

National Stock Exchange Of India Limited

Ref: NSE/LIST/135245

June 19, 2024

The Company Secretary
HEG Limited
Mandideep, Near Bhopal,
Distt. Raisen (Madhya Pradesh) - 462046

Kind Attn.: Mr. Vivek Chaudhary

Dear Sir,

Sub: Requirements for draft composite scheme of arrangement amongst HEG Limited and HEG Graphite Limited and Bhilwara Energy Limited and their respective shareholders and creditors.

This is with reference to your application for draft composite scheme of arrangement amongst HEG Limited (“Demerged Company” or “Transferee Company”) and HEG Graphite Limited (“Resulting Company”) and Bhilwara Energy Limited (“Transferor Company”) and their respective shareholders and creditors.

In this regard you are requested to provide the following documents:

1. Detailed workings for the valuation provided by the company w.r.t Income Approach (DCF Method).
2. It is observed that the cover letter of valuation report (Annexure 2) is not signed. Please provide signed copy of the same.

We would be able to take the necessary action at our end on receipt of the above documents/details. A satisfactory response to the queries raised by the Exchange shall be submitted on an immediate basis. Exchange reserves the right to return the applications if not responded satisfactorily within considerable time.

Yours faithfully,
For National Stock Exchange of India Ltd.

Khyati Vidwans
Senior Manager
Contact no.: 8655648072

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL <https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>



Private & Confidential

12 June 2024

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 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 a composite scheme of Arrangement (“Scheme”) filed by the Companies, 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 New Co 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 22 May 2024.

We are a firm of registered valuers and are bound to keep the data provided by our client confidential. Having said this, however, since we have received a specific request from you based on the requirement of the Stock Exchanges, we are pleased to attach our summary workings for the share 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

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GARG Date: 2024.06.12
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Neeraj Garg

Partner

IBBI Membership No.: IBBI/RV/02/2021/14036

PwC Business Consulting Services LLP, 252 Veer Savarkar Marg, Shivaji Park, Dadar, Mumbai – 400 028.

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LLPIN : AAO-9288 Registered with limited liability.

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

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

Comparable companies' 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 | FY25 | FY26 | FY27 |
| Number of Months | 12 | 12 | 12 | 12 |
| Revenue | 9 | 14 | 14 | 14 |
| EBITDA | (13) | 4 | 4 | 4 |
| EBITDA Margin (%) | -145.8% | 29.7% | 29.7% | 29.7% |

• **Bhilwara Infotechnology Limited**

| Particulars (INR Crores) | Actual | Projected | | | | |
|--------------------------|--------|-----------|------|------|------|------|
| | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 |
| Number of Months | 12 | 12 | 12 | 12 | 12 | 12 |
| Revenue | 28 | 30 | 32 | 35 | 38 | 41 |
| EBITDA | (2) | (1) | 0 | 1 | 2 | 4 |
| EBITDA Margin (%) | -6.5% | -2.1% | 0.7% | 3.5% | 6.2% | 8.8% |

• **TACC Limited**

| Particulars (INR Crores) | Actual | Projected | | | | |
|--------------------------|--------|-----------|-------|-------|-------|-------|
| | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 |
| Number of Months | 12 | 12 | 12 | 12 | 12 | 12 |
| Revenue | - | - | 551 | 1,502 | 1,780 | 1,978 |
| EBITDA | (2) | (3) | 134 | 421 | 499 | 555 |
| EBITDA Margin (%) | nmf | nmf | 24.4% | 28.0% | 28.0% | 28.0% |



• **Malana Power Company Limited**

| Particulars (INR Crores) | Actual | Projected | | | | | | | | |
|--------------------------|--------|-----------|-------|-------|-------|-------|-------|-------|-------|-------|
| | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 | FY33 |
| Number of Months | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Revenue | 125 | 160 | 158 | 158 | 159 | 158 | 159 | 159 | 159 | 159 |
| EBITDA | 72 | 116 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 |
| EBITDA Margin (%) | 57.7% | 72.6% | 72.4% | 72.4% | 72.5% | 72.4% | 72.4% | 72.4% | 72.5% | 72.4% |

| Particulars (INR Crores) | Projected | | | | | | | | |
|--------------------------|-----------|-------|-------|-------|-------|-------|-------|-------|-------|
| | FY34 | FY35 | FY36 | FY37 | FY38 | FY39 | FY40 | FY41 | FY42 |
| Number of Months | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 3 |
| Revenue | 159 | 159 | 159 | 159 | 159 | 159 | 159 | 159 | 42 |
| EBITDA | 115 | 115 | 116 | 115 | 115 | 115 | 116 | 115 | 31 |
| EBITDA Margin (%) | 72.5% | 72.5% | 72.5% | 72.5% | 72.5% | 72.5% | 72.6% | 72.5% | 72.9% |

• **AD Hydro Private Limited**

| Particulars (INR Crores) | Actual | Projected | | | | | | | | |
|--------------------------|--------|-----------|-------|-------|-------|-------|-------|-------|-------|-------|
| | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 | FY31 | FY32 | FY33 |
| Number of Months | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Revenue | 320 | 372 | 372 | 372 | 372 | 371 | 371 | 370 | 371 | 369 |
| EBITDA | 261 | 322 | 322 | 321 | 322 | 321 | 320 | 320 | 320 | 319 |
| EBITDA Margin (%) | 81.5% | 86.5% | 86.5% | 86.5% | 86.5% | 86.4% | 86.4% | 86.4% | 86.4% | 86.4% |

| Particulars (INR Crores) | Projected | | | | | | | | |
|--------------------------|-----------|-------|-------|-------|-------|-------|-------|-------|-------|
| | FY34 | FY35 | FY36 | FY37 | FY38 | FY39 | FY40 | FY41 | FY42 |
| Number of Months | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Revenue | 369 | 368 | 369 | 368 | 367 | 368 | 369 | 368 | 368 |
| EBITDA | 319 | 318 | 319 | 317 | 317 | 317 | 318 | 317 | 317 |
| EBITDA Margin (%) | 86.4% | 86.3% | 86.4% | 86.3% | 86.3% | 86.3% | 86.3% | 86.3% | 86.3% |

| Particulars (INR Crores) | Projected | | | | | | | | |
|--------------------------|-----------|-------|-------|-------|-------|-------|-------|-------|-------|
| | FY43 | FY44 | FY45 | FY46 | FY47 | FY48 | FY49 | FY50 | FY51 |
| Number of Months | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 6 |
| Revenue | 368 | 369 | 368 | 360 | 360 | 361 | 361 | 361 | 179 |
| EBITDA | 318 | 319 | 318 | 310 | 310 | 311 | 310 | 311 | 156 |
| EBITDA Margin (%) | 86.3% | 86.4% | 86.3% | 86.0% | 86.0% | 86.1% | 86.0% | 86.1% | 87.1% |

• **Indo Canadian Consultancy Services Limited**

| Particulars (INR Crores) | Actual | Projected | | | | |
|--------------------------|--------|-----------|-------|-------|-------|-------|
| | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 |
| Number of Months | 12 | 12 | 12 | 12 | 12 | 12 |
| Revenue | 6 | 7 | 9 | 10 | 11 | 12 |
| EBITDA | 1 | 3 | 4 | 5 | 6 | 6 |
| EBITDA Margin (%) | 23.3% | 40.0% | 45.7% | 50.9% | 51.5% | 52.1% |



- **Replus Engitech Private Limited**

| Particulars (INR Crores) | Actual | Projected | | | |
|--------------------------|--------|-----------|-------|-------|-------|
| | FY24 | FY25 | FY26 | FY27 | FY28 |
| Number of Months | 12 | 12 | 12 | 12 | 12 |
| Revenue | 20 | 178 | 373 | 483 | 596 |
| EBITDA | (4) | 23 | 55 | 72 | 91 |
| EBITDA Margin (%) | -19.9% | 13.0% | 14.8% | 15.0% | 15.3% |

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 3 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) | | Bhilwara Energy Limited (B) | |
|---|---|---------------|------------------------------|---------------|
| | Value per Equity Share (INR) | Weight | Value per Equity Share (INR) | Weight |
| Income Approach - DCF Method | 562.8 | 100.0% | 128.7 | 100.0% |
| Market Approach | NA | 0.0% | NA | 0.0% |
| Asset Approach - NAV | 297.5 | 0.0% | 30.6 | 0.0% |
| Concluded Value per Share | 562.8 | 100.0% | 128.7 | 100.0% |
| Fair Share Exchange Ratio (A:B)* | 8.0 | | 35.0 | |

**Rounded*

For Fair Share Exchange Ratio - Refer Appendix A.1 for underlying workings for HEG Limited (excluding Graphite Business) and Appendix A.2 for underlying working for Bhilwara Energy Limited



Appendix A.1
HEG Limited (excluding Graphite Business)

Income Approach - Discounted Cashflow Method

| Particulars | INR crores |
|--|-------------------|
| <u>Non Current Assets</u> | |
| (1) Investment Property | 59 |
| <u>Investments in Subsidiaries, Joint Ventures and Associates</u> | |
| (2) Value of 49% equity stake in Bhilwara Energy Limited | 1,046 |
| (3) Value of 38.6% equity stake in Bhilwara Infotechnology Limited | 25 |
| (4) Value of 100% equity stake in TACC Limited | 292 |
| (5) Other Investments | 224 |
| Total Non Current Assets | 1,647 |
| <u>Current Assets</u> | |
| (6) Investments | 324 |
| Cash and Bank Balance | 202 |
| Total Current Assets | 526 |
| Total Assets | 2,172 |
| Total Liabilities | - |
| Net Asset Value (i) | 2,172 |
| Number of equity shares as on 18 May 2024 (ii) | 38,595,506 |
| Equity value per share as on 18 May 2024 (INR) (i / ii) | 562.8 |

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).



Appendix A.2
Bhilwara Energy Limited

Income Approach - Discounted Cashflow Method

| Particulars | INR crores |
|--|-------------------|
| Fair Value of wind power operations in the standalone company | 36 |
| Adjustments for: | |
| Add: Surplus assets | 94 |
| <u>Add: Investments</u> | |
| (1) Value of 51% equity stake in Malana Power Company Limited | 1,884 |
| (2) Value of 75.5% equity stake in Indo Canadian Consultancy Services Limited | 22 |
| (3) Value of 74% equity stake in Replus Engitech Private Limited | 47 |
| <u>Add: Advances</u> | |
| BG Wind Power Limited | 36 |
| Replus Engitech Private Limited | 15 |
| Indo Canadian Consultancy Services Limited | 1 |
| Equity value as on 18 May 2024 (i) | 2,134 |
| Number of equity shares as on 18 May 2024 (ii) | 165,759,311 |
| Equity value per share as on 18 May 2024 (INR) (i / ii) | 128.7 |
| Value of 49% equity stake in Bhilwara Energy Limited held by HEG Limited (49% of i) | 1,046 |

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.



Appendix A.1.(a)
Bhilwara Infotechnology Limited

Income Approach - Discounted Cashflow Method

| Particulars | INR crores |
|--|-------------------|
| Present value of horizon period cash flows | 1 |
| Terminal value | 13 |
| Enterprise value as on 18 May 2024 | 14 |
| Adjustments for: | |
| Add: Surplus assets | 51 |
| Equity value as on 18 May 2024 | 65 |

Appendix A.1.(b)
TACC Limited

Income Approach - Discounted Cashflow Method

| Particulars | INR crores |
|--|-------------------|
| Present value of horizon period cash flows | (1,346) |
| Terminal value | 1,446 |
| Add: Residual Tax Benefit | 27 |
| Enterprise value as on 18 May 2024 | 127 |
| Adjustments for: | |
| Add: Surplus assets | 27 |
| Add: Present value of Capital Subsidy | 138 |
| Equity value as on 18 May 2024 | 292 |



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 | 699 |
| Adjustments for: | |
| Add: Surplus assets | 58 |
| (1) Add: Value of 100% equity stake in AD Hydro | 2,937 |
| Equity value as on 18 May 2024 | 3,694 |

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 | 2,632 |
| Adjustments for: | |
| Add: Surplus assets | 306 |
| Equity value as on 18 May 2024 | 2,937 |

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

Income Approach - Discounted Cashflow Method

| Particulars | INR crores |
|--|-------------------|
| Present value of horizon period cash flows | 12 |
| Terminal value | 16 |
| Enterprise value as on 18 May 2024 | 27 |
| Adjustments for: | |
| Add: Surplus assets | 3 |
| Less: Debt and debt like items | 2 |
| Equity value as on 18 May 2024 | 29 |



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

Income Approach - Discounted Cashflow Method

| Particulars | INR crores |
|--|-------------------|
| Present value of horizon period cash flows | 1 |
| Terminal value | 102 |
| Add: Residual Tax Benefit | 1 |
| Enterprise value as on 18 May 2024 | 104 |
| Adjustments for: | |
| Add: Surplus assets | 9 |
| Less: Debt and debt like items | 49 |
| Equity value as on 18 May 2024 | 64 |



V. **Determination of the Floor Price of HEG Limited (excluding Graphite Business) as mentioned in the SER report (Page no 13 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) | 2,033.8 | 50.0% |
| Market Approach (CCM method) (ii) | 1,928.1 | 50.0% |
| Net Asset Value Method | 776.5 | NA |
| Value per share | 1,981.0 | 100.0% |

(i) Income Approach - Discounted Cashflow Method

| Particulars | INR crores |
|---|----------------|
| Present value of horizon period cash flows | 2,625 |
| Terminal value | 5,306 |
| Enterprise value as on 18 May 2024 | 7,931 |
| Adjustments for: | |
| Add: Surplus assets | 462 |
| Less: Debt and debt like items | 639 |
| Add: Present value of Capital Subsidy | 96 |
| Equity value as on 18 May 2024 | 7,850 |
| Number of equity shares as on 18 May 2024 | 38,595,506 |
| Equity value per share as on 18 May 2024 (INR) | 2,033.8 |

| Particulars (INR Crores) | Actual FY24 | Projected | | | | |
|--------------------------|----------------|-----------|-------|-------|-------|-------|
| | | FY25 | FY26 | FY27 | FY28 | FY29 |
| Number of Months | 12 | 12 | 12 | 12 | 12 | 12 |
| Revenue | 2,395 | 2,494 | 3,742 | 4,404 | 4,637 | 4,882 |
| EBITDA | 384 | 633 | 1,279 | 1,583 | 1,638 | 1,692 |
| EBITDA Margin (%) | 16.0% | 25.4% | 34.2% | 36.0% | 35.3% | 34.7% |



(ii) Market Approach - Comparable Companies Method

| Particulars | INR crores |
|---|-------------------|
| Comparable companies' applied multiple (rounded) | 3.10x |
| Revenue for FY24 | 2,395 |
| Enterprise value as on 18 May 2024 | 7,424 |
| Add: Surplus assets | 462 |
| Less: Debt and debt like items | 639 |
| Add: Capital Work in Progress | 194 |
| Equity value as on 18 May 2024 | 7,441 |
| Number of equity shares as on 18 May 2024 | 38,595,506 |
| Equity value per share as on 18 May 2024 (INR) | 1,928.1 |

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 | 2.99x | 50.0% |
| HEG Limited | 3.04x | 50.0% |
| Weighted average multiple of peer companies | 3.02x | |

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) | 562.8 | 22.1% |
| Graphite Business (Refer to Table V (a)) | 1981.0 | 77.9% |
| HEG Limited | 2543.8 | 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) | 2,449.4 |
| Percentage value contributed by HEG (excluding Graphite Business) (Refer to Table V (b)) | 22.1% |
| Adjusted Floor Value of HEG (excluding Graphite Business) | 541.9 |



12 June 2024

**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

Ref: Share Exchange Ratio (“SER”) report issued by PwC Business Consulting Services LLP (“PwC BCS” or “us”) dated 22 May 2024

Dear Sir/ Madam,

We refer to our engagement letter dated 22 May 2024 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 SER report for the Proposed Transactions (as defined hereinafter).

We understand that pursuant to a 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 New Co 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 22 May 2024.

We were informed vide your email dated 10 June 2024, that the New Co Limited referred to in our SER report has been incorporated on 04 June 2024 as HEG Graphite Limited. Accordingly, the words “New Co Limited” referred to in our SER report should be read as “HEG Graphite Limited”.

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PwC Business Consulting Services LLP, 252 Veer Savarkar Marg, Shivaji Park, Dadar, Mumbai – 400 028.
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LLPIN : AAO-9288 Registered with limited liability.

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



Our SER report dated 22 May 2024 should be read in conjunction the letter dated 05 June 2024 and this letter.

Respectfully submitted,

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

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Neeraj Garg
Partner
IBBI Membership No: IBBI/RV/02/2021/14036
Date: 12 June 2024



12 June 2024

The Board of Directors

HEG Limited

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

Ref: Valuation report (“Report”) on the recommendation of value per equity share of the Graphite Business issued by PwC Business Consulting Services LLP (“PwC BCS” or “us”) dated 22 May 2024

Dear Sir/ Madam,

We refer to our engagement letter dated 22 May 2024 whereby HEG Limited (“HEG” or the “Client” or the “Demerged Company” or the “Transferee Company”) has appointed us to provide Report for the Proposed Transactions (as defined hereinafter).

We understand that pursuant to a 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 New Co 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 HEG 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 Report providing the value per equity share of the Graphite Business on 22 May 2024.

We were informed vide your email dated 10 June 2024, that the New Co Limited referred to in our Report has been incorporated on 04 June 2024 as HEG Graphite Limited. Accordingly, the words “New Co Limited” referred to in our Report should be read as “HEG Graphite Limited”.

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PwC Business Consulting Services LLP, 252 Veer Savarkar Marg, Shivaji Park, Dadar, Mumbai – 400028.

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.



Our Report dated 22 May 2024 should be read in conjunction with the letter dated 05 June 2024 and this letter.

Respectfully submitted,

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

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by NEERAJ GARG
Date: 2024.06.12
14:31:24 +05'30'

Neeraj Garg
Partner
IBBI Membership No: IBBI/RV/02/2021/14036
Date: 12 June 2024