the Management have stated that they are hopeful that EC clearance shall be obtained and production cum sale restored in about a year or so.		
Mining Rights	Income Approach - DCF Method	As on Valuation Date though mining is suspended, but for valuation of leased mining rights - primary value lies in mining and trading of mined produce, fair value through DCF method has been considered.
Manufacturing stream	Asset Approach - Adjusted net asset value method	Since this stream is working much below the capacity, and with huge land bank, plant and machinery, available inventory, other net assets and liabilities available; DCF will not give correct Fair Value hence adjusted net asset value method



		used.
GT Unit of DBISL		
GT business valuation	Income Approach - DCF Method	DCF method for future earnings, being unit / entity having revenue generation from business operations for arriving at Fair Value as on Valuation Date.
Commercial Property in GT unit	Asset Approach - Adjusted Net Assets Value method - Market value of property (HABU adjustment)	For GT commercial property, HABU has been considered since alternative use of the property, with notional rent as expense, yielded an appropriate fair value of the GT unit as a whole.

All this has been explained and captured in reasonable details appropriately at relevant places in this report.

Accordingly, various approaches / methods discussed above have been applied independently, as were considered appropriate to arrive at assessment of the relative values per equity share of the companies/units. To achieve the purpose of arriving at a consensus on fair equity share exchange ratios for the Scheme of Arrangement, minor adjustments / rounding off, as required, too have been suitably resorted to the relative values thus arrived at.

In line with requirements specified in BSE Circular number LIST/COMP/02/2017-18 dated May 29, 2017 and NSE Circular number NSE/CML/2017/12 dated June 01, 2017 and in view of considerations submitted herein above and on consideration of all the relevant factors and circumstances as discussed and outlined in this report, we recommend the undermentioned Share Swap Ratio for the proposed Scheme of Arrangement:

<i>Computation of Fair Equity Share Exchange Ratio (relative Value per share) - Valuation Date 02.02.2024</i>						
Valuation Approach	Dalmia Bharat Refractories Limited (1)		Dalmia Magnesite Corporation (2)		Govan Trevelo (3)	
	Value Per Share	Weightage	Value Per Share	Weightage	Value Per Share	Weightage
Asset Approach	678.50	100.0%	11.96	100.0%	NA	0.0%
Income Approach	NA	0.0%	NA	0.0%	2.08	100.0%
Market Approach	NA	0.0%	NA	0.0%	NA	0.0%
Relative Value Per Share	678.50		11.96		2.08	
Exchange Ratio			56.66		328.04	
Overall swap Ratio - DBISL / (GT + DMC)	- in share terms		= A / (B + C)		48.18	

This Swap Ratio reflects a relative valuation of company shares, considering both quantitative analyses (explained methods) and qualitative factors impacting business dynamics and growth potential. It draws on available information, management perspectives, and key assumptions while acknowledging inherent limitations. Ultimately, sound judgment and discretion are vital, considering intangible factors like competition, market sentiment, and comparable yields, which significantly influence share value.

CHAPTER 1: VALUATION OF DALMIA MAGNESITE CORPORATION VIA THE ADJUSTED NET ASSET VALUE METHOD

The adjusted net asset value method is an asset-based approach to valuation, where value of business is based on difference between fair value of assets and liabilities of business. The adjusted net asset value has been computed based on financials of DMC Unit as shared by Management, and duly confirmed by Valuers, as of December 31, 2023 and accepted as a reasonable proxy for the fair value of equity shares of DMC Unit as of the Valuation Date.

Relevant details in relation to valuation of DMC Unit via the adjusted net asset value method is presented in Table DMC 1.



DMC 1

Adjusted Net Asset Value of DMC unit of DBSIL as of February 2, 2024					
<i>In INR Crores</i>					
	Unadjusted Value as of December 31, 2023	Adjustments	Notes	Fair Market Value as of February 2, 2024	% of Total Assets
Assets					
Non-Current Assets					
Fixed Assets					
Property, Plant and Equipment	149.38	0.05	DMC 1	149.43	61.22%
Capital work - in - progress	0.42	-		0.42	0.17%
Other Non Current Assets	0.27	-		0.27	0.11%
Total Non-Current Assets	150.07	0.05		150.12	61.50%
Current Assets					
Inventories	14.34	1.08	DMC 1	15.40	6.31%
Cash And Cash Equivalents	40.88	-		40.88	16.75%
Others	0.05	-		0.05	0.02%
Receivables	11.77	-		11.77	4.82%
Other Current Assets	1.59	-		1.59	0.65%
Total Current Assets	68.62	1.08		69.68	28.55%
Additional Assets					
Mining Rights Value	-	24.28	DMC 1	24.28	9.95%
Total Additional Assets	-	24.28		24.28	9.95%
Total Assets	218.69	28.39		244.08	100.00%
Liabilities					
Non-Current Liabilities					
Provisions	(0.01)	-		(0.01)	0.00%
Total Non-Current Liabilities	(0.01)	-		(0.01)	0.00%
Current Liabilities					
Financial Liabilities					
Borrowings	2.70	-		2.70	1.11%
Trade Payables - Others	3.03	-		3.03	1.24%
Other Financial Liabilities	0.12	-		0.12	0.05%
Other Current Liabilities	1.39	-		1.39	0.57%
Provisions	19.70	-		19.70	8.07%
Total Current Liabilities	26.93	-		26.93	11.03%
Total Liabilities	26.93	-		26.93	11.03%
Additional Liabilities					
Contingent Liability					
Not provided for	-	120.34	DMC 2	120.34	49.31%
Total Additional Liabilities	-	120.34		120.34	49.31%
Adjusted Net Asset Value	191.77	(94.96)		96.81	39.66%
Concluded Value (INR In Crores)				96.81	

As presented in Table DMC 1 herein above, the adjusted net asset value of DMC Unit is INR 96.81 crores (rounded) as of the Valuation Date.

NOTES TO TABLE DMC 1:

- **Note DMC 1: Inventory, PPE, Mining Rights:**

As DMC Unit involves specialized area of operations and technical expertise for its valuation, fair value of Inventory, PPE and Mining Rights of the Unit has been considered based on valuation report of the Valuers. DMC Unit holds mining rights for mining of Magnesite and Dunnite in Chettichavadi Village, Salem up to March 31, 2030. The Management has provided the projected income statements for this mine for the years ending March 31, 2024, through March 31, 2030, based on which fair value of the Mining Rights using DCF method has been computed by the Valuers and the same has been considered and relied upon in this report to arrive at fair equity share exchange ratio as on the Valuation



Date. The projections made by the Management have been evaluated by the Valuers and found acceptable. The fair value of the mining rights is computed to be INR 24.28 crores as of the Valuation Date.

- **Note DMC 2: Contingent Liabilities;**

Due to ongoing litigation with certain government authorities in respect of operations of currently closed mines and certain mine closure obligations expected to be incurred in the year 2030 at the time of handing over of the mines on expiry of the lease, we have worked out a contingent liability of INR 120.34 crores, summarized as under, as on the Valuation Date which has been adjusted to arrive at Fair Value of Equity Shares Exchange Ratio.

Dalmia Mining Unit -Contingent Liability	INR Crores
Demand of INR 79.88 crores in respect of Surface compensation for the period from August, 1966 onwards along with interest based on probability estimation assigned	118.70
Other Contingent liabilities including Mine Closure estimated liability based on estimate on Mine Closure Expenses shared by Management	1.65
Total	120.34

Valuation of One Equity Share of DMC Unit

DMC Unit is a business undertaking of DBSIL and part of the proposed Scheme of Arrangement. We have taken into account the total number of outstanding equity shares of DBSIL to determine the fair value of one equity share of DMC for our valuation analysis. In Table DMC 2, we have presented the computation of the value of one equity share of DMC Unit as of the Valuation Date.

Dalmia Magnesite Corporation Valuation of One Equity Share	
Indicated Equity Value (in INR Crores)	98.81
Divided by Number of Equity Shares Outstanding of DBSIL	80,939,303
Indicated Value per Equity Share of Dalmia Magnesite Corporation as of the Valuation Date (in INR)	11.96

CHAPTER 2: VALUATION OF GOVAN TRAVELS VIA DCF METHOD

Overview

As previously discussed, given the business activities of GT Unit, its value is determined by using the discounted cash flow method along with addition of cash in hand and fair value of the Commercial Property on best use basis. The projected financial for the period / years ending March 31, 2024, through March 31, 2028, have been provided by the Management. The projections made have been evaluated in line with current activities and found acceptable.

Key inputs for calculation of the projected Free Cash Flow to Equity (“**FCFE**”) of GT Unit are presented as follows.

1. Projected Net Income

One of GT Unit is currently running from its self-owned property. On enquiry based, on the estimated area requirement of the Unit to run from a rented office around the same premises where currently the operations are being run, notional rent of that area has been considered since fair value of the property has been included in the adjusted net asset value to arrive at fair value of the GT unit. Similarly, prevailing Corporate Income Tax rate too has been charged on income of the Unit as uptill now no Income Tax at unit level was being charged.

Capital Expenditures and Depreciation



The capital expenditures and depreciation have been provided to us by the Management, which were found acceptable, and has been considered accordingly in the valuation.

2. Normalized Change in Net Working Capital

The Company's non-cash, non-debt, net working capital turnover ratio for FY 2023 and till Q3 FY24 are assumed to be at normal levels and used for DCF working going forward as well. The computation of non-cash, non-debt, net working capital ratio for the period / years ending March 31, 2024, through March 31, 2028 has been used and considers 31.12.2023 numbers provided for GT Unit by the Management as its base.

3. Borrowing/Debt Repayment

As of December 31, 2023, Govan Travels does not have any debt outstanding. As a result, the debt repayment is assumed to be NIL for the projection period.

4. Determination of Discount Rate

Capital Asset Pricing Model ("**CAPM**") has been used to determine the present value of the cash flows that are available to equity shareholders (i.e. FCFE) with cost of equity, since it reflects fair return to the equity shareholders. Government of India 10 years bond rate has been considered for Risk free return. Equity risk premium estimates have been taken based on 'NIFTY Total Returns' from December' 2001 till date. Also, Beta relating to Business or Consumer Services as available on Aswath Damodaran site has been considered.

A combined discount for scale of operations / industry specific risk / more concentration on in house activities / operating from just three locations only / comparatively no entry barrier / more & more on line business / huge un-organised sector presence / increasing personal travel due to improvement in road infrastructure has been applied in addition to expected equity returns, under 'Build up method' to arrive up reasonable discount to be applied.

Valuation of Govan Travels in its entirety

The value computed after including fair value of property as valued by the Valuers for INR 13.43 crores, the equity value of the GT Unit comes to INR 16.85 crores, including cash and cash equivalent of INR 1.50 crores, as on the Fair Valuation Date. This adjusted net asset value has been computed based on the financial statements of GT Unit as shared by Management as of December 31, 2023, which has been accepted as a reasonable proxy for the financial position of the GT Unit as of the Valuation Date.

Valuation of One Equity Share of Govan Travels

GT Unit is a business undertaking of DBSIL. We have taken into account the total number of outstanding equity shares of DBSIL to determine the fair value of one equity share of GT Unit for our valuation analysis and per this the concluded value per share of the GT Unit is computed to be INR 2.08.

Dalmia Group - Govan Travels Valuations	
Valuation of One Equity Share	
Indicated Equity Value (in INR Crores)	16.85
Divided by Number of Equity Shares Outstanding of DBSIL	80,999,303
Indicated Value per Equity Share of Dalmia Magnesite Corporation as of the Valuation Date (in INR)	2.08

CHAPTER 3: VALUATION OF DALMIA BHARAT REFRACTORIES LIMITED VIA ADJUSTED NET ASSET VALUE METHOD

Adjusted net asset value has been computed based on the limited reviewed numbers of DBRL as of December 31, 2023, which has been accepted as a reasonable proxy for the financial position of the DBRL as of the valuation date. As evident from Table DBRL-1, the adjusted net asset value of DBRL is INR 2,990.15 crores.



Table - DBRL 1

Dalmia Bharat Refractories Limited					
Adjusted Net Asset Value as of February 2, 2024					
In INR Crores					
	Unadjusted Value as of December 31, 2023	Adjustments	Notes (Table DBRL)	Fair Market Value as of February 2, 2024	% of Total Assets
Assets					
Non-Current Assets					
Fixed Assets					
Freehold Land	70.87	(9.05)	(1)	61.82	1.74%
Other Fixed Assets	171.86	-		171.86	4.85%
Right Of Use Assets	3.55	(3.55)	(2)	-	0.00%
Investment Property	0.21	0.04	(3)	0.25	0.01%
Other Intangible Assets	0.00	(0.00)	(4)	-	0.00%
Tax Assets	31.22	-		31.22	0.88%
Investments	3,069.38	(265.13)	(6)	2,804.25	80.15%
Total Non-Current Assets	3,385.89	(267.68)		3,098.01	87.54%
Current Assets					
Inventories	27.21	-		27.21	0.77%
Financial Assets					
Cash And Cash Equivalents	15.27	-		15.27	0.43%
Bank Balances Other Than Above	61.51	-		61.51	1.74%
Loans	0.04	-		0.04	0.00%
Investments	150.97	0.89	(7)	151.86	4.29%
Receivables	45.77	-		45.77	1.29%
Other Financial Assets	121.06	-		121.06	3.42%
Other Current Assets	9.10	-		9.10	0.26%
Total Current Assets	430.93	0.89		431.52	12.21%
Additional Assets					
Contingent Asset	-	5.24	(8)	5.24	0.15%
Total Additional Assets	-	5.24		5.24	0.15%
Total Assets	3,797.82	(261.55)		3,536.97	100.00%
Liabilities					
Non-Current Liabilities					
Financial Liabilities					
Lease Liabilities	0.50	(0.50)	(2)	-	0.00%
Provisions	6.60	-		6.60	0.24%
Deferred Tax Liabilities (Net)	(0.00)	0.00	(5)	-	0.00%
Total Non-Current Liabilities	407.58	(0.50)		408.58	11.51%
Current Liabilities					
Lease Liabilities	0.20	(0.20)	(2)	-	0.00%
Trade Payables	41.54	-		41.54	1.18%
Other Financial Liabilities	49.57	-		49.57	1.40%
Other Current Liabilities	29.00	-		29.00	0.82%
Current Tax Liabilities (Net)	0.01	-		0.01	0.00%
Provisions	18.50	-		18.50	0.52%
Total Current Liabilities	138.73	(0.20)		138.93	3.93%
Total Liabilities	546.31	(0.50)		546.52	15.44%
Adjusted Net Asset Value	3,250.90	(260.75)		2,990.15	84.69%
Concluded Value (INR in Crores)				2,990.15	

Notes to Table DBRL:1**(1) Freehold Land:**

The fair values of fixed assets as of December 31, 2023 has been accepted as reasonable proxies for the fair values of the fixed assets as of the Valuation Date. Management and the Valuers have confirmed that these fair values hold good as of the Valuation Date.

Pursuant to sale of Indian refractory business to RHI Magnesita India Refractories Limited (formerly known as Dalmia OCL Limited) ("RHIMIRL") and subsequent transfer of 100% equity interest of RHIMIRL to RHI, RHIMIRL has now become the wholly owned subsidiary of RHI. Hence, as DBRL will not be able to realise any economic benefits from the land parcels leased out to RHIMIRL for a period of initial 30 years which may further be extended to another



30 years at the option of RHIMRL. For these reasons, fair value of such land parcels has not been considered for determining the fair value of DBRL.

As of the Valuation Date, DBRL additionally owns and has retained the following land and building rights:

- Land at Fire Clay Mine and other land owned at Gujarat and Delhi.

The fair values of the above-stated land and building, along with Birla Tyre land retained in DBRL, except fire clay mines which have been dealt separately with in detail herein below, as of the Valuation Date as worked out by the Valuers is INR 61.62 crores.

(2) Right of Use Asset and Lease Liabilities:

The right of use asset has been adjusted off to determine the adjusted net asset value since these merely represents accounting adjustments for the leasehold assets taken by DBRL and does not represent any tangible or intangible asset from which DBRL might derive any economic benefit in future. Likewise Lease liability too represents present value of future rent payable for the leased assets. Since we did not consider book value of right of use asset, we have also adjusted off these lease liabilities outstanding against the right of use asset as of the Valuation Date.

(3) Investment Property:

DBRL's investment property includes 1751 square meter of land located in Mehasana, Ahmedabad, Gujarat. Based on the valuation report of Valuers the fair value of land located in Mehasana, Ahmedabad, Gujarat is INR 0.25 crores.

(4) Other Intangible Assets:

Other intangible assets are nothing else but the mining rights of certain mines held by DBRL as of the Valuation Date. Post transfer of the India Refractory business and the corresponding mining rights of mines associated with such transferred business, the Company is left with the mining rights for the two mines only i.e. the dolomite mines located in Mugdara and fire clay mine situated in Therani, DPM, Tamil Nadu, status of which as on the Valuation Date are given herein below.

- Dolomite Mine: According to the Management, the dolomite mine situated in Mugdara was not transferred to RHIMIRL pursuant to the BTA dated November 19, 2022. According to the BTA, DBRL would endeavour (but will not be obligated) to remove all encumbrance over the mine within 24 months from the closing date and RHIMIRL/RHI has a right to acquire the mine for no additional consideration.

The mining lease is currently in the name of OCL India Limited which is to be transferred in the name of DCBL. The state government has approved the execution of mining lease in the name of DCBL, however, it has not been implemented as of the Valuation Date.

The fair value of the Dolomite Mine is not included in the value of DBRL since:

- Pursuant to the transaction with RHI, RHIMIRL has a right to acquire the Dolomite Mine without any additional consideration.
 - The mining rights are for a limited period up to May 2024 and various statutory approvals/clearances are still pending which may or may not be obtained before the expiry of the mining lease.
- Fire Clay Mine: According to the Management, the fire clay mine situated in Therani, DPM, Tamil Nadu was not transferred to RHIMIRL pursuant to the BTA dated November 19, 2022 given that the mine has not been operational since a long period of time and it was classified as non-core mine for RHIMIRL operations.



The mine is not operational since 2012 due to expiration of mining lease. The lease was operational since 1954 and the application for renewal was submitted by the Company on April 16, 2014. According to the Management, per Section 8A (5) of the MMDR Amendment Act 2015, DBRL has subsisting lease until March 31, 2030. However, the approval for renewal has yet not been granted. DBRL initiated legal proceedings for the renewal approval but no favourable decision has been received by the Company as of the Valuation Date.

According to the Management, the timing of approval for renewal of lease is not certain given the ongoing litigation. Additionally, once the renewal of lease is approved, DBRL needs to obtain environment and other clearances which will require additional time, cost and efforts.

The renewal of lease and obtaining the statutory clearances/approvals would require substantial time which may or may not be obtained within the remaining lease period. Accordingly, the value of the mining rights for the fire clay mine at Therani is not considered for the valuation of DBRL.

(5) **Deferred Tax Liabilities (Net):**

Deferred tax liability is a notional liability because of an accounting entry. There will not be any future cash inflows in relation to deferred tax asset outstanding as of the Valuation Date. Accordingly, the fair value of deferred tax asset is considered as zero rupee for our valuation analysis.

(6) **Non-Current Investments:**

As stated herein above, DBRL holds investments in equity shares of Dalmia Bharat Limited, RHI Magnesita India Limited, OCL Global Limited, Birla Tyres Ltd and HBMPPL and Veeda Clinical Research Private Limited. Our analysis of DBRL's major investments in some of these companies is given below.

- **RHI Magnesita India Limited:** As on the Valuation Date the Company holds 2,70,20,000 equity shares of RHI, that represented approximately 13.08% equity interest in RHI, pursuant to the share swap between DBRL and RHI and subsequent purchase of RHI's shares through open market. As previously discussed, RHI is listed on NSE and BSE.

In view of Section 164(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, ("ICDR") for determining the share price, we have calculated value of investment in listed shares of RHI based on the formula of 90 days/10 days VWAP and accordingly indicated value of RHI's equity shares is computed to be INR 737.69 per share. Based on liquidity check carried out by us on RHI shares, RHI shares can be stated to be liquid shares. Given the large block size of RHI's equity shares held by DBRL (representing ~13.08% interest in RHI), DBRL will not be able to immediately liquidate its investment in RHI by selling it in the stock market, without significantly impacting share prices.

Past one year share trading track record of RHI share was conducted which is shown in the trailing table:

RHI Magnesita India Limited	
Trailing 12 Months Share Trading Volume	
Daily Trading Volumes	# Shares Volume
Minimum	30,506
Maximum	2,104,188
Average	263,073
TTM - January 31, 2023 through February 01, 2024	



**Closing day Trading price of 01.02.2024 only available till issuance of report.*

In case of a large block of shares, relative to the volume of actual sales on the existing market, of a listed company is to be sold without depressing the market price, a blockage discount should be applied from the actively traded price of a stock. A number of key qualitative factors should be analyzed to determine the presence and magnitude of a blockage discount like - volatility of the stock; actual price change in the stock under recent and preceding market conditions; subject company's current economic outlook; trend of the price and the financial performance of the stock; trend of the subject company's earnings; existence of any resale restrictions on the stock. The owner of a block of control or restricted stock typically has the following methods to estimate a blockage discount - Dribble out the subject interest; Secondary public offering; Company redemption; Private placement etc. Given the current trading volumes and in order to analyze impact of the large block size of RHI's equity shares, we used the put option analysis (dribble out the subject interest) by taking average of the outcome of Chaffe model, the Finnerty model and the Ghaidarov model. Longstaff Lookback Put Option Model too was tested but has been ignored since it gave a very skewed discount range which would have given a totally distorted result in the capacity of an outlier impact. Keeping in mind that selling off of such huge quantity in the market could result into greater volatility, higher free float of the shares as well as likely fall in price, we applied the average of DLOM/blockage discount to the indicated equity VWAP rate to compute the fair value per equity share, as of the Valuation Date, of RHI held by DBRL as 672.21 per share or INR 1,816.31 crores for entire DBRL investment in RHI.

- **Dalmia Bharat Limited:** As previously discussed, DBL is listed on NSE and BSE. The fair value of DBL's equity shares, based on closing price of 01.02.2024, is computed to be INR 2,240.78, per share based on the pricing formula given in the ICDR regulations or INR 356.72 crores for entire DBRL investment in DBL.
- **Biral Tyres Ltd. ("BTL") and Himadri Birla Tyre Manufacturer Private (formerly known as Dalmia Mining and Services Private Limited) ("HBTMPL"):** DBRL has invested INR 2,25,000 for acquisition of 100% equity shares of HBTMPL. As on date of valuation there are primarily no business activities being undertaken by HBTMPL except of the acquisition of non-operative assets of BTL from DBRL. Looking into the fact that the transaction date of assets acquisition of BTL, acquired through IBC route as Successful Resolution Applicant, is in close proximity to the Valuation Date with separate valuation from IBBI approved P&M and L&B valuer done through another firm, that has duly been accepted by the Valuers as well, the book value of BTL and HBTMPL is considered as a reasonable proxy for the fair value as of the Valuation Date, all the more since the assets acquired from BTL have been lying idle for around four years, are yet to be serviced and put to use commercially, besides quite a few litigation are also going in with respect to acquisition by DBRL of BTL under IBC route, necessary work force and distribution channels are yet to be put in place, we have considered the value as ascertained by the IBBI Registered valuers for their valuation to work out PPA in terms of relevant IND-AS and accounted for in Books. The future business plan as proposed under Resolution Plan approved by CoC under CIRP of BTL has not been put into effect and DBRL has stated that under current circumstances it requires more time to effectuate BTL commercial activities. This updated PPA value accounted for in books has been considered by us for our valuation purposes under Adjusted Net Book Value method as against DCF method or comparable Company method since the technology, distribution channel setup, brand establishment against already established players viz a viz current machinery position etc. cannot be reasonably established / compared. Given that the BTL acquisition date is in close



proximity to the Valuation Date, the book value of DBRL's investment in BTL and HBTMPL is considered as a reasonable proxy for the fair value as of the Valuation Date.

Himadri Birla Tyre Manufacturer Private Limited				In INR Crores	
Adjusted Net Asset Value as of January 25, 2024					
	Unadjusted Value as of December 31, 2023	Adjustments	Notes	Fair Market Value as of January 25, 2024	% of Total Assets
Assets					
Non-Current Assets					
Property, Plant And Equipment	5.00	-		5.00	6.32%
Capital work - in - progress	53.03	-		53.03	65.44%
Total Non-Current Assets	58.03	-		58.03	69.99%
Current Assets					
Total Current Assets	0.00	-		0.00	0.01%
Total Assets	58.03	-		58.03	100.00%
Liabilities					
Current Liabilities					
Trade Payables	0.04	-		0.04	0.05%
Other Current Liabilities	119.75	-		119.75	135.11%
Total Current Liabilities	119.80	-		119.80	135.16%
Total Liabilities	119.80	-		119.80	195.19%
Adjusted Net Asset Value	(31.18)	-		(31.18)	-35.18%
Concluded Value				(31.18)	

Since part of sale of assets sold to HBTMPL by DBRL has been impaired in terms of relevant IND-AS, the net adjusted value of DBRL investment in HBTMPL has been negative, therefore we have considered Fair Market Value as on the Valuation Date of HBTMPL as NIL.

Fair Market Value of investment in BTL:

Birla Tyres Limited				INR Crores	
Adjusted Net Asset Value as of January 25, 2024					
	Unadjusted Value as of December 31, 2023	Adjustments	Notes	Fair Market Value as of January 25, 2024	% of Total Assets
Assets					
Non-Current Assets					
Property, Plant And Equipment	20.98	-		20.98	80.70%
Capital work - in - progress	-	-		-	0.00%
Total Non-Current Assets	20.98	-		20.98	80.70%
Current Assets					
Financial Assets					
Other Financial Assets	0.01	-		0.01	0.02%
Cash & Cash Equivalents	5.00	-		5.00	19.25%
Other Current Assets	0.01	-		0.01	0.02%
Total Current Assets	5.01	-		5.01	19.30%
Total Assets	25.99	-		25.99	100.00%
Liabilities					
Current Liabilities					
Financial Liabilities					
Trade Payables	0.05	-		0.05	0.21%
Borrowings	0.00	-		0.00	0.00%
Total Current Liabilities	0.05	-		0.05	0.21%
Borrowings	3.39	-		3.39	13.07%
Total Liabilities	3.45	-		3.45	13.29%
Adjusted Net Asset Value	22.52	-		22.52	86.72%
Concluded Value				22.52	

Accordingly, Fair Value of investments of DBRL in BTL is taken as INR 22.52 crores.

VALUATION OF OCL GLOBAL LIMITED VIA THE DISCOUNTED CASH FLOW METHOD FOR CONSIDERATION INCLUDING VALUATION OF OCL CHINA LTD VIA ADJUSTED NET ASSET VALUE METHOD FOR INCLUSION AS PART OF OCL GLOBAL LTD INVESTMENT.



Value of OCL China Ltd.

The adjusted net asset value has been computed based on the balance sheet of OCL China as of December 31, 2023, that have been accepted as a reasonable proxy for the financial position of the Company as on Valuation Date. As presented in Table below, OCL China's adjusted net asset value is CNY 47,327,000 (rounded) as of the Valuation Date.

OCL China Limited					
Adjusted Net Asset Value as of February 2, 2024					
	Unadjusted Value as of December 31, 2023	Adjustments	Notes	Fair Market Value as of February 2, 2024	CNY % of Total Assets
Assets					
Non-Current Assets					
Property, Plant And Equipment	18,376,526	7,529,050	(1)	26,405,576	47.60%
Intangible Assets	8,774,559	(8,774,559)	(2)	-	0.00%
Total Non-Current Assets	27,151,085	(1,245,509)		26,405,576	47.60%
Current Assets					
Inventories	4,663,125	-		4,663,125	8.41%
Financial Assets					
Trade Receivables	19,164,334	-		19,164,334	34.55%
Cash & Cash Equivalents	1,904,745	-		1,904,745	3.54%
Other Current Assets	3,273,390	-		3,273,390	5.90%
Total Current Assets	29,095,594	-		29,095,594	52.40%
Total Assets	88,718,579	(1,245,509)		88,471,170	100.00%
Liabilities					
Current Liabilities					
Financial Liabilities					
Trade Payables	7,482,800	-		7,482,800	13.49%
Other Financial Liabilities	252,361	-		252,361	0.45%
Current Tax Liability, Net					
Other Current Liabilities	409,008	-		409,008	0.74%
Total Current Liabilities	8,144,169	-		8,144,169	14.85%
Total Liabilities	8,144,169	-		8,144,169	14.85%
Adjusted Net Asset Value	48,572,510	(1,245,509)		47,327,001	96.32%
			Concluded Value	47,327,000	

Notes to OCL China:

(1) Property, Plant and Equipment (OCL China)

The fair value of property, plant and equipment is considered based on the summary of fixed assets assessment prepared by a tangible assets appraiser as of March 31, 2023 dated May 19, 2023. Management has certified the same to be holding good through to December 31, 2023 and the Valuers have found the same to be acceptable for their valuation as on the date of Valuation. Value of land has not been considered as the same is on lease with OCL China. The fair value of fixed assets as of December 31, 2023 has been accepted as reasonable proxy for the fair value of the fixed assets as of the Valuation Date.

(2) Intangible Asset (OCL China)

The intangible asset represents the right of use of leasehold assets taken by OCL China. The right of use value of leasehold assets represents accounting adjustments and does not represent any tangible or intangible asset from which OCL China might derive any economic benefit in future. As a result, we have adjusted off the value of right of use asset to determine the adjusted net asset value.

Accordingly, equivalent value of OCL Global Ltd. stake in OCL China Ltd. works out to \$5.93 Mn and is as shown in the following Table.



OCL Global Limited <i>Fair Market Value of Investments in OCL China Limited</i>	
Indicated Value of OCL China Limited (in CNY Mn)	47.33
Multiply by: CNY-USD Conversion Rate as on 01.02.2024	0.1393
Indicated Value of OCL Global Limited (in USD Mn)	6.59
Multiply by: 90% Share holding interest	90%
Fair Market Value of OCL Global Limited's Investment in OCL China Limited as of February 02, 2024 (In USD Mn)	5.93

OCL Global Limited

Determination of Projected Annual Free Cash Flow to Equity

- OCL Global is a trading company primarily engaged in exporting refractory bricks and other refractory material manufactured by its subsidiary, OCL China. Given the nature of business of OCL Global, the Management has provided projected income statements for the period / years ending March 31, 2024 through March 31, 2028. We have used discounted cash flow method to compute the fair value of equity shares of OCL Global Limited besides valuing its investment in OCL China at Adjusted Net Asset Value Method and by adding cash and cash equivalents.

Points for consideration for OCL Global Ltd. valuation working:

Capital Expenditures and Depreciation

As of the Valuation Date, OCL Global holds no fixed assets. Accordingly, depreciation and amortization are assumed to be NIL for the projection period. Given the nature of business of OCL Global, no capital expenditure has been estimated during the projection period.

Normalized Change in Net Working Capital

To calculate the annual projected increase in non-cash, non-debt, net working capital, a forward-looking working capital turnover ratio was needed. In order to determine this, we first calculated the historical working capital turnover ratio for FY 2023 and period ending December 2023 of FY 2024 and since there was significant variance between the two ratios, we opted for average of the two ratios and applied this over the projections made available by the Management.

Borrowing/Debt Repayment

As of the Valuation Date, OCL Global does not have any debt outstanding. As a result, the debt repayment is assumed to be NIL for the projection period.

Discount Rate

The calculation of the cost of equity using the capital asset pricing model. Data as to Mauritius 10 year Govt. Bond for calculating Risk Free Return has been taken from public data (Mauritius 10 Years Bond - Historical Data (worldgovernmentbonds.com)) while Beta for Metal & Mining – Emerging market, Total Market Risk Premium and Country Specific Risk Premium for Mauritius have been taken from Aswath Damodran site. Data for Mauritius has been considered since OCLG is carrying out its operations from Mauritius. Since the Company does not involve too much of borrowing etc. we have not used Un-leveraging / Re-leveraging of Beta.

Value Indication of OCL Global's Operations via the DCF Method

Using the projected FCFE and per the discount rate determined herein above, per DCF method of valuation, the indicative value comes to \$ 2.53 Mn, representing the enterprise value of the company's operations going forward starting w.e.f. 01.01.2024.

Valuation of OCL Global in its Entirety



The equity value of OCL Global of INR 183.70 Crores as computed herein below representing the fair value through DCF method for operations of OCL Global besides equity value of 90% investment stake of OCLG in OCL China adding cash and cash equivalents as of the Valuation Date to the value of the company's operations.

Dalmia Bharat Refractories Limited Fair Market Value of Investments in OCL Global Limited	
Indicative Value of OCL China Limited (in USD Mn)	\$5.93
DCF value of future business of OCL Global Ltd (in USD Mn)	\$2.53
Cash and Bank Balance as on 31.12.2023 (in USD Mn)	\$13.68
Total	\$22.14
Multiply by: INR/USD Conversion Rate (RBI Archive Rate)	82.9653
Indicative Value of OCL Global Limited - with DCF value of going forward business (in INR)	183.70
in INR Crores	183.70
Fair Market Value of the Company's Investments as of Valuation Date: (INR)	183.70

After including value of other investments, which have been taken at book value due to nature / status / information available in public domain or with the management/ timing of investment, the overall fair value of DBRL investments as on Valuation Date, based on the methodologies enumerated herein above, works out to INR 2,834.25 crores, summarized as under:

Dalmia Bharat Refractories Limited Fair Market Value of Investments			
	# Shares/OCD/ NCD/ Holding %	Indicated Value Per Share (INR)	Fair Market Value (INR in Crores)
PSI Magnesia India Limited	27,000,000	672.21	1,818.51
OCL Global Limited	100%		183.70
Dalmia Bharat Limited	1,591,952	2,240.78	356.72
Birla Tyres Ltd	9,999		22.52
Interest Bearing NCDs considered at Book Value			130.00
OCD Investment considered at Book Value - recent investment			275.00
Other Miscellaneous Investment at Book Value			50.00
Haradr Birla Tyre Manufacturing Pvt. Ltd	1,69,999	Impaired Value	
Total Fair Market Value of Investments			2,834.25

Current Investments:

DBRL holds investments in 12,11,861 units of Axis Overnight Fund Direct Growth. Being listed on stock exchange, the fair value analysis as of the Valuation Date, based on last rate available as of 01.02.2024, is INR 151.86 Crores.

(7) Contingent Asset:

According to the Management, DBRL is entitled to receive an amount of INR 5.24 crores (including interest on the principal amount) against litigation in a matter where Hon'ble Court has already passed an order in favour of the Company; however, it is yet to be implemented by the Government authority and that there is a high probability of realization of this amount in the future. Accordingly, we have considered an additional contingent asset of INR 5.24 crores for our valuation, without considering interest since interest is due only on part of claim amount which too is not specified in the order.

Valuation Per Equity Share of DBRL

Thus, fair value per equity share of DBRL as of the Valuation Date.

Dalmia Bharat Refractories Limited Valuation of One Equity Share	
Indicated Value of equity Shares (INR in Crores)	2,890.15
Divide by: # of Equity Shares Outstanding	44,200,107
Indicated Value of One Equity Share of DBRL as of February 2, 2024 (INR)	676.50



CONCLUSION

Based on our study and analytical review procedures, and subject to the limitations expressed within this report, the fair equity share exchange ratios, are:

- The fair Share Exchange Ratio for the proposed Scheme of Arrangement of DMC Unit and GT Unit with DBRL is as under:

1 equity shares of DBRL of INR 10 each fully paid up for every 48.18 equity shares of DBSIL of INR 2 each fully paid ₹2

CA Rajeev Dhingra

RAJEEV DHINGRA Digitaly signed by RAJEEV DHINGRA
Date: 2024.02.01 17:42:46 +05'30



Registered Valuer (Securities / Financial Assets)

Registration No.: IBBI/RV/06/2020/13509; ICAI RVO/RV-P00123/2020-21

UDIN: 24090158BKCYNJ6049

Date: February 02, 2024

Place: New Delhi





cement! sugar! refractories! power!

To,
BSE Limited
P.J. Towers, Dalal Street
Mumbai – 400 001
Scrip Code: 500097

The National Stock Exchange of India
Limited
Exchange Plaza, 5th Floor
Bandra (East), Mumbai – 400 051
Symbol: DALMIASUG

Dear Sir/Madam,

Sub: Confirmation in connection to an application made under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended (“LODR Regulations”) in respect of the Scheme of Arrangement between Dalmia Bharat Sugar and Industries Limited (“Demerged Company” or “DBSIL” or “Company”) and Dalmia Bharat Refractories Limited (“Resulting Company” or “DBRL”) and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the “Scheme”)

We hereby state, confirm and undertake that:

1. No material event impacting the valuation has occurred during the intervening period of filing the Scheme documents with Stock Exchange(s) and period under consideration for valuation;
2. There are no details on any past defaults of listed debt obligations of the Company.

For Dalmia Bharat Sugar and Industries Limited

AASHHIM
A V
KHANNA

Digitally signed by AASHHIMA V KHANNA
DN: cn=AASHHIMA V KHANNA, o=IS, ou=Personae
Reason: I am the author of this document
Location:
Date: 2024.02.19 15:21+05:30

**Aashhima V. Khanna
Company Secretary
Membership No.: A34517**

Date: February 02, 2024

Place: New Delhi

Dalmia Bharat Sugar and Industries Limited

11th & 12th Floor, Hansalaya Building, 15 Barakhamba Road, New Delhi – 110001, Delhi, India

T + 91 11 23465100 W www.dalmiasugar.com CIN: L15100TN1951PLC000640

Registered Office: Dalmiapuram, District Tiruchirapalli – 621651, Tamil Nadu, India

A Dalmia Bharat Group company, www.dalmiabharat.com

To,
BSE Limited
P.J. Towers, Dalal Street
Mumbai – 400 001
Scrip Code: 500097

The National Stock Exchange of India
Limited
Exchange Plaza, 5th Floor
Bandra (East), Mumbai – 400 051
Symbol: DALMIASUG

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2. There are no details on any past defaults of listed debt obligations of the Company.

For Dalmia Bharat Refractories Limited



Meghna Saini
Company Secretary
Membership No.: A42587

Date: February 02, 2024

Place: New Delhi