

**V. GANGADHARA RAO .N**

B.COM, FCA  
Registered Valuer  
(Securities or Financial Assets)

**Valuation Report on Fair Value of shares**

**[For the purpose of issuance of Compulsorily Convertible Debentures]**

**of**

**Deccan Cements Limited**

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**Corp Office:** 1-89/1/42, 3rd Floor, Plot No. 41 & 43, Sri Ram Nagar Colony, Kavuri Hills, Guttala Begumpet,  
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### Valuation Summary

Valuation Date	14-05-2026
Subject of valuation	To Determine Value Per Share of M/s. Deccan Cements Limited
Purpose of Valuation	Issue of Secured Compulsorily Convertible Debentures
Valuation Method	Net Asset Replacement Cost Method under Cost Approach, Discounted Cash Flow Method under Income Approach, Comparable Companies Multiple Method under Market Approach and Market Price Method under Market Approach.
Valuation Conclusion	Fair value per Share of M/s. Deccan Cements Limited is Rs. <b>687.62/-</b> . <b>The conversion ratio of Compulsorily Convertible Debentures to Equity is 1:1. Therefore Value per Compulsorily Convertible Debentures of M/s. Deccan Cements Limited based on the valuation of its underlying Equity shares is Rs. 687.62/-</b>
Appendix-A	Statement of Assumptions and Limiting Conditions



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**Valuation Method Adopted for M/s. Deccan Cements Limited**

Valuation Approach	Valuation Method	Applicability
Cost Approach	Net Asset Replacement Cost Method	Applicable
Income Approach	Discounted Cash Flow Method	Applicable
Market Approach	Comparable Companies Multiples Method	Applicable

Fair value per equity share determined as per this report as per sub-regulation 1 of regulation 166A

Particulars	Applicability	Fair Value per Equity share	Weights	Fair Value per Equity share
Fair value per Equity Share as per the Net Asset Replacement Cost Method	Applicable	609.57	20%	121.91
Fair value per Equity Share as per the Discounted Cash Flow Method	Applicable	664.35	40%	265.74
Fair value per Equity Share as per the Comparable Companies Multiple Method	Applicable	749.92	40%	299.97
<b>Fair Value Per Equity Share</b>				<b>687.62</b>

Particulars	Fair Value per Equity Share
<b>Fair Value per Equity Share as per Regulation 166A of SEBI ICDR 2018</b>	<b>687.62</b>

**Price Determined as per Regulation 164**

Particulars	Price
1) VWAP of the equity shares for 90 trading days preceding the relevant date	669.96
2) VWAP of the equity shares for 10 trading days preceding the relevant date	650.24
Higher of the above	669.96

**Fair Value per Share**

Particulars	Price	Annexure
The Floor Price where proposed issuance of shares lead to allotment of more than 5% of the post issue fully diluted share capital as per first proviso to Regulation 166A(1) of the ICDR Regulations shall be higher of the following		
1) Floor price determined under sub-regulation (1) of regulation 164 or	669.96	A
2) Fair value per equity share determined as per this report as per sub-regulation 1 of regulation 166A	687.62	B
<b>Floor Price as per first proviso of regulation 166A (1) of ICDR Regulations is</b>	<b>687.62</b>	



**Preamble**

I, Mr. V GANGADHARA RAO N, Independent Registered Valuer Registered with IBBI , Vide in Registration Number IBBI/RV/06/2019/10709 and Practicing Chartered Accountant (M.No.219486), having more than 10 (Ten) Years of experience, have been appointed by M/s. Deccan Cements Limited to determine the fair value of its Equity Shares in connection with the proposed issue of Secured Compulsorily Convertible Debentures on preferential basis pursuant to and in compliance with the Regulation 166A including other relevant guidelines / regulations issued by SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 and subsequent amendments thereto ('Regulations') and also as per the provisions of the Companies Act 2013.

Since the Board of Directors proposed to issue shares/securities more than 5% to the proposed allottees of M/s. Deccan Cements Limited. M/s. Deccan Cements Limited requires valuation of its shares for issuing shares in terms of the amended Regulation 166A of SEBI ICDR 2018.

For this purpose, the undersigned has been engaged to express an opinion on the fair value of the Equity shares as on 14<sup>th</sup> May 2026 (Valuation Date)

The audited financial statements of the Company were available till 31<sup>st</sup> March 2025. We have considered Provisional Financial Statements as on 31<sup>st</sup> March 2026 for the ascertaining the value per Share as per the Net Asset Replacement Cost method, Discounted Cash Flow Method and Comparable Companies Multiple Method.

In the background of the above, I have performed the valuation engagement and present the valuation report, as enclosed herewith, in conformity with the provisions of the SEBI (Issue of Capital and Disclosures) Regulations (ICDR) and the Indian Valuation Standards 2018 issued by The Institute of Chartered Accountants of India (ICAI).

The valuation report, expressing an opinion on the recommended fair value of the shares is based on the events and circumstances prevailing as on the 'Valuation Date'. My analysis and recommendation should be understood in the context of my assumptions and the statements made in the annexed report, read along with the applicable legal provisions. A detailed description of the quantitative and



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qualitative analyses and valuation conclusion is presented in the attached narrative valuation report.

### **BRIEF ABOUT M/s. Deccan Cements Limited**

M/s. Deccan Cements Limited having its Registered Office at Deccan Chambers 6-3-666/B, Somajiguda, Hyderabad - 500 082 was incorporated on 31<sup>st</sup> July, 1979. The CIN of M/s. Deccan Cements Limited is L26942TG1979PLC002500. The Company is engaged in the business of manufacturing and selling of Cement, production and selling of power from hydel and wind sources and trading of tile adhesives. As on Valuation date, the Authorized Share Capital of the company is Rs. 10,00,00,000 comprising of 2,00,00,000 equity shares of Rs. 5/- each and the Issued, Subscribed and Paid-up Equity Share Capital is Rs. 7,00,37,500 comprising of 1,40,07,500 Equity Shares of Rs. 5/- each. The Equity Shares of M/s. Deccan Cements Limited are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

NSE: **INE583C01021 Company Code: DECCANCE**

BSE: **INE583C01021 Company Code: 502137**



**Background of the Company of Deccan Cements Limited**

Deccan Cements Limited (DCL), with a 4 million TPA plant is a major producer of cement in South India, having been in the business of manufacturing and marketing of cement for over three decades. 'Deccan Cements' brand is very well entrenched in the market and occupies a leadership position amongst a multitude of competing brands. The brand is very strongly associated with the company's by now most familiar Corporate Mascot 'Dhamu'.

DCL was promoted and incorporated as a Public Limited Company in the year 1979 by a technocrat entrepreneur Mr. M B Raju, who is also its current Executive Chairman. Mr. Raju, who carries with him more than four decades of rich and valuable experience in the cement industry, is an eminent, popular and highly revered personality in the cement circle. He has been the pivot and main driving force behind the steady and successful growth of DCL over the years.

The cement plant which commenced commercial production in 1982, is located at Bhavanipuram in Nalgonda District of Telangana, at around 165 kms from Hyderabad. The plant manufactures a wide variety of cements, including specialty cements for certain special applications, conforming to BIS, British and ASTM standards, as per requirements. The regular grades of cement manufactured include OPC 43, OPC 53, PPC and PSC. Specialty cements produced include S53 for railway applications, SRC (Sulphate Resistant Cement), Low Heat Cement, Low Alkali Cement etc.

DCL has a very strong network of more than 1000 cement dealers and consignment agents spread through out the length and breadth of Andhra Pradesh and Telangana and also, in the other southern states of Tamilnadu, Karnataka and Kerala as well as the neighbouring states namely Maharashtra, Madhya Pradesh, Chattisgarh and Odisha. The company's marketing strength is derived mainly from its wide retail network having a strong presence in the rural market.



**PRODUCTS:**

- Ordinary Portland Cement (OPC)
- Portland Pozzolana Cement (PPC)
- Portland Slag Cement (PSC)
- Portland Slag Cement (PSC)
- Specialty Cements

**POWER DIVISION:****Thermal Power Plant:**

Since, cement manufacturing is a highly power intensive process, in 2009 the company has commissioned a 18 MW Coal based Thermal Captive Power Plant (CPP) within the premises of the cement plant to ensure continuous uninterrupted power supply to the cement plant. The plant was supplied, erected and commissioned by Thermax Limited who is a pioneer in this field.

**Hydro-electric Power Unit:**

As a part of its corporate diversification plan, DCL ventured into power generation soon after this sector was opened up for private investments. The Company took up implementation of a Hydro Power Project of 3.75 MW installed capacity on the Guntur Branch Canal (GBC) of the Nagarjuna Sagar Right Main Irrigation Canal (NSRMC), at a location near Narsaraopeta, Guntur District. This project was taken up for implementation in 1995 and commissioned in April 1996.

**Wind Farm:**

As a part of its foray into the power sector, the company, in the year 1995, established a Wind Farm Power Project of 2.025 MW capacity at Ramagiri, Anantapur District in the State of Andhra Pradesh. The Non Conventional Energy Development Corporation of Andhra Pradesh (NEDCAP) had allotted this project to DCL for the captive use of the electrical energy generated to partly meet its energy requirements at its cement plant. The Company has a Wind Power Wheeling and Banking Agreement with APTRANSCO for evacuating the power generated. Currently, the Company is selling the entire power to third parties under Short Term Open Access.



**Deccan Cements Limited, which was the country's first two hundred TPD Mini Cement plant, is in its 45<sup>th</sup> year of successful operation. Now it is a major cement plant with a cement capacity of 2.2 MTPA.**

Deccan Cements was incorporated as a public limited company in July'1979 by Mr. M.B.Raju B.E Mechanical (Hon's) a technocrat entrepreneur, having held senior positions at ACC, L&T, Andhra Cements etc., started the Deccan Cements Ltd in 1979. Many expansions took place under his leadership and guidance. The Chairman expired on 19<sup>th</sup> June 2023 and was in office discussing on the project till 12.30 PM on that day.

The Company's first cement unit with a capacity of 200 TPD (0.66TPA) was commissioned in June 1982 at Bhavanipuram, Janphad, in Suryapet district (formerly Nalgonda) of Telangana. Deccan Cements Ltd had earned a unique distinction of being the India's first 200 TPD mini cement plant to adopt proven rotary kiln technology.

In 1986 the company took up its first brown-field expansion from 200 TPD to 300 TPD. In August 1991, it implemented a modernization cum expansion programme, which doubled its capacity to 600 TPD. In 2000, the company completed its third brown-field expansion, which increased its capacity from 600 TPD to 900 TPD. Later in 2002, the company added a cement mill of 0.50 million tonnes per annum (MTPA) for slag cement. With this, the company's total cement capacity was increased to 0.79 MTPA.

In March 2009, the company added a new integrated cement plant at Mahankaligudem village in Neredcherla mandal, Suryapet district in Telangana with a clinker capacity of 1 MTPA and cement capacity of 1.25 MTPA along with a Coal based captive power plant (CPP) of 18 MW. The CPP also produces fly ash, which is used for the manufacture of Portland Pozzolona Cement (PPC).

With the addition of DCL Cement Plant -II, the company's total cement plants were increased from one to two, clinker capacity increased from 0.5 MTPA to 1.5 MTPA, and cement capacity from 0.80 MTPA to 1.80 MTPA.



In the year 1995 Deccan Cements diversified into power sector by creating a power division. At present the company has a total power generating capacity of 20.77 MW, comprising 2.025 MW wind power, 3.75 MW hydel power and 18 MW thermal power. The power division has largely helped the company to contain its high energy cost.

The Deccan Cements has its own captive high grade limestone mines, which are spread across 600 acres and has sufficient reserves for the next 50 years.

The Company had also commissioned Waste Heat Recovery System (WHRS) plant of 6 MW, in December 2020, to help the company to further control the power cost.

The Company had taken up the expansion of the current production capacity by setting up a separate Line -3 for additional production of 1.3 million tonnes p.a. of clinker and 1.80 million tonnes p.a of cement & 8MW WHRS with a capex of Rs.1162.07 crores in Aug.2022. Term Loan of Rs.670 crores got sanctioned. So far we have spent Rs.920.81 crores on this project.

Ms.P.Parvathi Raju, daughter of Mr. M.B.Raju, a Post Graduate in Business Commerce, associated with the company for the past 31 years joined the company as Executive Director in 1993 and five years later in 1998 elevated to Managing Director position and successfully running the company from then onwards. She had taken a very active lead and guided the team in completing the power projects & plant expansions. After the demise of Chairman Sir, she was elevated to CMD position in the month of August 2023.

The Company has a distinction of being continuously profit making and paying dividends for more than 40 years.

Company expanded Cement Plant with increase of production of clinker from 1.7 to 3.2 MTPA, cement from 1.8 to 4.0 MTPA (by installation of new unit (Unit III) & power from 18 to 33 MW (by installation of WHRB Power Plant) by M/s Deccan Cements Ltd., located at Mahankaligudem Village, Palakeedu Mandal, Suryapet District, Telangana.



**Historical Financials**

Description	31-03-2023	31-03-2024	31-03-2025
	Audited	Audited	Audited
<b>Income</b>			
Revenue from Operations	78,154.48	79,942.50	52,697.72
Other Income	929.45	1,599.91	1,619.91
<b>Total Income</b>	<b>79,083.93</b>	<b>81,542.41</b>	<b>54,317.63</b>
<b>Expenditure:</b>			
Direct Expenses	34,821.01	39,449.18	30,714.39
Employee Benefit Expenses	3,380.08	3,292.28	3,067.96
Admin & Other Expenses	30,235.40	27,819.92	15,376.87
<b>Total Expenses</b>	<b>68,436.49</b>	<b>70,561.38</b>	<b>49,159.22</b>
<b>PBDIT</b>	<b>10,647.44</b>	<b>10,981.03</b>	<b>5,158.41</b>
Finance Cost	1,247.05	1,237.37	1,275.17
Depreciation	2,739.31	2,763.46	2,807.71
<b>PBT</b>	<b>6,661.08</b>	<b>6,980.20</b>	<b>1,075.53</b>
Exceptional Item (Loss)	-	1,632.75	-
<b>PBT(after exceptional item)</b>	<b>6,661.08</b>	<b>5,347.45</b>	<b>1,075.53</b>
Tax	1,682.00	1,470.67	344.87
Deferred Taxes	49.56	150.51	(22.64)
<b>PAT</b>	<b>4,929.52</b>	<b>3,726.27</b>	<b>753.30</b>

**Board of Directors and KMPs of the Company as on Valuation Date****Board of Directors:**

Ms. P.Parvathi	Chairperson & Managing Director
Mr. S.Venkateswarlu	Whole Time Director
Mrs. Mahpara Ali	Director
Mr. Paturi Srinivasa Rao	Director
Mr. Rabindra Srikantan	Director
Mr. Srivari Chandrasekhar	Director

**Senior Management:**

Mr. D.Raghava Chary	Chief Financial Officer (CFO)
Mr. Bikram Keshari Prusty	Company Secretary



**INDUSTRY ANALYSIS**

India is the second-largest cement producer in the world, accounting for more than 8% of global installed capacity. With abundant limestone reserves and coal availability, the country has a strong resource base to support expansion. The cement industry is positioned to benefit significantly from India's infrastructure and housing boom, with rising rural housing demand, affordable housing schemes, and rapid urbanisation driving sustained consumption.

Government-led initiatives such as the development of 98 smart cities, increased allocations for infrastructure, and large-scale housing programmes are creating a steady pipeline of demand. Rural housing now accounts for nearly one-third of cement consumption, while urban housing is witnessing renewed momentum. On the industrial front, demand is being reinforced by growth in manufacturing and large infrastructure projects, including highways, metro networks, and industrial corridors.

India has also attracted significant foreign investment in the sector, with global players such as Lafarge Holcim, Heidelberg Cement, and Vicat entering the market. Policy support, coupled with the industry's ongoing consolidation and capacity expansion, underpins long-term growth prospects. With rising demand, robust supply chains, and increasing focus on sustainability, India's cement industry is set to remain a cornerstone of the country's economic development.

India's cement sector is expected to maintain healthy growth momentum, with cement volumes rising 9.2% YoY in FY26 (April-February) and projected to grow by 8–9% to about 490 million metric tonnes in FY26, followed by 7–8% growth in FY27, supported by sustained demand from the housing and infrastructure sectors. Cement prices were 2% higher in FY26 (April-February) and are expected to increase by 2–4% in FY27, while operating margins are likely to moderate by 200–400 bps in FY27 due to higher fuel and freight costs.

India's cement volumes increased by 9.2% YoY to 443.2 million metric tonnes in FY26 (April-February) and are expected to grow by 8–9% to around 490 million metric tonnes in FY26, followed by 7–8% growth in FY27, supported by sustained demand from the housing and infrastructure sectors.



ICRA expects the industry's OPBIDTA/MT to increase to Rs. 900–950 (US\$ 10.18–10.75) per MT in FY26, before moderating to Rs. 820–870 (US\$ 9.28–9.84) per MT in FY27 due to higher fuel and freight costs.

**Applicable Legal Provisions, Guidelines and Directives**

Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations 2018

SEBI (ICDR) Regulations reference	Points	Extract of Relevant provisions
161	Relevant date	For the purpose of this Chapter, "relevant date" means: in case of preferential issue of equity shares, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue:
164(1)	Pricing of frequently traded shares	If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following: a. 90 trading days volume weighted average price ('VWAP') of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or b. 10 trading days volume weighted average prices of the related equity shares quoted on recognised stock exchange preceding the relevant date.
164(5)	Frequently traded shares	Frequently traded shares means the shares of the issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer:
Explanation to 164(5)	Stock exchange	For the purpose of this regulation, 'stock exchange' means any of the recognised stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.
First Proviso to 164(1)	Articles of Association	Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.
166	Adjustments in pricing - Frequently and Infrequently traded shares	The price determined for a preferential issue in accordance with the above regulation, shall be subject to appropriate adjustments, if the issuer: a) makes an issue of equity shares by way of capitalization of profits or reserves, other than by way of a dividend on shares; b) makes an issue of equity shares after completion of a demerger wherein the securities of the resultant demerged entity are listed on a stock exchange; c) makes a rights issue of equity shares; d) consolidates its outstanding equity shares into a smaller number of shares; e) divides its outstanding equity shares including by way of stock split; f) re-classifies any of its equity shares into other securities of the issuer; g) is involved in such other similar events or circumstances, which in the opinion of concerned stock exchange, require adjustment
166A(1)	Valuation Report from Registered Valuer	Any preferential issue, which may result in a change in control or allotment of more than five per cent. of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price.
First Proviso to 166A(1)	Floor price	Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable



**Regulation 166A (1): Other Conditions for Pricing**

Any preferential issue, which may result in a change in control or allotment of more than five per cent. of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price:

Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable:

Provided further that if any proposed preferential issue is likely to result in a change in control of the issuer, the valuation report from the registered valuer shall also cover guidance on control premium, which shall be computed over and above the price determined in terms of the first proviso:



## Valuation basis

We have considered to value M/s. Deccan Cements Limited on Fair value basis, Indian Valuation Standards 102, Fair value defines fair value as *“Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date”*.

## Premise Of Value

The Company is valued on a “value in use” or going-concern premise. This premise assumes that the Company is a Going concern i.e. a business enterprise that is conducting operations at a given date, has every reasonable expectation of doing so for the foreseeable future after that date. Going concern value is the value of a Business Enterprise that is expected to continue to operate into the future. The intangible elements of Going Concern Value result from factors such as having a trained work force, and the necessary licenses, systems, and procedures in place.

## Source of Information

For the purpose of the report, following documents, and/or information published or provided by the Management have been relied upon:

### **From the Management**

1. Standalone Provisional Financial Statements for the year ended 31<sup>st</sup> March 2026
2. Audited Standalone and Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2025
3. Projected Financial Statements till FY 2032-33
4. Management Representation Letter



### **Valuation Methodology**

The assessment of value necessarily involves selecting the method or approach that is suitable for the purpose and based on the specific circumstances of the case, a particular methodology or a combination of methodologies may be adopted.

We have considered the Valuation Approaches and Methodologies as per the Valuation standards issued by ICAI in valuing the Equity shares of M/s. Deccan Cements Limited.

#### **Valuation Approaches**

A valuer can make use of one or more of the processes or methods available for each approach.

1. Market Approach
2. Income Approach
3. Cost Approach

The appropriateness of a valuation approach for determining the value of an asset would depend on valuation bases and premises. In addition, some of the key factors that a valuer shall consider while determining the appropriateness of a specific valuation approach and method are:

- (a) nature of asset to be valued;
- (b) availability of adequate inputs or information and its reliability;
- (c) strengths and weakness of each valuation approach and method; and
- (d) valuation approach/method considered by market participants.

#### **Market Approach**

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

The following are some of the instances where a *valuer* applies the market approach:

- (a) where the asset to be valued or a comparable or identical asset is traded in the active market;



- (b) there is a recent, orderly transaction in the asset to be valued; or
- (c) there are recent comparable orderly transactions in identical or comparable asset(s) and information for the same is available and reliable.

**Market Price Method**

The market price of an equity shares 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 shares.

**Comparable Companies Market Multiple (CCMM) Method**

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The difficulty here is in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, profitability and accounting practices.

Whereas no publicly traded company provides an identical match to the operations of a given company, important information can be drawn from the way comparable enterprises are valued by public markets. This valuation is based on the principle that market 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 exceptions and circumstances. Generally used multiples are EV/EBITDA, EV/Sales, Market Capitalization/Sales, Market Capitalization/PAT (PE multiple), Price to Book (P/B).

To arrive at the total value available to the stakeholders, the value arrived under CCMM method if calculated by EV/EBITDA or EV/Sales is adjusted for debt, (net of cash and cash equivalents), surplus non-operating investments and contingent liabilities. Value arrived under the PE Multiple is adjusted only for surplus non-operating investments and contingent liabilities. (No debt adjustments required).



**(c) Comparable Companies Transactions Multiple (CTM) Method**

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations in comparable companies, as manifest through transaction valuations. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

**Income Approach**

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

This approach involves discounting future amounts (cash flows/income/cost savings) to a single present value.

The following are some of the instances where a valuer may apply the income approach:

- (a) where the asset does not have any market comparable or comparable transaction;
- (b) where the asset has fewer relevant market comparables; or
- (c) where the asset is an income producing asset for which the future cash flows are available and can reasonably be projected.

**Discounted Cash Flow Method**

DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows in the future. The free cash flows are projected for a certain number of years and then discounted at a discount rate that reflects a company's cost of capital and the risk associated with the cash flows it generates. DCF analysis is based mainly on the following elements:

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



## Terminal Value

The terminal value refers to the present value of the business as a going concern beyond the period of projections up to infinity. This value is estimated by taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimated growth rate of the industry and economy.

## Cost Approach

**Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).**

In certain situations, historical cost of the asset may be considered by the valuer where it has been prescribed by the applicable regulations/law/guidelines or is appropriate considering the nature of the asset.

Examples of situations where a valuer applies the cost approach are:

- (a) an asset can be quickly recreated with substantially the same utility as the asset to be valued;
- (b) in case where liquidation value is to be determined; or
- (c) income approach and/or market approach cannot be used.

There are several commonly used and accepted methods for determining the fair value of the shares of a company which are mentioned hereunder:

- Net Assets Replacement Cost Method
- Comparable Companies Multiples Method
- Market Price Method
- Profit Earning Capacity Value Method
- Discounted Cash Flow Method



**Selection of Valuation Methodology**

The objective of the valuation process is to make a best reasonable judgment of the value of the Equity Shares of the Company. The Company's equity shares are presently listed on the BSE and NSE. Considering the higher trading volumes on the NSE, the shares are regarded as frequently traded based on the trading activity on the NSE.

Further, since the Company proposed to issue equity more than 5% to the allottee, in terms of the provisions of Regulation 166 of SEBI ICDR 2018, as amended upto date, Deccan Cements Limited requires Valuation of its Equity shares for issuing Compulsorily Convertible Debentures which will be converted into Equity Shares in the ratio of 1: 1 on preferential basis.

Accordingly, the minimum price shall be equivalent to or higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164 or the price determined by the independent registered Valuer, or the price determined in accordance with the provisions of the Articles of Association of the issuer.

As per the aforesaid provision, in cases where a proposed preferential issue is likely to result in a change in control of the issuer, the valuation report issued by the Registered Valuer is required to include guidance on the control premium, which is to be computed over and above the price determined in terms of the first proviso.

However, in the present proposed transaction/allotment, there is no change in control of the issuer pursuant to the proposed issuance. Accordingly, no control premium has been considered in the valuation analysis.

Therefore, for the evaluation of fair valuation, we, being an independent Valuer, have considered best reasonable judgment to value the equity shares through weighted average of Market Approach (Price calculated in terms of sub-regulation (1), (2) or (4) of regulation 164 of SEBI ICDR 2018) and Net Asset Replacement Value, Discounted Cash Flow Method and comparable company multiple approach.

Further, the Equity Shares of the Company is frequently traded at the NSE and Price in terms of sub-regulation (1), (2) or (4) of regulation 164 of SEBI ICDR 2018 has been determined considering 14<sup>th</sup> May 2026 as relevant date in terms of SEBI ICDR 2018 as follows:



Minimum of the Higher of the price determined through following methods was considered:

Price determined under sub-regulation (1), (2) or (4) of regulation 164 of SEBI ICDR Regulations as per following provisions i.e. price shall be not less than higher of the following:

- The 90 (ninety) trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or
- The 10 (ten) trading days volume weighted average price of the related on the recognized stock exchange preceding the relevant date

**Valuation as per first proviso to Regulation 164(1) of SEBI (ICDR) Regulations**

As informed by the Management and basis my perusal of the Articles of Association (AOA) of the Company, it is understood that no method of determination of price pursuant to issuance of shares has been prescribed.

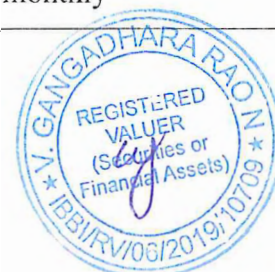
**Valuation as per Regulation 166A (1) of SEBI (ICDR) Regulations**

As informed by the Management, the proposed issuance of shares shall exceed 5% of the post issue fully diluted capital of the Company i.e., Deccan Cements Limited to an allottee or to allottees acting in concert. Accordingly, an independent valuation by registered valuer has been undertaken in accordance with the amended Regulation 166A of SEBI ICDR 2018. This price is determined as per Net Asset Replacement Cost Method, Discounted Cash Flow method and Comparable Companies Multiple Method under Market Approach.

The Company has proposed to issue Compulsorily Convertible Debentures which can be convertible Equity.

Terms and Conditions of Compulsorily Convertible Debentures

Particulars	Compulsorily Convertible Debentures
Nature & Type	Unsecured Fully and Compulsorily Convertible
Class	Compulsorily Convertible into Equity
Tenure (Not exceeding)	18 Months
Conversion Period	Within 18 months from the date of issuance
Coupon Rate	6% P.a. Payable monthly



As per the terms of the Company the Compulsorily Convertible Debentures will be converted into Equity shares in the ratio of 1:1

The Equity shares of the Company will become the underlying asset for the Compulsorily Convertible Debentures.

Accordingly, the fair value of the Equity share will be the basis for value of the Compulsorily Convertible Debentures.

In view of the above the value of One Compulsorily Convertible Debentures is equal to 1:1 Equity shares of the Company. Hence, we have carried out the valuation of Equity share of the company as per the accepted valuation methodology to derive the value of the Compulsorily Convertible Debentures.

### **Cost Approach**

#### **Net Assets Replacement Cost Method under Cost Approach:**

It is also known as 'Depreciated Replacement Cost Method' and involves valuing an asset based on the cost that a market participant shall have to incur to recreate an asset with substantially the same utility ('comparable utility') as that of the asset to be valued, adjusted for obsolescence.

The Fair value per Equity share of M/s. Deccan Cements Limited as per the Net Assets Replacement Cost Method under Cost Approach based on the Provisional Standalone Financial Statements for the year ended 31<sup>st</sup> March 2026 is Rs. 609.57/-

### **Market Approach**

#### **Comparable Companies Multiples Method under Market Approach:**

We have searched for the similar Comparable companies in data bases such as Capitaline, BSE and Capital Market etc.,

We have identified the following Companies as the Comparable Companies in the Cement Industry for the subject Company M/s. Deccan Cements Limited.



Companies	EV/EBITDA
Sagar Cements Limited	26.34
Orient Cement Limited	4.66
Shree Digvijay Cement Co Limited	13.61
NCL Industries Limited	7.01
<b>Median</b>	<b>10.31</b>

The **median EV/EBITDA multiple** of the above comparable companies has been considered for the **subject company** to determine the **equity value** as per the **Comparable Companies Multiple Method** under the **Market Approach**

Particulars	Rs in Lakhs
<b>EBITDA for the FY 2026-27</b>	<b>18,755.95</b>
EV/EBITDA Multiple	10.31
<b>Enterprise Value</b>	<b>1,93,373.85</b>
<b>Discounting Factor for FY 2026-27</b>	<b>0.89</b>
<b>Enterprise Value</b>	<b>1,73,024.92</b>
Add: Surplus cash/ cash equivalent	8,073.03
Add: Non Current Investments	10.38
Less: Borrowings	(75,268.97)
Less: Other Liabilities	(794.53)
<b>Value of Equity</b>	<b>1,05,044.83</b>
No of Equity Shares	1,40,07,500
<b>Fair value per Equity share</b>	<b>749.92</b>

The fair value per Equity share as per the **Comparable Companies Multiple Method** under the **Market Approach** is **Rs. 749.92/-**

#### DISCOUNTED CASH FLOW METHOD UNDER INCOME APPROACH

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalized) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

The following are some of the instances where a valuer may apply the income approach:

- Where the asset does not have any market comparable or comparable transaction:
- Where the asset has fewer relevant market comparables; or



(c) Where the asset is an income producing asset for which the future cash flows are available and can reasonably be projected.

The income approach should be applied and afforded significant weight under the following circumstances:

(a) The income-producing ability of the asset is the critical element affecting value from a participant perspective, and/or

(b) Reasonable projections of the amount and timing of future income are available for the subject asset, but there are few, if any, relevant market comparables.

The management has provided us the projected financial statements for future years. We have considered to adopt Discounted Cash Flow (DCF) Method under Income Approach for ascertaining the indicative value of the business.

We have considered to value Shares as per **DISCOUNTED CASH FLOWS METHOD** On the basis of the following sources of information

- The back ground information about the company.
- Standalone and Consolidated Audited Financial statements for the year ended 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March 2025.
- Standalone Provisional Financial Statements for the year ended 31<sup>st</sup> March 2026
- Projected Financial Statements provided by the Management of M/s. Deccan Cements Limited for the future years.
- We have reviewed the documents Information, explanation and documents provided by the Management personnel and executives
- Performed an analysis on projected financial statement for understanding the nature of business and its earning capacity
- Estimated future free cash flows on the basis of projected financial statements
- We have made reference to and relied upon the information from Investing.com, BSE.Com, NSE.Com, Capitaline.Com and Damodaran.com



**DISCOUNTED CASH FLOW METHOD:**

The DCF method expresses the present value of the business as a function of its future cash earnings capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. The valuation under the DCF method depends upon the projections of the future cash flows and the selection of the appropriate discount factor. The DCF methodology is considered to be the most appropriate basis for determining the future earning capability of a business.

Calculation of value under the DCF method involves estimation of future cash flows from the total projects undertaken by the company till their completion and discounting those cash flows using appropriate discounting factor.

$$\text{Value of the Business} = \sum_{t=1}^{t=n} \frac{\text{Expected cash flow}}{(1+r)^t} + \frac{\text{Terminal value}}{(1+r)^n}$$

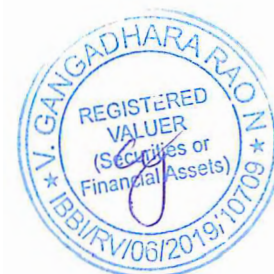
***ESTIMATION OF FREE CASH FLOWS***

*WE HAVE ADOPTED FREE CASH FLOWS TO FIRM FOR VALUING THE SHARES OF THE COMPANY*

As indicated above, the future economic benefit, on which financial analysts and business valuer's most frequently focus, is "Net free cash flow", which is defined as follows:

**EBIT\*(1-Tax) + Amortization/Depreciation +/- changes in working capital - changes in capital expenditure**

In the light of the above, we developed an indication of the value based on a forecast of the entities net cash flows. This forecast is made to reflect the probable net cash flows for the next seven years.



***ESTIMATION OF CONTINUATION VALUE***

Under the going concern premise the cash flows are expected to be derived by the business company beyond explicit period and will grow at constant rate forever. Based on the this premise the terminal (continuation) value of the business can be estimated as

$$TV = \frac{FCF_{t+1}}{(WACC/K_e - G)}$$

***ESTIMATION OF DISCOUNTING RATE (KE)***

The cost of equity (Ke) i.e. the rate at which the future free cash flows are to be discounted is determined using the CAPM model i.e. Capital Asset Pricing Model. The formula for calculating cost of equity under this model is:

$$K_e = K_{rf} + \beta (K_m - K_{rf}) + a$$

Where

- $K_e$  = expected rate of return on equity
- $K_{rf}$  = risk free rate on bonds
- $K_m$  = expected rate of return on the market
- $K_m - K_{rf}$  = equity risk premium
- $\beta$  = coefficient of firms' systematic risk
- $a$  = additional risk premium

In addition, additional risk premium has been considered at the rate of 3% in respect of small size premium and other business risks.



The discount rate and the cost of equity (ke) for Deccan Cements as per CAPM Model is estimated as follows

Risk free rate ( $K_{rf}$ ) = 7.16% (10years Bond yield - Source: [www.CCIL.com](http://www.CCIL.com)),

Equity Risk Premium (ER(P)) = 7.08% (Source: [www.Damodaran.com](http://www.Damodaran.com))

Beta of Deccan Cements Limited: 0.98 (Source: [www.Capitaline.com](http://www.Capitaline.com))

**Therefore Cost of Equity of Deccan as per CAPM Model is =**  
 **$(7.16\% + (7.08\% * 0.98) + 3\% = 17.10\%$**

**We have considered the Free cash flow to the Firm by discounting with the Weighted Average Cost of Capital. For the purpose of calculating Weighted Average Cost of Capital we have assigned weights based on market value of Equity and current debt.**

***GROWTH RATE (G) FOR TERMINAL PERIOD FOR M/s. Deccan Cements Limited***

While estimating the terminal value, the estimated growth rate of the business shall be reduced from the WACC. This is required because of the fact that the future growth will offset the risk involved the cash flows. We have considered a moderate growth rate of 5% for terminal period



The Fair Value per Equity Share as per the Discounted Cash Flow Method under Income Approach

<b>DECCAN CEMENTS LIMITED</b>	
<b>Ascertainment of Value Per Share</b>	
<b>Particulars</b>	<b>Rs in Lakh</b>
NPV of Explicit Period	62,928.34
Present Value of Perpetuity	98,111.05
<b>Enterprise Value</b>	<b>1,61,039.40</b>
Add: Surplus cash/ cash equivalent	8,073.03
Add: Non current Investments	10.38
Less: Borrowings	-75,268.97
Less: Other Liabilities	-794.53
<b>Value of Equity</b>	<b>93,059.31</b>
<b>No of Equity Shares</b>	<b>1,40,07,500</b>
<b>Value per Equity Share</b>	<b>664.35</b>

The fair value per Equity share as per Discounted Cash Flow Method is Rs. 664.35/-.

Fair value per Equity share as determined in this report as per Regulation 166 A

<b>Particulars</b>	<b>Applicability</b>	<b>Fair Value per Equity share</b>	<b>Weights</b>	<b>Fair Value per Equity share</b>
Fair value per Equity Share as per the Net Asset Replacement Cost Method	Applicable	609.57	20%	121.91
Fair value per Equity Share as per the Discounted Cash Flow Method	Applicable	664.35	40%	265.74
Fair value per Equity Share as per the Comparable Companies Multiple Method	Applicable	749.92	40%	299.97
<b>Fair Value Per Equity Share</b>				<b>687.62</b>

<b>Particulars</b>	<b>Fair Value per Equity Share</b>
<b>Fair Value per Equity Share as per Regulation 166A of SEBI ICDR 2018</b>	<b>687.62</b>

Market Price Method under Market Approach:

The equity shares of Deccan Cements Limited are listed and traded on NSE and BSE. There are regular transactions in the equity shares with reasonable volumes. Accordingly, I have referred to Pricing regulations stated in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018 as amended from time to time and the specific information/explanations available for arriving at the price as per Market Price method.

**Price of the equity shares of the Company as per Regulation 164(1) of SEBI (ICDR) Regulations**

We have valued the equity share of M/s. Deccan Cements Limited under the Market price method on the basis of the higher of

VWAP of the equity shares for 90 trading days preceding the relevant date

or

VWAP of the equity shares for 10 trading days preceding the relevant date

<b>Particulars</b>	<b>Price</b>
1) VWAP of the equity shares for 90 trading days preceding the relevant date	669.96
2) VWAP of the equity shares for 10 trading days preceding the relevant date	650.24
Higher of the above	669.96

Accordingly, the value per share of the Company as per Regulation 164(1) of SEBI (ICDR) Regulation is, Higher of A) or B) above, that is **INR 669.96/- (Six Hundred Sixty Nine Rupess Ninety Six Paise-only).**



**Fair Value per Share**

Fair value per Equity share as determined in this report as per Regulation 166 A

Particulars	Applicability	Fair Value per Equity share	Weights	Fair Value per Equity share
Fair value per Equity Share as per the Net Asset Replacement Cost Method	Applicable	609.57	20%	121.91
Fair value per Equity Share as per the Discounted Cash Flow Method	Applicable	664.35	40%	265.74
Fair value per Equity Share as per the Comparable Companies Multiple Method	Applicable	749.92	40%	299.97
<b>Fair Value Per Equity Share</b>				<b>687.62</b>

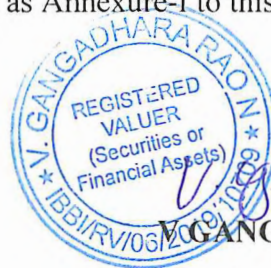
As per the above table, the fair value per Equity share is Rs. 687.62/-

Further as per the first proviso of Regulation 166(A)(1) of SEBI (ICDR) Regulations, the Floor Price for preferential allotment shall be higher of the Fair value per equity share computed as above or the price calculated in terms of Regulation 164(1). This can be summarized as per below table

Particulars	Price	Annexure
<b>The Floor Price where proposed issuance of shares lead to allotment of more than 5% of the post issue fully diluted share capital as per first proviso to Regulation 166A(1) of the ICDR Regulations shall be higher of the following</b>		
1) Floor price determined under sub-regulation (1) of regulation 164 or	669.96	A
2) Fair value per equity share determined as per this report as per sub-regulation 1 of regulation 166A	687.62	B
<b>Floor Price as per first proviso of regulation 166A (1) of ICDR Regulations is</b>	<b>687.62</b>	

Based on the above, valuation as per first proviso to Regulation 166A(1) is arrived at INR 687.62/- per equity share of the Company.

The conversion ratio of Compulsorily Convertible Debentures to Equity is 1:1. The Value per Compulsorily Convertible Debentures of M/s. based on the valuation of its underlying Equity Shares is Rs. 687.62/- for which detailed calculation is enclosed as Annexure-I to this report



*V. Gangadhara Rao N*  
**V. GANGADHARA RAO N**  
**REGISTERED VALUER**  
**IBBI/RV/06/2019/10709**

**Place: Hyderabad**

**Date: 14-05-2026**

**UDIN:26219486LQNSOO9445**

**Appendix A-Statement of Assumptions and Limiting Conditions**

The primary assumptions and limiting conditions pertaining to the value estimate conclusion(s) stated in the detailed Valuation report are summarized below. Other assumptions are cited elsewhere in the report.

1. The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation 14<sup>th</sup> May 2026
2. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). I do not accept liability for losses arising from such subsequent changes in value. All opinions and estimates in this publication or report are, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report and are **subject to change without notice**.
3. We have performed a valuation engagement and present our detailed report in conformity with the **“Indian Valuation Standards” (IVS)** issued by the **Institute of Chartered Accountants of India (ICAI)**. IVS sets out that the objective of a valuation engagement is “to express an unambiguous opinion as to the of a business, business ownership interest, security or intangible asset which opinion is supported by all procedures that the appraiser deems to be relevant to the valuation.” Also according to the Standard in a valuation engagement the valuer can apply valuation approaches or methods deemed in the analyst’s professional judgment to be appropriate under the circumstances. In a valuation engagement the conclusion is expressed as either a single amount or a range.
4. By reason of the operation of privacy laws, the valuer’s enquiries in respect of recent transactions have been constrained. Accordingly, the valuer may not have had access to information on recent transactions which has not yet been published in information sources available to the valuer. If other transactions have taken place, knowledge of those transactions may affect the opinions expressed by the valuer. To the best of my knowledge and belief the statements and opinions in this report are correct and the information provided by others is

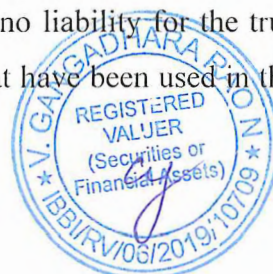


accurate. However, no responsibility is assumed for its accuracy, which should be checked by appropriate report, search or formal enquiry if required.

5. It should be noted that I am not an engineer, a plant and equipment, building construction or structural expert and I am therefore unable to certify as to the (structural) soundness of the improvements. I am not qualified to comment on the structural integrity, defect, rot or infestation of the improvements. Our scope of work does not include an appraisal or valuation of land, plant and equipment, building construction and any other immovable or movable property individually.
6. We have provided our recommendation of the Valuation based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for value/price at which the Proposed Transaction shall take place will be with the Board of Directors of the Company, who should take into account other factors such as their own assessment of the proposed Transaction and input of other advisors.
7. We are not advisors with respect to accounting, legal, tax and regulatory matters for the proposed transaction. This Report does not look into the business/commercial reasons behind the proposed transaction nor the likely benefits arising out of it. Similarly, it does not address the relative merits of the proposed transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
8. This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. I/we do not take any responsibility for the unauthorized use of this report.
9. I owe responsibility to only to the authority/client that has appointed me/us under the terms of the engagement letters. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.



10. The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date
11. The valuation of company and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is no indisputable single value and the estimate of the value is normally expressed as falling within a likely range. To comply with the client, I have provided a single value for the Fair Value of the Equity of M/s. Deccan Cements Limited. Whilst, I consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.
12. The actual market price achieved may be higher or lower than our estimate of value (or range of value) depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place.
13. The client/owner and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the owners/clients, their management and other third parties concerning the financial data, operational data and maintenance schedule of all plant-machinery-equipment-tools-vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. I shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents.
14. I have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we



have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

15. The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner. Further, 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 litigations and other contingent liabilities that are not recorded/reflected in the balance sheet provided to us.
16. The valuation report is tempered by the exercise of judicious discretion by the RV, taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.
17. I was fully aware that based on the opinion of value expressed in this report, I may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my / our tendering evidence before such authority shall be under the applicable laws.
18. While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of you and the client. Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
19. An analysis of such nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date



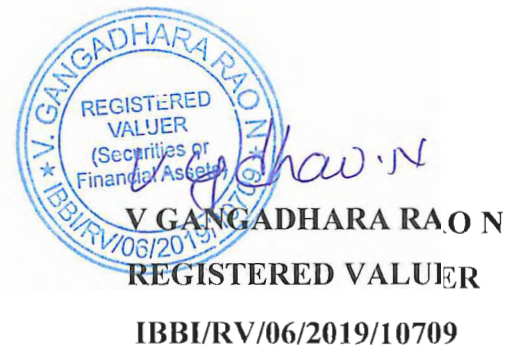
hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

20. In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company.
21. We are independent of the client/company and have no current or expected interest in the Company or its assets. The fee paid for our services in no way influenced the results of our analysis.
22. Our report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
23. This publication or report has been prepared as general information for private use of client to whom the publication or report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor bears the risk of losses in connection with an investment. Before acting on any information in this publication or report, it is recommendable to consult one's financial advisor. The information contained in this publication or report does not constitute advice on the tax consequences of making any particular investment decision.
24. I have not conducted any examination in respect of technical feasibility intellectual products owned by the entity
25. The risk of investing in certain financial instruments is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political



environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance.

26. The valuer may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report. To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of the valuer are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of the Group Companies and personal account dealing
27. Our report will not be used for financing or invitation for funding or other public documents and may not be relied upon by any third parties.
28. **The valuer does not accept any responsibility or liability for information provided by third parties.** Official confirmation of portfolio holdings with these parties and issues arising from information they have provided must be addressed directly with them.
29. I have no financial interest or contemplated financial interest in the companies that are the subject of this report

**Place: Hyderabad****Date: 14-05-2026****UDIN: 26219486LQNSOO9445**

B.COM, FCA  
Registered Valuer  
(Securities or Financial Assets)

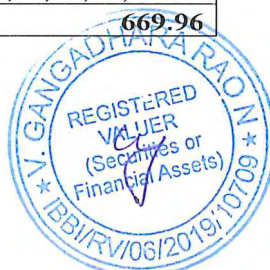
Annexure A

Calculation of 90 Trading Days Volume Weighted Average

Calculation of 90 trading days Volume Weighted Average Price				
Count	DATE	VWAP	VOLUME	VALUE
1	13-May-26	649.74	40,224	2,61,35,181.85
2	12-May-26	620.77	44,102	2,73,76,996.55
3	11-May-26	638.78	15951	1,01,89,121.60
4	08-May-26	646.67	10782	69,72,403.75
5	07-May-26	656.11	28415	1,86,43,281.95
6	06-May-26	662.02	42995	2,84,63,403.55
7	05-May-26	672.16	15473	1,04,00,263.65
8	04-May-26	666	22891	1,52,45,479.80
9	30-Apr-26	649.49	15352	99,71,013.90
10	29-Apr-26	659.11	20403	1,34,47,738.05
11	28-Apr-26	654.21	12617	82,54,224.85
12	27-Apr-26	649.28	17721	1,15,05,880.25
13	24-Apr-26	634.75	20978	1,33,15,774.20
14	23-Apr-26	647.53	10007	64,79,812.35
15	22-Apr-26	660.69	40169	2,65,39,219.35
16	21-Apr-26	666.26	21313	1,41,99,931.25
17	20-Apr-26	667.11	13539	90,31,948.25
18	17-Apr-26	671.51	30948	2,07,81,935.75
19	16-Apr-26	672.86	30523	2,05,37,761.25
20	15-Apr-26	675.92	40570	2,74,22,015.15
21	13-Apr-26	649.56	19715	1,28,06,147.05
22	10-Apr-26	659.7	4761	31,40,819.05
23	09-Apr-26	653.14	20417	1,33,35,201.70
24	08-Apr-26	645.53	19830	1,28,00,804.45
25	07-Apr-26	622.33	12871	80,10,029.35
26	06-Apr-26	610.45	28898	1,76,40,772.50
27	02-Apr-26	589.06	15669	92,30,015.30
28	01-Apr-26	580.52	28505	1,65,47,606.00
29	30-Mar-26	553.17	58100	3,21,39,429.10
30	27-Mar-26	591.72	65500	3,87,57,926.15
31	25-Mar-26	626.76	81761	5,12,44,447.10
32	24-Mar-26	610.14	61388	3,74,55,093.85
33	23-Mar-26	614.36	32635	2,00,49,494.75
34	20-Mar-26	657.02	15746	1,03,45,366.60
35	19-Mar-26	647.36	20711	1,34,07,555.50
36	18-Mar-26	655.81	68760	4,50,93,523.25
37	17-Mar-26	644.04	23123	1,48,92,127.05
38	16-Mar-26	655.07	27172	1,77,99,614.70
39	13-Mar-26	660.56	28171	1,86,08,718.10
40	12-Mar-26	686.1	18733	1,28,52,786.40
41	11-Mar-26	686.98	71291	4,89,75,427.90
42	10-Mar-26	666.61	20647	1,37,63,597.45
43	09-Mar-26	656.46	23501	1,54,27,510.25
44	06-Mar-26	686.3	18356	1,25,97,801.75
45	05-Mar-26	693	21219	1,47,04,795.45



Count	DATE	VWAP	VOLUME	VALUE
46	04-Mar-26	700.69	39605	2,77,50,899.10
47	02-Mar-26	717.08	34681	2,48,69,171.10
48	27-Feb-26	749.34	39042	2,92,55,649.80
49	26-Feb-26	752.4	204247	15,36,76,040.60
50	25-Feb-26	712.22	9475	67,48,252.75
51	24-Feb-26	708.45	30368	2,15,14,163.05
52	23-Feb-26	685.66	11319	77,60,934.70
53	20-Feb-26	687.16	6364	43,73,083.90
54	19-Feb-26	688.34	6098	41,97,506.05
55	18-Feb-26	692	6752	46,72,409.45
56	17-Feb-26	693.7	6182	42,88,470.50
57	16-Feb-26	697.85	15231	1,06,28,940.30
58	13-Feb-26	687.12	20191	1,38,73,726.10
59	12-Feb-26	696.1	71183	4,95,50,205.75
60	11-Feb-26	718.37	29451	2,11,56,589.35
61	10-Feb-26	715.51	15127	1,08,23,444.85
62	09-Feb-26	725.12	99348	7,20,38,907.45
63	06-Feb-26	665.64	6410	42,66,775.80
64	05-Feb-26	672.06	6742	45,30,999.95
65	04-Feb-26	668.38	18551	1,23,99,178.65
66	03-Feb-26	638.12	16882	1,07,72,743.90
67	02-Feb-26	612.66	35556	2,17,83,887.15
68	01-Feb-26	630.28	5124	32,29,550.10
69	30-Jan-26	634.64	9001	57,12,404.60
70	29-Jan-26	633.11	16581	1,04,97,570.15
71	28-Jan-26	640.59	50951	3,26,38,460.35
72	27-Jan-26	641.24	16176	1,03,72,630.55
73	23-Jan-26	657.15	29538	1,94,10,952.60
74	22-Jan-26	682.02	12280	83,75,266.10
75	21-Jan-26	651.92	58459	3,81,10,798.50
76	20-Jan-26	664.6	129266	8,59,10,344.30
77	19-Jan-26	645.23	19115	1,23,33,501.15
78	16-Jan-26	664.34	48841	3,24,46,832.05
79	14-Jan-26	679.93	10662	72,49,436.30
80	13-Jan-26	685.13	19238	1,31,80,523.50
81	12-Jan-26	692.29	28604	1,98,02,345.30
82	09-Jan-26	709.46	10361	73,50,763.10
83	08-Jan-26	720.14	12260	88,28,901.20
84	07-Jan-26	724.84	6392	46,33,197.40
85	06-Jan-26	725.08	16372	1,18,71,025.25
86	05-Jan-26	718.24	32366	2,32,46,412.30
87	02-Jan-26	736.61	32259	2,37,62,398.20
88	01-Jan-26	743.95	4575	34,03,550.40
89	31-Dec-25	745.24	16608	1,23,76,971.80
90	30-Dec-25	741.56	8154	60,46,677.10
<b>Total</b>			<b>26,24,441</b>	<b>1,75,82,62,490.60</b>
<b>VWAP 90 trading days</b>				<b>669.96</b>



**Calculation of 10 Trading Days Volume Weighted Average Price**

<b>Calculation of 10 trading days Volume Weighted Average Price</b>				
<b>Count</b>	<b>DATE</b>	<b>VWAP</b>	<b>VOLUME</b>	<b>VALUE</b>
1	13-May-26	649.74	40,224	2,61,35,181.85
2	12-May-26	620.77	44,102	2,73,76,996.55
3	11-May-26	638.78	15951	1,01,89,121.60
4	08-May-26	646.67	10782	69,72,403.75
5	07-May-26	656.11	28415	1,86,43,281.95
6	06-May-26	662.02	42995	2,84,63,403.55
7	05-May-26	672.16	15473	1,04,00,263.65
8	04-May-26	666	22891	1,52,45,479.80
9	30-Apr-26	649.49	15352	99,71,013.90
10	29-Apr-26	659.11	20403	1,34,47,738.05
<b>Total</b>			<b>2,56,588</b>	<b>16,68,44,884.65</b>
<b>Total VWAP 10 trading days</b>				<b>650.24</b>



## Annexure B

**Fair Value per Equity share as per the Net Asset Replacement Cost Method under Cost Approach**

DECCAN CEMENTS LIMITED		
VALUATION AS PER NET ASSET REPLACEMENT COST METHOD		
Particulars	Details	Amount(Rs in Lakhs )31-03-2026
<b>Non Current Assets</b>		
Tangible Assets	1,42,900.65	
Intangible Assets	2,025.83	
Capital work in progress	308.19	
Investments	10.38	
Long term loans and advances	2.52	
Financial Assets	6,669.64	
Other non current Assets	612.07	
<b>Total (A)</b>		<b>1,52,529.27</b>
<b>Current Assets</b>		
Inventories	10,464.45	
Trade Receivables	3,983.60	
Cash & Cash Equivalents	8,970.51	
Other Financial Assets	453.41	
Short term loans and advances	12.61	
Other Current Assets	4,195.01	
<b>Total (B)</b>		<b>28,079.59</b>
<b>Total Assets C = (A+B)</b>		<b>1,80,608.86</b>
<b>Less: Current Liabilities</b>		
Borrowings	9,769	
Lease Liabilities		
Trade Payables	5,359.80	
Other Financial Liabilities	7,517.01	
Other Current Liabilities	134.67	
Provisions		
<b>Total (D)</b>		<b>22,780.71</b>
<b>Less: Non-Current Liabilities</b>		
Borrowings	65,499.73	
Lease Liabilities		
Long term provisions	794.53	
Deferred Tax Liabilities	6,147.73	
<b>Total (E)</b>		<b>72,441.99</b>
<b>Total Liabilities (F=D+E)</b>		<b>95,222.70</b>
<b>Net Assets (G=C-F)</b>		<b>85,386.15</b>
<b>Net Assets Attributable to equity shareholders(G)</b>		<b>85,386.15</b>
<b>Net Assets Attributable to equity shareholders</b>		<b>85,386.15</b>
No. of Equity Shares		1,40,07,500
<b>NAV Per Share</b>		<b>609.57</b>

**Note:** We have considered the fair market value of the Land and Building based on the valuation reports provided by the Management.



B.COM, FCA  
Registered Valuer  
(Securities or Financial Assets)

**Value per Share as per the Discounted Cash Flow Method under Income Approach**

**DECCAN CEMENTS LIMITED**  
**Projected Free Cash Flow(Rs in lakh)**

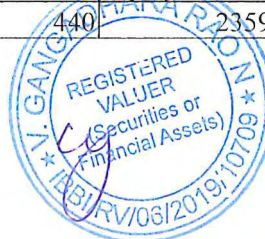
Particulars	31-03-2027	31-03-2028	31-03-2029	31-03-2030	31-03-2031	31-03-2032	31-03-2033
EBIT	14,267.01	13,911.72	14,782.21	15,687.30	16,638.19	17,644.22	18,700.71
Less: Tax	3,591.01	3,501.58	3,720.68	3,948.49	4,187.83	4,441.05	4,706.97
Add: Depreciation	4,488.94	4,518.94	4,551.44	4,593.94	4,637.44	4,674.94	4,713.54
<b>Cash Profits</b>	<b>15,164.94</b>	<b>14,929.08</b>	<b>15,612.97</b>	<b>16,332.74</b>	<b>17,087.80</b>	<b>17,878.10</b>	<b>18,707.28</b>
(Increase)/Decrease in Fixed assets Purchases	-0.00	-300.00	-325.00	-425.00	-435.00	-375.00	-386.00
(Increase) /Decrease in Increase in Current Assets	-11,499.92	-2,383.00	-2,513.00	-539.40	-566.22	-594.48	-624.21
Increase /(Decrease) in Increase in Current Liabilities	4,219.52	269.00	300.00	200.00	300.00	300.00	400.00
<b>Net cash generated during the year</b>	<b>7,884.54</b>	<b>12,515.08</b>	<b>13,074.97</b>	<b>15,568.34</b>	<b>16,386.58</b>	<b>17,208.62</b>	<b>18,097.07</b>

Year	31-03-2027	31-03-2028	31-03-2029	31-03-2030	31-03-2031	31-03-2032	31-03-2033
<b>Free Cash Flows</b>	<b>7,884.54</b>	<b>12,515.08</b>	<b>13,074.97</b>	<b>15,568.34</b>	<b>16,386.58</b>	<b>17,208.62</b>	<b>18,097.07</b>
WACC	11.76%	11.76%	11.76%	11.77%	11.77%	11.78%	11.79%
Discounting factor	0.89	0.80	0.72	0.64	0.57	0.51	0.46
<b>Discounted Cash Flows</b>	<b>7,054.84</b>	<b>10,019.46</b>	<b>9,365.59</b>	<b>9,976.87</b>	<b>9,394.02</b>	<b>8,823.25</b>	<b>8,294.32</b>

<b>Perpetuity Value</b>	
Particulars	Rs in Lakh
Cashflows for Perpetuity	18,707.28
Growth Rate	5%
<b>Cashflows for Perpetuity</b>	<b>19,642.64</b>
<b>Less: Reinvestment</b>	<b>5,107.09</b>
<b>Net Cash Flow for Perpetuity</b>	<b>14,535.55</b>
<b>Capitalized Value for Perpetuity</b>	<b>2,14,064.94</b>
<b>Total Capitalized Value</b>	<b>2,14,064.94</b>
Discounting Factor	0.46
<b>Present Value of Perpetuity</b>	<b>98,111.05</b>

**Note: Non-Current Investments**

Name of the Company	No of Equity Shares held	Fair value per Equity share	Fair value of Investments
Tata Consultancy Services Limited	440	2359.05	10,37,982.00



**Basis for assigning weights for the methods adopted****• Net Asset Replacement Cost Method (“NAV”) Method – 20% Weight:**

The Cement industry is asset-intensive in nature, requiring substantial investment in land, plant & machinery, mining rights, and infrastructure facilities. Accordingly, the NAV Method has been considered relevant to capture the underlying value of the tangible assets of the Company. However, since the value of the Company is not solely dependent on its asset base and is significantly influenced by its future earning capacity and market perception, a weight of 20% has been assigned to this method.

**• Discounted Cash Flow (“DCF”) Method – 40% Weight:**

The DCF Method has been assigned significant weightage as it captures the intrinsic value of the Company based on its projected future cash flows, operational performance, expected growth, profitability, and business-specific risks. Considering that the cement business is a going concern with predictable long-term demand and stable operating cash flows, the DCF Method appropriately reflects the earning potential and future economic benefits of the Company.

**• Comparable Companies Multiple (“CCM”) Method – 40% Weight:**

The CCM Method has also been assigned substantial weightage as the cement industry comprises several listed comparable companies with observable market trading multiples. This method reflects prevailing market sentiments, industry outlook, and valuation benchmarks adopted by market participants. Accordingly, the CCM Method provides a reliable external market-based perspective for determining the fair value of the Company.

Accordingly, considering the strengths and limitations of each valuation methodology, and to arrive at a balanced and reasonable estimate of fair value, appropriate weights have been assigned to the NAV, DCF, and CCM methods in the ratio of 20:40:40 respectively.



## Rational

The following companies have been considered as comparable companies under the Comparable Companies Multiple ("CCM") Method for valuation of Deccan Cements Limited:

- NCL Industries Limited
- Shree Digvijay Cement Co. Limited
- Sagar Cements Limited
- Orient Cement Limited

The selection of the above companies as comparable companies is considered rational, appropriate and technically supportable based on the following factors:

### 1. Industry Similarity

All the selected companies are engaged predominantly in the cement manufacturing business, with primary revenue generated from manufacture and sale of Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), clinker production, grinding operations and regional cement distribution. Accordingly, the companies exhibit strong functional comparability with Deccan Cements Limited.

### 2. Comparable Scale and Market Capitalization

The selected companies broadly fall within the small-cap to mid-cap segment of the Indian cement industry and possess operational characteristics reasonably comparable to Deccan Cements Limited. In particular, NCL Industries Limited and Shree Digvijay Cement Co. Limited represent relatively closer peers in terms of market capitalization and scale of operations, while Sagar Cements Limited and Orient Cement Limited provide additional operational benchmarking support despite being relatively larger in scale.



**3. Regional Business Similarity**

Deccan Cements Limited has significant operational exposure in the South Indian cement market, particularly in Telangana and Andhra Pradesh. Similarly, NCL Industries Limited, Sagar Cements Limited and Orient Cement Limited also have substantial presence and operations in the South Indian region. Such regional overlap enhances comparability with respect to cement demand dynamics, freight costs, dealer network, pricing environment and market realization factors.

**4. Comparable Operational Characteristics**

The selected comparable companies are regional capacity-driven cement manufacturers and are not large diversified cement conglomerates. Their businesses are similarly influenced by freight cost fluctuations, regional demand cycles, input cost variations and realization trends, thereby making valuation multiples such as EV/EBITDA relatively more comparable and meaningful.

**5. Availability of Reliable Public Information**

All selected comparable companies are listed entities with publicly available audited financial statements, market capitalization data, investor disclosures and trading information. This enables reliable determination and benchmarking of valuation multiples under the market approach.

**6. Exclusion of Large Integrated Cement Players**

Large cement companies such as UltraTech Cement Limited and Ambuja Cements Limited have not been considered as primary comparables due to their substantially larger scale of operations, diversified geographic presence, stronger pricing power, integrated logistics advantages and materially different capital structures, which may distort valuation benchmarking for Deccan Cements Limited.

Accordingly, considering similarity in industry, nature of operations, scale, regional presence, operational profile and availability of reliable market information, the aforesaid companies have been considered as appropriate comparable companies for application of the Comparable Companies Multiple Method under the Market Approach.

