10 March 2025

To
The Board of Directors
HEG Limited
Bhilwara Towers, A-12,
Sector-1, Noida
Uttar Pradesh - 201301
India

Subject: Recommendation of value per equity share of the Graphite Business (hereinafter called the "Graphite Business" or the "Demerged Business" or the "Demerged Undertaking") of HEG Limited ("HEG" or the "Demerged Company" or the "Transferee Company" or the "Client" or the "Company")

Dear Sir / Madam,

We refer to our engagement letter dated 22 May 2024 whereby HEG Limited had appointed PwC Business Consulting Services LLP (hereinafter referred to as "PwC BCS") for recommending the value per equity share ("Valuation") of the Graphite Business in relation to the proposed restructuring (hereinafter referred to as "Transaction" or "Proposed Demerger") pursuant to a scheme of arrangement ("Scheme") being undertaken by the Demerged Company.

We had issued our Valuation report dated 22 May 2024. Further, in accordance with our first addendum dated 29 November 2024, we had issued a clarificatory note dated 10 December 2024.

We understand from the management of the Client ("Management") that the Board of Directors of Bhilwara Energy Limited ("BEL") have approved raising funds from a third-party investor by way of a preferential issue of equity shares in BEL in accordance with the provisions of the Companies Act, 2013 ("Proposed Fund Raise"). We further understand that that the Stock Exchanges have asked the Client and BEL to submit the updated scheme, opinion on the share entitlement ratio and recommendation of the share exchange ratio. Considering the Graphite Business is being proposed to be demerged from HEG Limited, HEG basis the second addendum dated 09 March 2025 have appointed PwC BCS for recommending the Valuation of the Graphite Business as at the current date.

PwC BCS has been hereinafter referred to as the "Valuer" or "we" or "us" in this Valuation report ("Report").

BACKGROUND OF COMPANIES

HEG Limited is incorporated under the Companies Act, 1956 with Corporate Identity Number L23109MP1972PLC008290 and has its registered office located at Mandideep, near Bhopal, District Raisen, Madhya Pradesh – 462046, India.

HEG's equity shares are listed on the National Stock Exchange of India Limsited ("NSE") and the BSE Limited ("BSE"). HEG is engaged in the business of manufacturing and exporting of graphite electrodes and operates the world's largest single-site integrated graphite electrodes plant. HEG also has three power generation facilities with a total capacity of about 76.5 MW.

PwC Business Consulting Services LLP, 252 Veer Savarkar Marg, Shivaji Park, Dadar, Mumbai – 400 028.
T : +91 (22) 66691500, F: + 91 (22) 66547801 /04 / 07 / 08, www.pwc.com/india

LLPIN : AAO-9288 Registered with limited liability.
Registered Office : 11-A,Sucheta Bhawan, 1st Floor, Vishnu Digambar Marg, New Delhi, 110 002.

HEG Graphite Limited ("Resulting Company"), a company incorporated under the Companies Act, 2013 with Corporate Identity number U23994MP2024PLC071568 and has its registered office at C/o HEG Limited, NH-12, Dist Raisen, Near Bhopal, Mandideep, Bhopal, Huzur, Madhya Pradesh – 462 046, India.

HEG Graphite is a wholly owned subsidiary of HEG and has a nominal share capital and currently does not have any operations Bhilwara Energy Limited ("BEL" or "Transferor Company") is incorporated under the Companies Act, 1956 with Corporate Identity Number U31101DL2006PLC148862 and has its registered office located at Bhilwara Bhawan, 40-41, Community Centre New Friends Colony, South Delhi, New Delhi – 201301, India. BEL is in the process of shifting its registered office from its current address to C/O HEG Limited, NH-12, Dist Raisen, Near Bhopal, Mandideep, Bhopal - 462046, Huzur, Madhya Pradesh, India. BEL's equity shares are not listed on any stock exchange in India and HEG holds 49.0% stake in BEL.

BEL is engaged in the business of establishment, operation, and maintenance of power generating stations and tie-lines, sub-stations, and main transmission lines connected therewith. Currently, BEL is engaged in the generation of wind power through a 14 MW wind power project situated in Maharashtra. We further understand that BEL has investments in various hydropower and battery storage companies.

SCOPE AND PURPOSE OF THIS REPORT

We understand from the management of HEG ("Management") that pursuant to a composite scheme of arrangement (the proposed "Scheme"), HEG envisages the following transactions (individually referred to as "Proposed Transaction" or together referred to as "Proposed Transactions") under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act"):

- **Step I**: Proposed Demerger of the Graphite Business ("Demerged Undertaking") ("Transaction 1") from HEG Limited into HEG Graphite Limited ("Resulting Company") on a going concern basis and issue of equity shares by the Resulting Company to the shareholders of HEG Limited, in consideration thereof. Post demerger, the shares of the Resulting Company will be listed on the Indian Stock Exchanges. Further, we understand from the Management that the Scheme complies with the demerger as per section 2(19AA) and other provisions of the Income Tax Act;
- **Step II**: Amalgamation of BEL with HEG Limited post the demerger of Graphite Business as indicated in Step I above ("Transaction 2").

In this Report, post demerger of Graphite Business, HEG is referred to as "HEG (excluding Graphite Business)".

In connection with the Proposed Transactions, the Board of Directors of HEG have appointed PwC BCS to submit a Report recommending (i) the value per equity share corresponding to the Graphite Business ("Valuation") as at 7 March 2025 ("Valuation Date"), on a going concern basis. The recommendation to the Board of Directors (including audit committees, as applicable) of HEG shall be for the purpose of determining the value per share of HEG (excluding Graphite Business).

It is clarified that any reference to this Report in any document and/ or filing with any tribunal/ judicial/ regulatory authorities/ government authorities/ stock exchanges/ courts/ shareholders/ professional advisors/ merchant bankers, in connection with the Proposed Transactions, shall not be deemed to be an acceptance by the Valuer of any responsibility or liability to any person/ party other than the Board of Directors of the Company.

PwC Business Consulting Services LLP

The Report will be used by the Client only for the purpose, as indicated in this Report, for which we have been appointed. The results of our Valuation and our Report cannot be used or relied by the Client for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person/ party for any decision of such person/ party based on this Report.

This Report is our deliverable for the above engagement. This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

The scope of our services is to recommend the value per equity share of the Graphite Business for the Proposed Demerger in accordance with International Valuation Standards.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management and gathered from public domain:

- Considered the carved out historical financial information of Graphite Business for the three years ended 31 March 2024 and nine months ended 31 December 2024;
- Considered the financial projections of Graphite Business from 01 January 2025 to 31 March 2029, including key underlying assumptions with respect to the projected profit & loss account and projected balance sheet;
- Considered the information available in the public domain for comparable companies;
- Discussions with the Management in connection with the Graphite Business, past performance trends and non-recurring/abnormal items, future plans and prospects, etc.;
- Considered the draft Scheme; and
- Considered the International Valuation standards (effective 31 January 2022) published by the International Valuation Standards Council.

During discussions with the Management, we have also obtained explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise. The Client has been provided with the opportunity to review the draft report (excluding the recommended value/ conclusion) as part of our standard practice to make sure that factual inaccuracy/ omissions are avoided in our Report.

PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the Valuation:

- requested and received financial and qualitative information from the Management;
- considered and researched publicly available market data related to the Company/ Graphite Business, and various other industry factors;
- discussions with the Management to understand the business, key value drivers, historical financial performance and projected financial performance;
- selection of well accepted valuation methodology/(ies) as considered appropriate by us; and
- arriving at the value conclusions.

PwC Business Consulting Services LLP

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or PricewaterhouseCoopers ("PwC") network firms.

This Report, its contents and the results herein are specific to (i) the purpose as per the terms of our engagement; (ii) Valuation Date and (iii) and are based on the sources of information outlined above including information provided by the Management which we believe to be reliable.

The Management has represented that the business activities of Graphite Business has been carried out in the normal and ordinary course between 31 December 2024 (the date for which the latest financials are publicly available as per the Management) and the date hereof and that no material adverse change has occurred in the operations and financial position between 31 December 2024 and the Valuation Date which will impact the value conclusions.

An analysis of this nature is necessarily based on the prevailing stock market, financial, economic, industry and other conditions in general and the information made available to us as of, date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

In terms of our engagement, we have assumed and relied upon, without independent verification, the accuracy of information made available to us by/ on behalf of the Client. We have not audited, reviewed, certified, carried out a due diligence or otherwise investigated the information provided to us. Our conclusions are dependent on such information being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us by the Management. We have, therefore, not carried out any due diligence review, independent audit or other test or validation of such information to establish the accuracy or sufficiency of the information, explanations and representations provided to us. Accordingly, we do not express any opinion or any other form of assurance thereon and accept no responsibility for the same.

Also, with respect to explanations and information sought from/ on behalf of the Client, we have been given to understand by the Management that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the information given by/ on behalf of the Client. The Management has indicated to us that they have understood that any material omissions, inaccuracies, or misstatements may materially affect our report. Accordingly, we assume no responsibility for any errors in the information furnished by/ on behalf of the Client and their impact on the Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

The Report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Graphite Business will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities

PwC Business Consulting Services LLP

that are not recorded in the carve-out balance sheet of the Graphite Business. Our conclusion assumes that the assets and liabilities of the Graphite Business, reflected in the latest carve-out balance sheet remain intact as of the Report date.

No investigation of the claims of the Graphite Business to title of assets has been made for the purpose of this Report and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single value. While we have provided our recommendation based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion.

Our Report is not, nor should it be construed as, our opining or certifying the compliance of the proposed Demerger of the Business with the provisions of any law including companies law, FEMA and taxation related laws or as regards any legal implications or issues arising from such proposed Demerger. We have not conducted or provided an analysis or prepared a model for any individual assets/ liabilities and have wholly relied on the information provided by/ on behalf of the Management in this regard.

We must emphasize that the projected financial information has been prepared by the management of the Graphite Business and provided to us for the purpose of our analysis. The fact that we have considered the projected financial information in this exercise should not be construed or taken as our being associated with or a party to such projections. Realizations of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to provide any assurance about the achievability of the projected financial information. Since the projected financial information relates to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material. We express no opinion as to how closely the actual results will correspond to those projected/ forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of the Management.

This Report does not look into the business/ commercial reasons behind the Transactions nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Transactions as compared with any other alternative business transactions, or other alternatives, or whether or not such alternatives could be achieved or are available. We have not examined or advised on accounting, legal or tax matters involved in the Transactions.

We owe responsibility to only the Board of Directors of the Company that has appointed us under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions of or advice given by any other party to the Client. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the Client, their directors, employees, or agents. In no circumstances shall the liability of PwC BCS, its partners, its directors, or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to us in respect of the fees charged for these services.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, without our prior written consent other than in connection with the proposed Transaction. In addition, we express no opinion or recommendation as to

PwC Business Consulting Services LLP

how the shareholders of the Company should vote at any shareholders' meeting(s) to be held in connection with the Transactions. Our Report and the opinion contained herein is not and nor should it be construed as advice relating to investing in, purchasing, selling, or otherwise dealing in securities or as providing management services or carrying out management functions.

Any person/ party intending to provide finance/ invest in the shares/ businesses of the companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Client) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to us.

We are independent of the Client and have no current or expected interest in the Client or its assets. The fee for the engagement is not contingent upon the results reported.

This Report is subject to the laws of India.

SHARE CAPITAL DETAILS OF HEG LIMITED

The issued and subscribed equity share capital of HEG Limited as of 10 March 2025 is ~INR 38.6 crores consisting of 192,977,530 ordinary shares of face value of INR 2/- each. The equity shareholding pattern of HEG is as follows:

Shareholders	Number of ordinary shares	% Share Holding
Promoter and Group	107,639,870	55.8%
Public	85,337,660	44.2%
Grand Total	**192,977,530**	**100.0%**

Source: Based on information provided by Management as of 10 March 2025

The Management has informed us that, without approval of the shareholders, there would not be any variation in the Equity Capital of HEG till the proposed Scheme becomes effective. Accordingly, our Report and value conclusions consider the above shareholding pattern of HEG.

GRAPHITE BUSINESS

Graphite Business means and includes all the activities, business, operations and undertakings of the Transferee Company in relation to designing, development, prototyping, validation, manufacturing, sale and supply of graphite electrodes. We understand that Graphite Business supplies its products to its clients in India, US and Europe.

Below is a snapshot on the operating performance of the Graphite Business for the last three years and nine months ended 31 December 2024.

Particulars (INR Cr)	Financial year ending March 31,			Nine Months ended 31 December 2024
	2022	2023	2024	
Revenue	2,202	2,467	2,395	1,618
EBITDA	527	620	389	216
EBITDA Margin	23.9%	25.1%	16.2%	13.4%

VALUATION APPROACH & METHODOLOGY

There are several commonly used and accepted approaches for determining the value of a business, which have been considered in the present case, to the extent relevant and applicable:

1. Asset Approach - Net Asset Value ("NAV") Method

2. Income Approach
    - Discounted Cash Flow ("DCF") Method

3. Market Approach
    - Market Price Method
    - Comparable Companies' Multiples ("CCM") Method
    - Comparable Companies' Transaction Multiples ("CTM") Method

Asset Approach - Net Asset Value method
The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in cases where the firm is to be liquidated i.e., it does not meet the "going concern" criteria or in case where the assets base dominates earnings capability. In a going concern scenario, the relative earning power is of importance, with the values arrived at on the net asset basis being of limited relevance.

Income Approach (Discounted Cash Flows (DCF) Method)
Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:
Free cash flows are the cash flows expected to be generated by the company/ business that are available to all providers of the companies'/ business' capital – both creditors and shareholders.

Appropriate discount rate to be applied to cash flows i.e., the cost of capital:
This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company/ business. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

Market Approach
Under this approach, value of a company is assessed basis its market price (i.e. if its shares are quoted on a stock exchange) or basis multiples derived using comparable (i.e. similar) listed companies or transactions in similar companies. Following are the methods under Market Approach:

- **Market Price ("MP") Method**
  The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper indicator of the fair value of the share especially where the market values are fluctuating in a volatile capital market or when the shares are thinly traded. Further, in the event

PwC Business Consulting Services LLP

only one of the business segments of a Company is valued, the overall market price of that company cannot be considered as the split for value with respect to the business segment is not available.

- **Comparable Companies' Multiple ("CCM") method**
  Under this method, value of a business / company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. The market price, as a ratio of the comparable company's attribute such as sales, capital employed, earnings, etc. is used to derive an appropriate multiple. This multiple is then applied to the attribute of the asset being valued to indicate the value of the subject asset. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

- **Comparable Companies' Transaction Multiples ("CTM") Method**
  Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable transactions. This valuation is based on the principle that transactions taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Company. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Graphite Business, and other factors which generally influence the valuation of the Graphite Business and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Out of the above, we have used approaches / methods, as considered appropriate. The valuation approaches/ methods used, and the values arrived at using such approaches/ methods by us have been tabled in the next section of this Report.

BASIS OF VALUATION OF GRAPHITE BUSINESS

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgments taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheet, but which will strongly influence the value of a business. Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single value. While we have provided our recommendation based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the value of the Graphite Business and the proportion of Graphite Business to total HEG value.

PwC Business Consulting Services LLP

Given the nature of the Graphite Business, we have considered it appropriate to apply the DCF Method under the Income Approach and Comparable Companies' Method under the Market Approach. The Value arrived under the DCF Method and the Comparable Companies' Method is adjusted for cash and cash equivalents, surplus assets or any debt/debt like items as appearing in the carve out balance sheet of the Graphite Business at 31 December 2024.

To arrive at the price per equity share contributed by the Graphite Business, we have considered the total issued and paid up equity shares of HEG at 10 March 2025.

Though different values have been arrived at under each of the above methodologies, it is finally necessary to arrive at a single value which can be considered for adjusting equity share price of HEG to arrive at the value per share of HEG (excluding Graphite Business). Accordingly, for this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

CONCLUSION

Based on consideration of the relevant factors and circumstances as discussed and outlined in this Report, the value per equity share of HEG corresponding to the Graphite Business is as under:

Method	**Graphite Business of HEG**	
	Value per share (INR)	Weight
Income Approach (DCF Method)	429.2	50.0%
Market Approach (CCM method)	357.7	50.0%
Net Asset Value Method	157.6	NA
Value per share	**393.4**	**100.0%**

Respectfully submitted,

For and on behalf of
PwC Business Consulting Services LLP
IBBI Registered Valuer No.: IBBI/RV-E/02/2022/158

Neeraj

Neeraj Garg
Partner
IBBI Membership No: IBBI/RV/02/2021/14036
Date: 10 March 2025
VRN: IOVRVF/PWC/2024-2025/4732/B

10 March 2025

The Board of Directors
HEG Limited
Bhilwara Towers, A-12,
Sector-1, Noida
Uttar Pradesh-201301,
India

The Board of Directors
Bhilwara Energy Limited
Bhilwara Towers, A-12,
Sector-1, Noida
Uttar Pradesh-201301
India

Re:

1. Opinion on the Share Entitlement Ratio for the proposed demerger of Graphite Business from HEG Limited ("Demerged Company" or the "Transferee Company") into HEG Graphite Limited ("HEG Graphite" or "Resulting Company"); and
2. Recommendation of the fair Share Exchange Ratio for the proposed amalgamation of Bhilwara Energy Limited ("Transferor Company") with HEG Limited (post the above referred demerger).

Dear Sir / Madam,

We refer to our engagement letter dated 22 May 2024 whereby HEG Limited ("HEG") and Bhilwara Energy Limited ("BEL") (together referred to as the "Clients" or the "Companies") had appointed PwC Business Consulting Services LLP (hereinafter referred to as "PwC BCS") to:

- Opine on the share entitlement ratio for the demerger of Graphite Business from HEG Limited into the Resulting Company; and
- Recommend the fair share exchange ratio for the proposed amalgamation of Bhilwara Energy Limited with HEG Limited (post the demerger of Graphite Business as indicated above).

We had issued our Share Exchange Ratio report dated 22 May 2024. Further, in accordance with our first addendum dated 29 November 2024, we had issued a clarificatory note dated 10 December 2024.

We understand from the management of the Clients ("Management") that the Board of Directors of BEL have approved raising funds from a third-party investor by way of a preferential issue of equity shares in BEL in accordance with the provisions of the Companies Act, 2013 ("Proposed Fund Raise"). The Management has represented that the Stock Exchanges have asked the Clients to submit the updated scheme, opinion on the share entitlement ratio and recommendation of the fair share exchange ratio as at the current date.

Accordingly, the Clients basis the second addendum dated 09 March 2025 have appointed PwC BCS to:

- Opine on the share entitlement ratio ("Share Entitlement Ratio") for the demerger of Graphite Business from HEG Limited into the Resulting Company; and
- Recommend afresh the fair share exchange ratio ("Share Exchange Ratio") for the proposed amalgamation of Bhilwara Energy Limited with HEG Limited (post the demerger of Graphite Business as indicated above).

The Share Entitlement Ratio and Share Exchange Ratio have been assessed as at 07 March 2025 ("Valuation Date").

PwC BCS has been hereinafter referred to as the “Valuer” or “we” or “us” in this share exchange ratio report (“Share Exchange Report” or “Report”).

BACKGROUND OF COMPANIES

HEG Limited (“HEG” or “Demerged Company” or “Transferee Company”) is incorporated under the Companies Act, 1956 with Corporate Identity Number L23109MP1972PLC008290 and has its registered office located at Mandideep near Bhopal, District Raisen, Madhya Pradesh – 462046, India.

HEG’s equity shares are listed on the National Stock Exchange of India Limited (“NSE”) and the BSE Limited (“BSE”). HEG is engaged in the business of manufacturing and exporting of graphite electrodes and operates the world’s largest single-site integrated graphite electrodes plant. HEG also has three power generation facilities with a total capacity of about 76.5 MW.

HEG Graphite Limited (“Resulting Company”), a company incorporated under the Companies Act, 2013 with Corporate Identity number U23994MP2024PLC071568 and has its registered office at C/o HEG Limited, NH-12, Dist Raisen, Near Bhopal, Mandideep, Bhopal, Huzur, Madhya Pradesh – 462 046, India.

HEG Graphite is a wholly owned subsidiary of HEG and has a nominal share capital and currently does not have any operations.

Bhilwara Energy Limited (“Transferor Company”) is incorporated under the Companies Act, 1956 with Corporate Identity Number U31101DL2006PLC148862 and has its registered office located at Bhilwara Bhawan, 40-41, Community Centre New Friends Colony, South Delhi, New Delhi – 201301, India. BEL is in the process of shifting its registered office from its current address to C/O HEG Limited, NH-12, Dist Raisen, Near Bhopal, Mandideep, Bhopal - 462046, Huzur, Madhya Pradesh, India. BEL’s equity shares are not listed on any stock exchange in India. HEG holds 49.0% stake in Bhilwara Energy Limited.

BEL is engaged in the business of establishment, operation, and maintenance of power generating stations and tie lines, sub-stations, and main transmission lines connected therewith. Currently, BEL is engaged in the generation of wind power through a 14 MW wind power project situated in Maharashtra. We further understand that BEL has investments in various hydropower and battery storage companies.

Transferee Company, Resulting Company and Transferor Company together are referred to as “Companies” in this Report.

SCOPE AND PURPOSE OF THIS REPORT

We understand that pursuant to a composite scheme of arrangement (the proposed “Scheme”), the following transactions are proposed (together referred to as “Proposed Transactions”) under the provisions of Sections 230 to 232 of the Companies Act, 2013, other applicable laws and rules issued thereunder, as may be applicable:

- **Step I**: Demerger of the Graphite Business (“Demerged Undertaking”) (“Transaction 1”) from the Demerged Company into HEG Graphite Limited (“Resulting Company”) on a going concern basis and issue of equity shares by the Resulting Company to the shareholders of the Demerged Company, in consideration thereof. Post demerger, the shares of the Resulting Company will be listed on the Indian Stock Exchanges. Further, we understand from the management of Clients (“Management”) that the Scheme complies with the definition of demerger as per section 2(19AA) and other provisions of the Income Tax Act.

- **Step II**: Amalgamation of BEL with HEG Limited (post the demerger of Graphite Business as indicated in Step I above) ("Transaction 2").

In this Report, post demerger of Graphite Business, HEG is referred to as "HEG (excluding Graphite Business)".

We understand from the Scheme that as consideration for:

i. Transaction 1, the equity shareholders of HEG would be issued equity shares of Resulting Company. Simultaneous with the issuance of such equity shares to the shareholders of HEG, the existing issued and paid up capital of the Resulting Company as on the effective date, shall be automatically cancelled; and
ii. Transaction 2, the equity shareholders of BEL would be issued equity shares of HEG (excluding Graphite Business).

For the aforesaid purpose, the Board of Directors of the Clients have appointed PwC BCS to submit a Registered Valuer Report providing:

- Opinion on the Share Entitlement Ratio recommended by the Management for the proposed demerger of the Graphite Business from HEG into Resulting Company ("Transaction 1"); and
- Recommendation of fair Share Exchange Ratio for Transaction 2 i.e. merger of BEL with HEG (excluding Graphite Business).

on a going concern basis with 7 March 2025 being the Valuation Date, for the consideration of the Board of Directors of the Clients in accordance with the generally accepted professional standards.

It is clarified that any reference to this Report in any document and/ or filing with any tribunal/ judicial/ regulatory authorities/ government authorities/ stock exchanges/ courts/ shareholders/ professional advisors/ merchant bankers, in connection with the Proposed Transactions, shall not be deemed to be an acceptance by the Valuer of any responsibility or liability to any person/ party other than the Board of Directors of Clients.

As per the Scheme, we understand that the Appointed Date for the Proposed Transactions is 01 April 2024.

The Report will be used by the Clients only for the purpose, as indicated in this Report, for which we have been appointed. The results of our analysis and our Report cannot be used or relied by the Clients for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person/ party for any decision of such person/ party based on this Report.

The scope of our services is to opine on the Share Entitlement Ratio for Transaction 1 and conduct valuation of equity shares of the HEG (excluding Graphite Business) and BEL on a relative basis and to recommend a fair Share Exchange Ratio for Transaction 2 in accordance with generally accepted professional standards.

This Report is our deliverable for the above engagement. This Report is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

PwC Business Consulting Services LLP

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management and gathered from public domain:

- Considered the audited financial statements of BEL and its investee companies for the last three years ended 31 March 2024 and nine months ended 31 December 2024;
- Considered the carve out financials of HEG (excluding Graphite Business) for the last three years ended 31 March 2024 and nine months ended 31 December 2024;
- Considered the audited financial statements of the investee companies of HEG (excluding Graphite Business) for the last three years ended 31 March 2024;
- Considered the limited reviewed financial statements of the investee companies of HEG (excluding Graphite Business) for the nine months ended 31 December 2024;
- Considered the financial projections of BEL and its investee companies from 01 January 2025 to 31 March 2029[1], including key underlying assumptions with respect to the projected profit & loss account, and projected balance sheet;
- Considered the financial projections of the investee companies of HEG and HEG (excluding Graphite Business) from 01 January 2025 to 31 March 2029[2], including key underlying assumptions with respect to the projected profit & loss account and projected balance sheet;
- Details of surplus assets such as real estate and valuation report/ estimates thereof;
- Considered the draft Scheme;
- Considered the board resolution for the proposed preferential issue of 17,595,979 equity shares at an issue price of INR 142.08 to a third-party investor;
- Considered the market prices of equity shares of HEG as published by NSE and BSE till 7 March 2025;
- Analysis of general market data, including economic and industry information that may affect the value;
- Considered information available in the public domain in respect of the comparable companies / transactions, as appropriate, if available;
- Considered the International Valuation standards (effective 31 January 2022) published by the International Valuation Standards Council, and;
- Other information and documents that we considered necessary for the purpose of this engagement.

During the discussions with the management of the Companies and their subsidiaries, we have also obtained explanations and information considered reasonably necessary for our exercise. The Clients have been provided with the opportunity to review the draft report (excluding our conclusions) as part of our standard practice to make sure that factual accuracies / omissions are avoided in our final report.

PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

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

- requested and received financial and qualitative information from the Management;
- considered and researched publicly available market data related to the Companies and various other industry factors;

[1] For project generation companies, the projections were shared basis balance tenure of the power purchase agreement/ license period with us. Further, projections of Replus Engitech Private Limited were provided for the period 01 January 2025 to 31 March 2030.
[2] Projections of TACC Limited were provided for the period 01 January 2025 to 31 March 2030.

PwC Business Consulting Services LLP

- discussions with the management of the Companies to understand the business, key value drivers, historical financial performance and projected financial performance of the respective companies;
- selection of well accepted valuation methodology/(ies) as considered appropriate by us; and
- arriving at values of HEG (excluding Graphite Business) and BEL on a relative basis in order to determine the fair Share Exchange Ratio for the Transaction 2.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or PwC network firms.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed per the terms of our engagement; (ii) Valuation Date and (iii) and are based on the balance sheets of the respective companies as at 31 December 2024 and other information provided by the Management. The Management has represented that the business activities of the companies have been carried out in the normal and ordinary course between 31 December 2024 and the date hereof and that no material adverse change has occurred in their respective operations and financial position between 31 December 2024 and the Valuation Date. We understand that the Board of Directors of BEL have approved a fund raise of upto INR 500 crore in one or multiple tranches subject to the applicable laws and provisions of the Companies Act, 2013. We also understand that the Board of Directors of BEL has also approved the first tranche of investment of ~INR 250 Crores (at a per share value of INR 142.08) as of 10 March 2025.

An analysis of this nature is necessarily based on the prevailing stock market, financial, economic, industry and other conditions in general and the information made available to us as of, date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

In terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by/ on behalf of the Clients. In accordance with our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, certified, carried out a due diligence or otherwise investigated the historical financial information provided to us. We have not independently investigated or otherwise verified the data provided by/ on behalf of the Clients. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financials/ financial statements and projections. The assignment did not require us to conduct any financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the Companies and their investee companies. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy, or completeness, we have obtained information as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information.

Also, with respect to explanations and information sought from/ on behalf of the Clients, we have been given to understand by the Management that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific

PwC Business Consulting Services LLP

information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/ on behalf of the Clients. The Management has indicated to us that they have understood that any material omissions, inaccuracies, or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors in the information furnished by/ on behalf of the Clients and their impact on the Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that these Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/ unaudited balance sheet of the Companies. Our conclusion of value assumes that the assets and liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the Report date.

No investigation of the claims of the Companies to title of assets has been made for the purpose of this Report and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

We must emphasize that the projected financial information has been prepared by the management(s) of the respective Companies and provided to us for the purpose of our analysis. The fact that we have considered the projected financial information in this exercise should not be construed or taken as our being associated with or a party to such projections. Realizations of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to provide any assurance about the achievability of the projected financial information. Since the projected financial information relates to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material. We express no opinion as to how closely the actual results will correspond to those projected/ forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of the Management.

We have not conducted or provided an analysis or prepared a model for any individual assets/ liabilities and have wholly relied on the information provided by/ on behalf of the Management in this regard.

This Report does not look into the business/ commercial reasons behind the Proposed Transactions nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Transactions as compared with any other alternative business transactions, or other alternatives, or whether or not such alternatives could be achieved or are available. We have not examined or advised on accounting, legal or tax matters involved in the Proposed Transactions.

We owe responsibility to only the Boards of Directors of the Clients that have appointed us under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions of or advice given by any other party to the Clients. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the Companies, their directors, employees, or agents.

In no circumstances shall the liability of a Valuer, its partners, its directors, or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, without our prior written consent other than in connection with the Proposed Transactions. In addition, we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Transactions. Our Report and the opinion/ valuation analysis contained herein is not and nor should it be construed as advice relating to investing in, purchasing, selling, or otherwise dealing in securities or as providing management services or carrying out management functions. It is understood that this analysis does not represent a fairness opinion.

Any person/ party intending to provide finance/ invest in the shares/ businesses of the companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Clients) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to us.

We are independent of the Clients and have no current or expected interest in the Clients or its assets. The fee for the engagement is not contingent upon the results reported.

This Valuation Report is subject to the laws of India.

Any discrepancies in any table/ annexure between the total and the sums of the amounts listed are due to rounding-off.

SHARE CAPITAL DETAILS OF THE COMPANIES

<u>HEG Limited</u>

The issued and subscribed equity share capital of HEG as at 10 March 2025 is INR 38.6 crores consisting of 192,977,530 equity shares of face value of INR 2 /- each. The equity shareholding pattern of HEG is as follows:

Shareholders	Number of Equity Shares	% Share Holding
Promoter and Promoter Group	107,639,870	55.8%
Public	85,337,660	44.2%
Grand Total	**192,977,530**	**100.0%**

Source: Management

PwC Business Consulting Services LLP

HEG Graphite Limited

The issued and subscribed equity share capital of HEG Graphite Limited as at 10 March 2025 is INR 0.01 crores consisting of 50,000 equity shares of face value of INR 2 /- each. The equity shareholding pattern of HEG Graphite Limited is as follows:

Shareholders	Number of Equity Shares	% Share Holding
HEG	50,000	100.0%
Grand Total	**50,000**	**100.0%**

Source: Management

Bhilwara Energy Limited

The issued and subscribed equity share capital of BEL as at 10 March 2025 is ~INR 165.8 crores consisting of 165,759,311 equity shares of face value of INR 10 /- each. The equity shareholding pattern of BEL is as follows:

Shareholders	Number of Equity Shares	% Share Holding
Promoter and Promoter Group	84,526,751	50.99%
HEG Limited	81,232,560	49.01%
Grand Total	**165,759,311**	**100.0%**

Source: Management

Further, we understand that the Board of Directors of BEL have approved a fund raise of upto INR 500 crore in one or multiple tranches subject to the applicable laws and provisions of the Companies Act, 2013. We also understand that the Board of Directors of BEL has also approved the first tranche of investment of ~INR 250 Crores (at a per share value of INR 142.08) as of 10 March 2025.

We also note that the Scheme provides "*Notwithstanding anything contained under the Scheme, on or before the Effective Date, the Transferor Company may issue additional equity shares to one or more investors not being promoter(s) or persons acting in concert with the promoters of the Parties, in one or more tranches, aggregating to not more than 41,439,827 i.e. [20]% on the fully diluted share capital of the Transferor Company, by way of preferential allotment at fair value to be determined by an independent valuer, in accordance with the provisions of Applicable Law, which shall be equal to or more than the price considered for determining the share exchange ratio.*"

The Management has informed us that, without approval of the shareholders, there would not be any variation in the equity capital of the Companies till the proposed Scheme becomes effective other than as mentioned above. Accordingly, our Report and recommendation of the Share Exchange Ratio considers the above shareholding pattern of the Companies.

APPROACH & METHODOLOGY - BASIS OF TRANSACTION

The proposed Scheme of Arrangement contemplates (i) Demerger of Graphite Business from HEG into Resulting Company; and (ii) merger of BEL with HEG (excluding Graphite Business).

To opine on the Share Entitlement Ratio for Transaction 1, we have considered the impact of Transaction 1 (i.e. demerger) on the economic beneficial interest of the equity shareholders of HEG.

PwC Business Consulting Services LLP

To arrive at the Share Exchange Ratio for Transaction 2, we have determined the valuation of HEG (excluding Graphite Business) and BEL on a relative basis, based on different valuation approaches explained here below, and considered qualitative factors relevant to the respective companies.

There are several commonly used and accepted valuation approaches for determining the value of shares of a company/ business, which have been considered in the present case, to the extent relevant and applicable:

1. Asset Approach - Net Asset Value ("NAV") Method

2. Income Approach
   - Discounted Cash Flow ("DCF") Method
3. Market Approach
   - Market Price Method
   - Comparable Companies' Multiples ("CCM") Method
   - Comparable Companies' Transaction Multiples ("CTM") Method

Asset Approach - Net Asset Value method

The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in cases where the firm is to be liquidated i.e., it does not meet the 'going concern' criteria or in case where the assets base dominates earnings capability. A Scheme of Amalgamation would normally be proceeded with, on the assumption that the companies/ business would continue as going concerns and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power is of importance to the basis of amalgamation, with the values arrived at on the net asset basis being of limited relevance.

Income Approach (Discounted Cash Flows (DCF) Method)

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:
Free cash flows are the cash flows expected to be generated by the company/ business that are available to all providers of the companies'/ business' capital – both creditors and shareholders.

Appropriate discount rate to be applied to cash flows i.e., the cost of capital:
This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company/ business. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

PwC Business Consulting Services LLP

Market Approach

Under this approach, value of a company is assessed basis its market price (i.e. if its shares are quoted on a stock exchange) or basis multiples derived using comparable (i.e. similar) listed companies or transactions in similar companies. Following are the methods under Market Approach:

- **Market Price ("MP") Method**

  The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper indicator of the fair value of the share especially where the market values are fluctuating in a volatile capital market or when the shares are thinly traded. Further, in the case of amalgamation, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

- **Comparable Companies' Multiple ("CCM") method**

  Under this method, value of a business / company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. The market price, as a ratio of the comparable company's attribute such as sales, capital employed, earnings, etc. is used to derive an appropriate multiple. This multiple is then applied to the attribute of the asset being valued to indicate the value of the subject asset. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

- **Comparable Companies' Transaction Multiples ("CTM") Method**

  Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable transactions. This valuation is based on the principle that transactions taking place between informed buyers and sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of the above companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies

PwC Business Consulting Services LLP

adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Out of the above, we have used approaches / methods, as considered appropriate. The valuation approaches/ methods used, and the values arrived at using such approaches/ methods by us have been tabled in the next section of this Report.

SHARE ENTITLMENT RATIO FOR DEMERGER (TRANSACTION 1)

We understand from the Scheme that upon demerger of Graphite Business from HEG into the Resulting Company, the Management proposes to issue 1 equity share of HEG Graphite Limited (of INR 2 each fully paid up) to all the equity shareholders of HEG, in lieu of 1 equity share of HEG (of INR 2 each fully paid up).

The proposed demerger shall entail allotment of equity shares of the HEG Graphite Limited to all the equity shareholders of HEG, on a proportionate basis, and all equity shareholders of HEG shall be the beneficial economic interest owners of the Resulting Company, i.e. Shareholding pattern of HEG Graphite Limited shall mirror the shareholding pattern of HEG.

We believe that the proposed Share Entitlement Ratio does not affect the beneficial economic ownership of the existing shareholders of HEG and can be deemed fair and reasonable from a commercial point of view.

BASIS OF SHARE EXCHANGE RATIO (TRANSACTION 2)

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the Valuer and judgment taking into account all the relevant factors. There will always be several factors, e.g., present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share.

The determination of a fair share exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single fair share exchange ratio. While we have provided our recommendation of the fair Share Exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the fair Share Exchange Ratio of the equity shares of HEG (excluding Graphite Business) and BEL. The final responsibility for the determination of the exchange ratio at which the Transaction 2 shall take place will be with the Board of Directors of Client who should consider other factors such as their own assessment of the Transaction 2 and input of other advisors.

The fair Share Exchange Ratio has been arrived at on the basis of the equity valuation (on a per share basis) of HEG (excluding Graphite Business) and BEL on a relative basis considering the various methodologies explained herein earlier and various qualitative considered relevant to each company and the business dynamics and growth potentials of the businesses of these companies, having regard to information base, key underlying assumptions, and limitations.

In the current analysis, the amalgamation of BEL with HEG (excluding Graphite Business) is proceeded with on the assumption that BEL and HEG (excluding Graphite Business) would amalgamate as going concerns and actual realization of the operating assets for BEL and HEG (excluding Graphite Business) is not contemplated. In such a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of amalgamation, with the values arrived at on the net asset basis being of limited relevance.

Given the nature of the businesses of HEG (excluding Graphite Business) and BEL and the fact that we have been provided with projected financials for each of the HEG (excluding Graphite Business) segments (including subsidiaries and associates) and each of BEL segments (including subsidiaries and associates), we have considered it appropriate to apply the DCF Method under the Income Approach to arrive at the value of the equity shares of HEG (excluding Graphite Business) and BEL on a relative basis for the purpose of arriving at the fair Share Exchange Ratio.

Within the DCF Method, equity value per share for HEG (excluding Graphite Business) and BEL is computed as follows:

- Equity values for each of the businesses comprising HEG (excluding Graphite Business) (i.e. investments in subsidiaries and associates) have been computed separately using the DCF Method and adjusted for the value of cash and cash equivalents and surplus assets as appearing in the balance sheet as at 31 December 2024 to arrive at the equity value of HEG (excluding Graphite Business). To arrive at the price per equity share of HEG (excluding Graphite Business), we have considered the total issued and paid up equity shares of HEG as at 10 March 2025.
- Equity values for each of the businesses comprising BEL segments (including subsidiaries and associates) is computed separately using DCF Method and adjusted for debt & debt like items, cash and cash equivalents and surplus assets as appearing in the balance sheet as at 31 December 2024 to arrive at the equity value of BEL. To arrive at the price per equity share of BEL, we have considered the total issued and paid up equity shares of BEL as at 10 March 2025. Should not we document that preferential allotment not being considered

In the present case, the equity shares of HEG Limited are listed on NSE and BSE. However, pursuant to Transaction 1, the Graphite Business shall be demerged from HEG into Resulting Company and hence, MP Method cannot be used for the valuation of HEG (excluding Graphite Business). The equity shares of BEL are not listed on any stock exchanges and hence MP Method cannot be used for the valuation of BEL.

Considering the absence of strictly comparable companies to the nature and stage of operations of each of the investee companies of HEG (excluding Graphite Business) and BEL, we have not considered the CCM Method.

We understand HEG acquired the remaining 61.4% equity stake in Bhilwara Infotechnology Limited as on 09 December 2024. Accordingly, we have considered the transaction price for the purpose of our analysis. Further, CTM Method was not applied to the Companies and other investee companies owing to the absence of strictly comparable transactions and paucity of publicly available data on transactions in the relevant industry.

Accordingly, for our final analysis and recommendation, we have relied primarily on the Income Approach to arrive at the value of equity shares of HEG (excluding Graphite Business) and BEL on a relative basis for the purpose of the Transaction 2.

The basis of the proposed amalgamation would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. It is important to note that we are not attempting to arrive at the absolute equity values of HEG (excluding Graphite Business) and BEL but at their relative values to facilitate the determination of a fair Share Exchange Ratio for Transaction 2.

We have applied methods discussed above, as considered appropriate, and arrived at their assessment of the values per equity share of HEG (excluding Graphite Business) and BEL on a relative basis. To arrive at the Share Exchange Ratio for Transaction 2, suitable minor

PwC Business Consulting Services LLP

adjustments/ rounding off have been done in the relative values for arriving at the recommended swap ratio.

In view of the above, considering the relevant facts and circumstances detailed in this Report, the table below summaries the workings pertaining to the value per share of the Transferor Company and Transferee Company for Transaction 2 on a relative basis as derived by us.

Valuation Approach	**HEG (excluding Graphite Business)**		**BEL**	
	Value per Equity Share (INR)	**Weight**	**Value per Equity Share (INR)**	**Weight**
Income Approach - DCF Method	120.3	100.0%	141.8	100.0%
Market Approach	NA	0.0%	NA	0.0%
Asset Approach – NAV	61.2	0.0%	69.7	0.0%
Value per Share	**120.3**		**141.8**[3]	

NA – Not Applicable

This space has been left blank intentionally

[3] We understand that the Board of Directors of BEL has approved the first tranche of investment of ~INR 250 Crores (at a per share value of INR 142.08) as of 10 March 2025. We further understand that the proposed preferential issue is subject to receipt of shareholders and other regulatory approvals. We note that the preferential issue price per equity share of INR 142.08 is in close proximity to the relative value per share of BEL of INR 141.8 as assessed by us.

Floor Price for HEG (excluding Graphite Business)

Considering the value per equity share of HEG (excluding Graphite Business) of INR 120.3 as stated above and the value per equity share of INR 393.4 for Graphite Business (refer our report of 10 March 2025[4] for the value per equity share of Graphite Business), the total value per equity share for HEG Limited is INR 513.7. Accordingly, the proportion of Transferee Company i.e. HEG (excluding Graphite Business) is ~23.4% of the overall value of HEG Limited, with the remaining 76.6% pertaining to the Graphite Business.

As per Section 164 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR"), the price per equity share of HEG based on the higher of a) 10 trading days and b) 90 trading days volume weighted average price ("VWAP") as of 7 March 2025 i.e. preceding the relevant date of 10 March 2025 is INR 529.6.

Applying the percentage value contributed by HEG (excluding Graphite Business) of ~23.4% to the price per equity share of HEG, derived as the higher of 10 trading days and 90 trading days VWAP, the adjusted floor price applicable to Transferee Company i.e. HEG (excluding Graphite Business) is concluded as INR 124.0.

Valuation Approach	HEG (excluding Graphite Business)		BEL	
	Value per Equity Share (INR)	Weight	Value per Equity Share (INR)	Weight
Value per Share	120.3	0.0%	141.8	100.0%
Floor Price per Share	124.0	100.0%	NA	0.0%
Concluded Value per Share	**124.0**		**141.8**	

Considering the floor price of HEG (excluding Graphite Business) of INR 124.0 is higher than the value of HEG (excluding Graphite Business) of INR 120.3, we have considered the floor price of HEG (excluding Graphite Business) for the purpose of arriving at the recommendation of the Share Exchange Ratio.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following fair Share Exchange Ratio:

- **8 equity shares of HEG (excluding Graphite Business) (of INR 2 each fully paid up) for every 7 equity shares of BEL (of INR 10 each fully paid up).**

Respectfully submitted,

For and on behalf of
PwC Business Consulting Services LLP
IBBI Registered Valuer No.: IBBI/RV-E/02/2022/158

Neeraj

Neeraj Garg
Partner
IBBI Membership No: IBBI/RV/02/2021/14036
Date: 10 March 2025
VRN - IOVRVF/PWC/2024-2025/4732/C

[4] Report issued with the VRN - IOVRVF/PWC/2024-2025/4732/B.

Private & Confidential

12 March 2025

HEG Limited
Bhilwara Towers, A-12
Sector-1, Noida
Uttar Pradesh-201301
India

Dear Sirs,

We refer to our engagement letter dated 22 May 2024 and subsequent amendment dated 10 March 2025 whereby HEG Limited ("HEG" or "Demerged Company" or "Transferee Company") and Bhilwara Energy Limited ("BEL" or "Transferor Company") (together referred to as the "Clients" or the "Companies") had appointed us to provide Share Exchange Ratio ("SER") report for the Proposed Transactions (as defined hereinafter).

We understand that pursuant to the proposed composite scheme of Arrangement ("Scheme"), the following transactions are proposed (together referred to as "Proposed Transactions") under the provisions of Sections 230 to 232 of the Companies Act, 2013, other applicable laws and rules issued thereunder, as may be applicable:

- **Step I:** Demerger of the Graphite Business ("Demerged Undertaking") ("Transaction 1") from the Demerged Company into HEG Graphite Limited ("Resulting Company") on a going concern basis and issue of equity shares by the Resulting Company to the shareholders of the Demerged Company, in consideration thereof. Post demerger, the shares of the Resulting Company will be listed on the Indian Stock Exchanges. Further, we understand from the management of Clients ("Management") that the Scheme complies with the definition of demerger as per section 2(19AA) and other provisions of the Income Tax Act.
- **Step II:** Amalgamation of BEL with HEG Limited (post the demerger of Graphite Business as indicated in Step I above) ("Transaction 2").

Accordingly, we have completed our procedures and submitted the SER report providing our opinion on the share entitlement ratio for Transaction 1 and recommendation of the fair share exchange ratio for Transaction 2 on 10 March 2025.

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 entitlement ratio and fair 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

Neeraj Garg
Partner
IBBI Membership No.: IBBI/RV/02/2021/14036

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

Comparable companies' multiple method is not used in valuation for arriving at the recommended Share Exchange Ratio. As would be observed from the valuation table at the end of our SER report, 0% weightage has been assigned to the market approach including the comparable companies' multiple method.

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.

- **Bhilwara Energy Limited**

Particulars (INR Crores)	Actual		Projected			
	FY24	YTD Dec'24	Jan'25-Mar'25	FY25	FY26	FY27
Number of Months	12	9	3	12	12	12
Revenue	9	10	3	14	14	14
EBITDA	(13)	0	1	1	4	4
EBITDA Margin (%)	*-145.85%*	*2.41%*	*29.7%*	*9.1%*	*29.7%*	*29.7%*

- **Bhilwara Infotechnology Limited**

Particulars (INR Crores)	Actual		Projected						
	FY24	YTD Dec'24	Jan'25-Mar'25	FY25	FY26	FY27	FY28	FY29	FY30
Number of Months	12	9	3	12	12	12	12	12	12
Revenue	28	20	8	27	29	32	35	39	42
EBITDA	(2)	(1)	0	(1)	(0)	1	2	3	4
EBITDA Margin (%)	*-6.5%*	*-6.6%*	*4.7%*	*-3.5%*	*-0.2%*	*2.4%*	*4.9%*	*7.4%*	*9.8%*

- **TACC Limited**

Particulars (INR Crores)	Actual		Projected						
	FY24	YTD Dec'24	Jan'25-Mar'25	FY25	FY26	FY27	FY28	FY29	FY30
Number of Months	12	9	3	12	12	12	12	12	12
Revenue	-	-	-	-	-	567	1,281	1,653	1,952
EBITDA	(2)	(0)	(0)	(1)	(3)	141	318	425	512
EBITDA Margin (%)	*nmf*	*nmf*	*nmf*	*nmf*	*nmf*	*25.0%*	*24.8%*	*25.7%*	*26.2%*

PwC Business Consulting Services LLP

- **Malana Power Company Limited**

Particulars (INR Crores)	Actual		Projections								
	FY24	YTD Dec'24	Jan'25-Mar'25	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Number of Months	12	9	3	12	12	12	12	12	12	12	12
Revenue	125	89	12	102	151	158	159	158	159	159	159
EBITDA	72	(6)	(3)	(10)	107	115	115	115	115	115	115
EBITDA Margin (%)	*57.71%*	*-7.03%*	*-26.1%*	*-9.4%*	*71.0%*	*72.4%*	*72.5%*	*72.4%*	*72.4%*	*72.4%*	*72.5%*

Particulars (INR Crores)	Projections									
	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42
Number of Months	12	12	12	12	12	12	12	12	12	3
Revenue	159	159	159	159	159	159	159	159	159	42
EBITDA	115	115	115	115	115	115	115	116	115	31
EBITDA Margin (%)	*72.4%*	*72.4%*	*72.5%*	*72.5%*	*72.5%*	*72.5%*	*72.5%*	*72.5%*	*72.5%*	*72.9%*

- **AD Hydro Private Limited**

Particulars (INR Crores)	Actual		Projections							
	FY24	YTD Dec'24	Jan'25-Mar'25*	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Number of Months	12	9	3	12	12	12	12	12	12	12
Revenue	320	320	29	349	372	372	372	371	371	370
EBITDA	261	278	20	299	322	321	322	321	320	320
EBITDA Margin (%)	*81.5%*	*86.9%*	*70.7%*	*85.6%*	*86.5%*	*86.5%*	*86.5%*	*86.4%*	*86.4%*	*86.4%*

**Excluding one-time revenue expected to be received in this quarter.*

Particulars (INR Crores)	Projections									
	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41
Number of Months	12	12	12	12	12	12	12	12	12	12
Revenue	371	369	369	368	369	367	367	367	368	367
EBITDA	320	319	319	318	319	317	317	317	318	317
EBITDA Margin (%)	*86.4%*	*86.4%*	*86.4%*	*86.3%*	*86.4%*	*86.3%*	*86.3%*	*86.3%*	*86.3%*	*86.3%*

Particulars (INR Crores)	Projections									
	FY42	FY43	FY44	FY45	FY46	FY47	FY48	FY49	FY50	FY51
Number of Months	12	12	12	12	12	12	12	12	12	6
Revenue	367	367	368	368	360	360	361	360	360	178
EBITDA	317	317	318	317	309	309	310	310	310	155
EBITDA Margin (%)	*86.3%*	*86.3%*	*86.3%*	*86.3%*	*86.0%*	*86.0%*	*86.0%*	*86.0%*	*86.0%*	*87.0%*

- **Indo Canadian Consultancy Services Limited**

Particulars (INR Crores)	Actual		Projections					
	FY24	YTD Dec'24	Jan'25-Mar'25	FY25	FY26	FY27	FY28	FY29
Number of Months	12	9	3	12	12	12	12	12
Revenue	6	6	1	7	9	10	11	12
EBITDA	1	2	1	3	4	5	6	6
EBITDA Margin (%)	*23.3%*	*34.6%*	*60.6%*	*40.0%*	*45.7%*	*50.9%*	*51.5%*	*52.1%*

- **<u>Replus Engitech Private Limited</u>**

Particulars (INR Crores)	Actual		Projections						
	FY24	YTD Dec'24	Jan'25-Mar'25	FY25	FY26	FY27	FY28	FY29	FY30
Number of Months	**12**	**9**	**3**	**12**	**12**	**12**	**12**	**12**	**12**
Revenue	20	98	42	140	500	626	1,355	1,821	2,448
EBITDA	(4)	9	0	10	75	68	213	301	421
EBITDA Margin (%)	*-19.9%*	*9.6%*	*1.2%*	*7.0%*	*15.0%*	*10.8%*	*15.7%*	*16.5%*	*17.2%*

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 4 of the Report carries a reference to this effect.

IV. Summary Workings

Fair Share Exchange Ratio for the Proposed Merger of Bhilwara Energy Limited with HEG Limited (excluding Graphite Business):

Valuation Approach	HEG Limited (excluding Graphite Business) (A) (1)		Bhilwara Energy Limited (B) (2)	
	Value per Equity Share (INR)	Weight	Value per Equity Share (INR)	Weight
Income Approach - DCF Method	120.3	100.0%	141.8	100.0%
Market Approach	NA	0.0%	NA	0.0%
Asset Approach - NAV	61.2	0.0%	69.7	0.0%
Value per share	**120.3**	**100.0%**	**141.8**	**100.0%**
Value per share	120.3	0.0%	141.8	100.0%
Floor price per share (3)	124.0	100.0%	NA	0.0%
Concluded Value per Share	**124.0**	**100.0%**	**141.8**	**100.0%**
Fair Share Exchange Ratio (A:B)*	**8.0**		**7.0**	

**Rounded*

Notes:

(1) Refer Appendix A.1 for underlying workings for HEG Limited (excluding Graphite Business)

(2) Refer Appendix A.2 for underlying working for Bhilwara Energy Limited.

(3) Refer Table E(c) for underlying workings for floor price per share.

PwC Business Consulting Services LLP

Appendix A.1
HEG Limited (excluding Graphite Business)

Income Approach - Discounted Cashflow Method

	Particulars	**INR crores**
	Non Current Assets	
(1)	Investment Property	59
	Investments in Subsidiaries, Joint Ventures and Associates	
(2)	Value of 49% equity stake in Bhilwara Energy Limited	1,152
(3)	Value of 38.6% equity stake in Bhilwara Infotechnology Limited	67
(4)	Value of 100% equity stake in TACC Limited	300
(5)	Other Investments	235
	Total Non Current Assets	**1,813**
	Current Assets	
(6)	Investments	345
	Other Current Assets	114
	Cash and Bank Balance	50
	Total Current Assets	**509**
	Total Assets	**2,322**
	Total Liabilities	**-**
	Net Asset Value (i)	**2,322**
	Number of equity shares (ii)	192,977,530
	Equity value per share as on 7 March 25 (INR) (i / ii)	**120.3**

Notes:

1) Fair value of investment property based on valuation report provided by the Management.
2) Refer Appendix A.2 for underlying workings for Bhilwara Energy Limited.
3) Refer Appendix A.1.(a) for underlying workings for Bhilwara Infotechnology Limited.
4) Refer Appendix A.1.(b) for underlying workings for TACC Limited.
5) Other investments include investment in mutual funds (quoted), fixed maturity plan scheme (quoted), bond funds (quoted) and infrastructure trust (quoted).
6) Investments include equity instruments (quoted) and mutual funds (quoted).

PwC Business Consulting Services LLP

Appendix A.2
Bhilwara Energy Limited

Income Approach - Discounted Cashflow Method

	Particulars	**INR crores**
	Fair Value of wind power operations in the standalone company	40
	Adjustments for:	
	Add: Surplus assets	273
	Less: Debt and Debt like items	3
	Add: Investments	
(1)	Value of 51% equity stake in Malana Power Company Limited	*1,792*
(2)	Value of 75.5% equity stake in Indo Canadian Consultancy Services Limited	*24*
(3)	Value of 74% equity stake in Replus Engitech Private Limited	*181*
(4)	Other Investments	*11*
	Add: Advances	
	BG Wind Power Limited	*23*
	Replus Engitech Private Limited	*8*
	Indo Canadian Consultancy Services Limited	*1*
	Equity value as on 7 March 2025 (i)	**2,350**
	Number of equity shares (ii)	165,759,311
	Equity value per share as on 7 March 2025 (INR) (i / ii)	**141.8**

Value of 49% equity stake in Bhilwara Energy Limited held by HEG Limited (49% of i)	**1,152**

Notes:

1) Refer Appendix A.2.(a) for underlying workings for Malana Power Company Limited.
2) Refer Appendix A.2.(c) for underlying workings for Indo Canadian Consultancy Services Limited.
3) Refer Appendix A.2.(d) for underlying workings for Replus Engitech Private Limited.
4) Other investments include investments in LNJ Greenpet Private Limited and Siggularity Growth Opportunities Fund-II.

PwC Business Consulting Services LLP

Appendix A.1.(a)
Bhilwara Infotechnology Limited

Method	100% Equity Value (INR Crores)	Weight
Income Approach (DCF Method) (i)	74	50.0%
Market Approach (CTM Method) (1)	61	50.0%
Equity value as on 7 March 2025	**67**	**100.0%**

Notes:

1) HEG had acquired 61.4% stake in Bhilwara Infotechnology Limited as on 09 December 2024 at an implied valuation of ~INR 61 crores.

(i) Income Approach - Discounted Cashflow Method

Particulars	INR crores
Present value of horizon period cash flows	2
Terminal value	17
Enterprise value as on 7 March 2025	**19**
Adjustments for:	
Add: Surplus assets	55
Equity value as on 7 March 2025	**74**

Appendix A.1.(b)
TACC Limited

Income Approach - Discounted Cashflow Method

Particulars	INR crores
Present value of horizon period cash flows	(1,312)
Terminal value	1,445
Add: Residual Tax Benefit	26
Enterprise value as on 7 March 2025	**160**
Adjustments for:	
Add: Surplus assets	6
Add: Present value of Capital Subsidy	134
Equity value as on 7 March 2025	**300**

PwC Business Consulting Services LLP

Appendix A.2.(a)
Malana Power Company Limited

Income Approach - Discounted Cashflow Method

	Particulars	**INR crores**
	Fair Value of hydro power operations in the standalone company	627
	Adjustments for:	
	Add: Surplus assets	191
(1)	Add: Value of 100% equity stake in AD Hydro	*2,696*
	Equity value as on 7 March 2025	**3,514**

Notes:

1) Refer Appendix A.2.(b) for underlying workings for AD Hydro Private Limited.

Appendix A.2.(b)
AD Hydro Private Limited

Income Approach - Discounted Cashflow Method

Particulars	**INR crores**
Fair Value of hydro power operations	2,534
Adjustments for:	
Add: Surplus assets	163
Equity value as on 7 March 2025	**2,696**

Appendix A.2.(c)
Indo Canadian Consultancy Services Limited

Income Approach - Discounted Cashflow Method

Particulars	**INR crores**
Present value of horizon period cash flows	10
Terminal value	18
Enterprise value as on 7 March 2025	**28**
Adjustments for:	
Add: Surplus assets	4
Less: Debt and debt like items	1
Equity value as on 7 March 2025	**32**

PWC Business Consulting Services LLP

Appendix A.2.(d)
Replus Engitech Private Limited

Income Approach - Discounted Cashflow Method

Particulars	**INR crores**
Present value of horizon period cash flows	(36)
Terminal value	348
Enterprise value as on 7 March 2025	**312**
Adjustments for:	
Add: Surplus assets	7
Less: Debt and debt like items	75
Equity value as on 7 March 2025	**244**

PWC Business Consulting Services LLP

V. Determination of the Floor Price of HEG Limited (excluding Graphite Business) as mentioned in the SER report (Page no 14 of the Report carries a reference to this effect)

a. Valuation of Graphite Business

Method	Graphite Business of HEG	
	Value per share (INR)	Weight
Income Approach (DCF Method) (i)	429.2	50.0%
Market Approach (CCM method) (ii)	357.7	50.0%
Net Asset Value Method	157.6	NA
Value per share	**393.4**	**100.0%**

(i) Income Approach - Discounted Cashflow Method

Particulars	INR crores
Present value of horizon period cash flows	2,161
Terminal value	6,088
Enterprise value as on 7 March 2025	**8,249**
Adjustments for:	
Add: Surplus assets	555
Less: Debt and debt like items	627
Add: Present value of Capital Subsidy	106
Equity value as on 7 March 2025	**8,283**
Number of equity shares	192,977,530
Equity value per share as on 7 March 2025 (INR)	**429.2**

Particulars (INR Crores)	Actual		Projected					
	FY24	YTD Dec'24	Jan'25-Mar'25	FY25	FY26	FY27	FY28	FY29
Number of Months	12	9	3	12	12	12	12	12
Revenue	2,395	1,618	479	2,098	3,182	4,085	4,688	4,924
EBITDA	384	216	81	297	783	1,342	1,657	1,705
EBITDA Margin (%)	*16.0%*	*13.4%*	*16.8%*	*14.1%*	*24.6%*	*32.8%*	*35.3%*	*34.6%*

PwC Business Consulting Services LLP

(ii) Market Approach - Comparable Companies Method

Particulars	INR crores
Comparable companies' applied multiple (rounded)	3.20x
Revenue for FY24	2,163
Enterprise value as on 7 March 2025	**6,922**
Add: Surplus assets	555
Less: Debt and debt like items	627
Add: Capital Work in Progress	53
Equity value as on 7 March 2025	**6,902**
Number of equity shares	192,977,530
Equity value per share as on 7 March 2025 (INR)	**357.7**

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

i. Graphite India Limited
ii. HEG Limited

Peer Company	EV/Revenue	Weights
Graphite India Ltd	2.6x	50.0%
HEG Limited	3.7x	50.0%
Weighted average multiple of peer companies	**3.2x**	

b. Proportion of Transferee Company i.e. HEG (excluding Graphite Business) to the overall value of HEG Limited

Particulars	Value per share (INR)	Percentage share (%)
HEG (excluding Graphite Business) (Refer to Appendix A.1)	120.3	23.4%
Graphite Business (Refer to Table V (a))	393.4	76.6%
HEG Limited	**513.7**	**100.0%**

c. Adjusted floor price of HEG (excluding graphite Business)

Particulars	Value per share (INR)
Value of HEG Limited (higher of 10 trading days and 90 trading days VWAP) (Refer to Table V (d))	529.6
Percentage value contributed by HEG (excluding Graphite Business) (Refer to Table V (b))	23.4%
Adjusted Floor Value of HEG (excluding Graphite Business)	**124.0**

PwC Business Consulting Services LLP

d. Value of HEG Limited (higher of 10 trading days and 90 trading days VWAP)

Particulars	HEG
A) VWAP of shares traded on NSE for immediately preceding 90 days (INR)	529.6
B) VWAP of shares traded on NSE for immediately preceding 10 days (INR)	365.4
Price per Equity Share (Higher of A & B) (INR)	**529.6**

For determining the market price of HEG, the volume weighted share price on NSE has been considered given the highest trading volume in respect of the equity shares during the preceding 90 trading days period prior to the Valuation Date.

HEG	**90 Days**	**10 Days**
Start Date	30-Oct-24	21-Feb-25
End Date	07-Mar-25	07-Mar-25
Total Volume (Crore)	18	1
Total Turnover (INR Crore)	9,609	200
VWAP (INR) **(Total Turnover / Total Volume)**	**529.6**	**365.4**

Date	VWAP (INR)	Volume (Crore)	Turnover (INR Crore)
07-Mar-25	393	0.08	31
06-Mar-25	386	0.09	35
05-Mar-25	368	0.06	22
04-Mar-25	358	0.04	15
03-Mar-25	347	0.05	18
28-Feb-25	351	0.08	30
27-Feb-25	344	0.03	12
25-Feb-25	349	0.04	13
24-Feb-25	357	0.03	12
21-Feb-25	361	0.04	13
20-Feb-25	360	0.04	16
19-Feb-25	353	0.05	16
18-Feb-25	342	0.06	21
17-Feb-25	339	0.04	15
14-Feb-25	340	0.09	29
13-Feb-25	348	0.08	29
12-Feb-25	342	0.14	47
11-Feb-25	355	0.05	17
10-Feb-25	364	0.04	13
07-Feb-25	370	0.04	16
06-Feb-25	379	0.07	25
05-Feb-25	381	0.07	28
04-Feb-25	370	0.08	29
03-Feb-25	369	0.07	27
01-Feb-25	389	0.07	25
31-Jan-25	396	0.05	21
30-Jan-25	400	0.04	17
29-Jan-25	404	0.05	18
28-Jan-25	400	0.07	28
27-Jan-25	405	0.09	35
24-Jan-25	409	0.07	27
23-Jan-25	417	0.04	17
22-Jan-25	414	0.05	22
21-Jan-25	426	0.05	23
20-Jan-25	429	0.04	17
17-Jan-25	430	0.04	18
16-Jan-25	435	0.05	20
15-Jan-25	436	0.10	43
14-Jan-25	428	0.10	41
13-Jan-25	431	0.14	61
10-Jan-25	456	0.06	29
09-Jan-25	471	0.06	27
08-Jan-25	481	0.08	41
07-Jan-25	492	0.11	55
06-Jan-25	500	0.13	64

PwC Business Consulting Services LLP

Date	VWAP (INR)	Volume (Crore)	Turnover (INR Crore)
03-Jan-25	534	0.13	69
02-Jan-25	531	0.13	68
01-Jan-25	526	0.15	81
31-Dec-24	506	0.13	67
30-Dec-24	512	0.15	75
27-Dec-24	513	0.10	53
26-Dec-24	520	0.11	57
24-Dec-24	539	0.16	88
23-Dec-24	537	0.13	67
20-Dec-24	559	0.24	134
19-Dec-24	560	0.18	99
18-Dec-24	571	0.26	146
17-Dec-24	566	0.16	90
16-Dec-24	576	0.28	160
13-Dec-24	568	0.53	301
12-Dec-24	554	0.14	78
11-Dec-24	568	0.18	103
10-Dec-24	575	0.24	139
09-Dec-24	590	0.71	420
06-Dec-24	561	0.51	289
05-Dec-24	598	3.56	2132
04-Dec-24	557	4.56	2539
03-Dec-24	495	1.90	939
02-Dec-24	440	0.02	8
29-Nov-24	439	0.05	21
28-Nov-24	432	0.06	28
27-Nov-24	417	0.01	6
26-Nov-24	413	0.01	5
25-Nov-24	417	0.02	7
22-Nov-24	408	0.02	8
21-Nov-24	409	0.02	7
19-Nov-24	416	0.02	9
18-Nov-24	416	0.03	11
14-Nov-24	410	0.03	10
13-Nov-24	405	0.04	15
12-Nov-24	421	0.02	10
11-Nov-24	431	0.03	12
08-Nov-24	440	0.02	8
07-Nov-24	453	0.03	12
06-Nov-24	449	0.04	17
05-Nov-24	434	0.02	10
04-Nov-24	431	0.03	11
01-Nov-24	441	0.01	5
31-Oct-24	430	0.03	11
30-Oct-24	433	0.02	10

PwC Business Consulting Services LLP

Annexure - 3

PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

To,

Date: 10th March, 2025

BSE Limited
P J Towers, Dalal Street
MUMBAI - 400 001.

Scrip Code: 509631

Sub: Confirmation from the HEG Limited.

Dear Sir/ Madam,

HEG Limited (**"the Company"**) hereby confirm the following:

(i) No material event impacting the valuation has occurred during the intervening period of filing the scheme documents with Stock Exchange and period under consideration for valuation.

(ii) None of the companies involved in the scheme has any past defaults on listed debt obligations.

For **HEG Limited**

(Manish Gulati)
Executive Director
DIN:08697512

HEG LIMITED NOIDA

Annexure - 3

HEG GRAPHITE LIMITED

PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

To,

Date: 10th March, 2025

BSE Limited
P J Towers, Dalal Street
MUMBAI - 400 001.

Sub: Confirmation from the HEG Graphite Limited.

Dear Sir/ Madam

HEG Graphite Limited ("**the Company**") hereby confirms the following:

(i) No material event impacting the valuation has occurred during the intervening period of filing the scheme documents with Stock Exchange and period under consideration for valuation.

(ii) None of the companies involved in the scheme has any past defaults on account of listed debts.

For **HEG Graphite Limited**

Manish Gulati
Director
DIN: 08697512

HEG GRAPHITE LIMITED NOIDA

HEG GRAPHITE LIMITED
CIN: U23994MP2024PLC071568

Corporate Office:
Bhilwara Towers, A-12, Sector – 1,
Noida – 201301 (NCR-Delhi), India
Tele.: +91 120-4390300 (EPABX)
Fax.: 91-120-4277841

Registered Office:
C/o HEG Limited, NH-12, Dist. Raisen Near Bhopal,
Mandideep, Bhopal, Huzur Madhya Pradesh, India,
462046
Tel.: +91-7480-405500, 233524 to 233527
Fax: + 917480-233522

E- Mail: investor.heggraphite@lnjbhilwara.com

BHILWARA ENERGY
Powering the Future

PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

To,

Date: 10th March, 2025

BSE Limited
P J Towers, Dalal Street
MUMBAI - 400 001.

Sub: Confirmation from the Bhilwara Energy Limited

Dear Sir/ Madam

Bhilwara Energy Limited (**"the Company"**) hereby confirms the following:

(i) No material event impacting the valuation has occurred during the intervening period of filing the scheme documents with Stock Exchange and period under consideration for valuation.

(ii) None of the companies involved in the scheme has any past defaults on account of listed debts obligations.

For **Bhilwara Energy Limited**

Ravi Gupta
Company Secretary
M.No. F5731

BHILWARA ENERGY LIMITED

Bhilwara Energy Limited

Corporate Office :
Bhilwara Towers, A-12, Sector-1
Noida - 201 301, Uttar Pradesh, India
Tel: +91-120-4390300 (EPABX)
Fax: +91-120-4277841
Website: www.bhilwaraenergy.com

Regd. Office :
C/o HEG Limited
Mandideep, Near Bhopal
District Raisen, Huzur
Madhya Pradesh - 462046
Website: www.lnjbhilwara.com

CIN: U31101MP2006PLC071693