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The Board of Directors

Anjani Portland Cement Limited

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13 Nov, 2025

**Subject: Valuation of Bhavya Cements Private Limited as on 30
September, 2025**

I have been appointed to value the company Bhavya Cements Private Limited as on 30 September, 2025 for the purpose of sale to the ultimate holding company.

The value of Bhavya Cements Private Limited as on 30 September, 2025 is **20,881.89 lakhs**. The per share value for each fully paid-up equity share is **Rs. 15.78 per share**.

These values are subject to the warranties and limitations mentioned in the report below.

Thank you.

Yours sincerely



Vishesh Unni Raghunathan

Registered Valuer



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**VALUATION OF BHAVYA CEMENTS PRIVATE LIMITED AS ON 30
SEPTEMBER, 2025**

The Board of Directors
Anjani Portland Cement Limited
13 Nov, 2025

Scope

I have been appointed by Anjani Portland Cement Limited (“Anjani”) as the Registered Valuer vide Appointment Letter dated 8 Nov, 2025 to value Bhavya Cements Private Limited (“Bhavya” or the “Company”) as on 30 September, 2025 (“Valuation Date”) for the purpose of sale of the Company to the ultimate holding company, Chettinad Cement Corporation Private Limited (“Chettinad”).

This Valuation is done as per International Valuation Standards, 2025 issued by International Valuation Standards Council.

Basis and Premise of Value

The valuations of Bhavya Cements Private Limited have been carried out on a Market Value Basis. The premise of value used is Current Use.

Background

Bhavya Cements Private Limited (U26941AP2007PTC053611) is in the business of manufacturing and selling cement products. The company was incorporated on 16 April, 2007 and has its registered office at Thangeda Village, Dacheppally Mandal, Guntur District, Andhra Pradesh – 522 414



The directors and Key Managerial Persons of the company as on date are:

Table 1: List of directors and KMP in Bhavya	
Name	Designation
MAGANTHI SATYANARAYANA MURTHY	Director
VALLIAMMAI VALLIAPPAN	Director
PALANI RAMKUMAR	Director
VENKAT RAJU NADIMPALLI	Managing Director
RAJESH KUMAR DHOOT	CFO

The shareholding pattern of the company as on 30 September, 2025 is:

Table 2: Shareholding pattern of Bhavya as on Valuation Date	
Type of holder	%
Promoter (Anjani Portland Cement Limited)	99.09
Others	0.91
Total	100

Anjani had acquired 99.09% of Bhavya in 2022 for a consideration of Rs. 68,672 lakhs.

Anjani Portland Cement Limited ("Anjani"), the holding company, now intends to sell its share in Bhavya Cements Private Limited to the ultimate holding company, Chettinad Cement Corporation Private Limited ("Chettinad").

Anjani is a listed entity in which Chettinad holds 75% of the fully paid-up equity share capital.



Valuation

The Valuation standards allow three broad approaches to valuation: Market Approach, Income Approach, and Cost 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 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.

The Cost Approach considers the cost of reproducing or replacing a given asset. For a company, the method used under cost approach is the Net Assets method since it considers the value of assets and liabilities to be brought in to reproduce the business. The Net Assets method is the difference between the assets of the business less its outside liabilities. The values used may be the book value, market value, replacement value, or any other appropriate value.

Market Approach

Anjani is a listed entity listed on both BSE and NSE. It owns 99.09% of Bhavya, and the market price of Anjani reflects the value of both Anjani and Bhavya. Hence, the listed price under the market approach has been used. Listed shares are subject to volatility, and to control for this the value of the share (consequently the market capitalisation) has been computed based on Regulation 164 of SEBI'S SECURITIES AND EXCHANGE BOARD OF INDIA



(ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

According to the regulation,

"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. the 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or

b. the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

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."

Since there's no method to determine the price mentioned in the Articles of Association, the trading data for the period prior to the Valuation Date from the NSE website was used to calculate the 90 trading day's volume weighted average price (Rs. 141.52) and the 10 trading days volume weighted average price (Rs. 135.19). Accordingly, the higher of the two, the 90 days volume weighted average price has been considered for the valuation.

Allocation of Value

Bhavya is a 99.09% subsidiary of Anjani. Both the entities are in the same line of business (manufacturing and selling of cement), and under the same effective management of the Board of Directors of Anjani. Considering this,



the market price of Anjani represents the value of its business excluding the value of Bhavya plus Anjani's share (99.09%) of Bhavya's assets. That is,

$$MC = A + (99.09\%) B \dots(1)$$

Where,

MC = Market Capitalisation

A = Value of Anjani

B= Value of Bhavya

For arriving at the value of Bhavya, the Market Capitalisation of Anjani has to be allocated between Anjani and Bhavya.

According to IVS 104,

When apportioning value, the allocation method must be consistent with the overall valuation premise/basis and the valuer must:

- (a) follow any applicable legal or regulatory requirements,*
- (b) set out a clear description of the intended use of the allocation,*
- (c) consider the facts and circumstances, such as the relevant characteristic(s) of the items(s) being apportioned,*
- (d) adopt appropriate methodology(ies) in the circumstances.*

There is no specific regulatory requirement or basis for the value allocation. The use of the allocation is to assign values to both the entities.

Both the companies are in the same line of business, i.e., manufacturing and selling of cement. The management of both the companies are the same, and both have their captive source of primary raw material (mines). Thus, the only difference between the companies are the operating assets they hold and use, and the inherent intangibles associated with them.



Being a capital expenditure intense industry, the assets (and their related intangibles) once deployed cannot be easily replaced. While Anjani (ultimately controlled by Chettinad Cement Corporation Private Limited) can bring its improved management to Bhavya, the ceiling for improvement would be the underlying performance of the assets.

The data for the period from 1 April, 2022 to 30 September, 2025 has been considered for both the entities to account for time specific variations. During this 3 years period (and subsequently till 30 Sept, 2025) neither entity utilised its capacity completely.

Table 3: Total capacity and utilization of Bhavya and Anjani						
FY	Bhavya Cements Private Limited			Anjani Portland Cements Ltd		
	Cement Production In MTs	Capacity Per Annum	% Capacity Utilization	Cement Production In MTs	Capacity Per Annum	% Capacity Utilization
2022-23	557,990	1,400,000	40%	842,547	1,160,000	73%
2023-24	530,633	1,400,000	38%	851,516	1,160,000	73%
2024-25	396,558	1,400,000	28%	705,239	1,160,000	61%
YTD Sep-25	349,858	700,000	50%	282,060	580,000	49%

Accordingly, the allocation exercise can only be done based on the difference in the quality of assets and the performance between the two businesses.



The following measures were considered:

- a) Operating Profits before Interest, Tax and Depreciation (OPBITDA)
- b) Operating Profits before Interest and Tax (OPBIT)
- c) Operating profits after tax (OPAT)
- d) Sales per lakh tonne (Sales- PLT)
- e) EBITDA per lakh tonne (EBITDA- PLT)
- f) Return on Assets (ROA)
- g) Total Operating assets (TOA)

However, for reasons given in Annexure A below, none of the measures, except Sales per lakh tonne and Total Operating Assets can be used. The primary reason for the measures other than Sales per lakh tonne and Total Operating Assets to be not considered is that both the entities have been consistently reporting losses.

Accordingly, sales per lakh tonne and Total Operating Assets have been used to allocate the market price. Equal weights have been given to both the measures.

Income Approach

As per the projections shared with me, the management does not expect Bhavya to generate operating profits in the next 3 years. Accordingly, income approach has not been considered.

Cost Approach

Since Bhavya has significant lands, the cost approach has been considered to account for appreciation in the value of lands. Adjusted Net Assets have been arrived at by adding the appreciation in value of land to the book value of Bhavya as on date.



Information

Anjani has provided me with,

- a) The audited financial statements of both Anjani and Bhavya as on 31 March, 2022, 31 March, 2023, 31 March, 2024 and 31 March, 2025.
- b) The unaudited financial statements of both Anjani and Bhavya as on 30 September, 2025
- c) Background of its business and Bhavya's business, including projections, financial outlook etc.
- d) Guideline value of lands held by Bhavya
- e) Management Representation Letter

Investment assets as on valuation date

As per the financial statements provided to me, Bhavya holds an investment in a property for Rs. 92.09 Lakhs.

Statement of Value

The value of Bhavya as on 30 September, 2025 for the purpose of sale of shares in Bhavya by Anjani to Chettinad is Rs. 20,881.89 lakhs. The per share value is Rs. 15.78 per fully paid-up equity share of Rs. 10 each.

These values are subject to the warranties and limitations mentioned in the report below.

Computation

Market approach

As discussed in the Valuation para above, only the Sales per lakh tonne and Net Operating Assets can be used to allocate the market capitalisation of Anjani as on 30 September, 2025 between the entities.



The market capitalization as on the date of valuation, based on the 90 day volume adjusted price (as explained in the valuation para above) is Rs. 41,572.42 lakhs. Anjani does not have any other investments other than its investment in Bhavya. Bhavya has an investment in a property for Rs. 92.09 Lakhs. Accordingly, adjustment for the value of the investment property has been made.

Particulars	Amounts
Share price of Anjani as on 30 Sept, 2025 [#] (Rs. per share)	141.52
No. of shares (in lakhs)	293.74764
Market Capitalisation of Anjani (Rs. In lakhs)	41572.42
Less: value of investment in property by Bhavya (Rs. In lakhs)*	91.25
Value to be allocated based on ratios	41481.17
# 90 day volume weighted average (higher than 10 day volume weighted average)	
* Adjusted for Anjani's holding in Bhavya. Actual Value is Rs. 92.09 lakhs	

The relative ratio of these ratios for both the companies has been arrived at by dividing the ratio of Bhavya by the ratio of Anjani.

Particulars	Anjani (Rs. In lakhs)	Bhavya (Rs. In lakhs)	Ratio	Weights	Weighted Ratio
Sales per lakh tonne (Avg for the period April 2023 to Sept 2025)	4051.64	3865.61	0.4882	0.5	0.24413
Net Operating Assets (Avg for the period April 2023 to Sept 2025)	23023.41	23463.29	0.505	0.5	0.25250



Total					0.49663
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Accordingly, equation (1) can be rewritten as,

$$MC = A + (0.49663A) * (.9908)A + 92.09 * .9908 \dots (2)$$

Solving the above, the value of Anjani's share in Bhavya is 20691.82 lakhs.

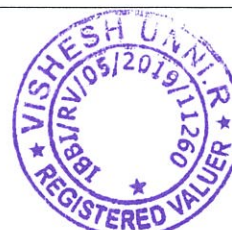
Adjusting for the minority holding, the value of Bhavya as a whole is Rs. 20881.89 lakhs. The per share value is Rs. 15.78 per fully paid-up equity share.

Cost Approach

The net assets of Bhavya as on 30 Sept, 2025, as per the financial statements is Rs. 8412.38 lakhs. To this the difference between the guideline value of land and the carrying value of land has been added.

The adjusted net worth considering the guideline value of land is Rs. 12372.31 lakhs, and the per share value is Rs. 9.35.

Table 6: Net asset valuation of Bhavya as on 30 Sept, 2025	
Particulars	Amount (Rs. In lakhs)
Book value as on 30 Sept, 2025 per financials	8412.38
Add: guideline value of land	6659.79
Less: carrying value of land	2699.86
Adjusted net assets	12372.31
No. of shares in Bhavya (No.s)	1323.15875
Value per share (Rs. Per share)	9.35



Conclusion of Value

Since the value arrived at based on the market approach is greater than the adjusted book value, the value arrived at based on the market approach has been considered as the value of Bhavya as on 30 September, 2025.

Warranties and Limitations

- a) The report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. My 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 do not take any responsibility for the unauthorized use of this report.
- b) I owe responsibility only to the client that has appointed me/us under the terms of the engagement letters. I 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 I 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.
- c) It is assumed that the companies have title to all their assets, and that no liabilities exist other than those shown in the books of accounts.
- d) It is assumed that the companies are going concerns, and will continue to remain going concerns for the foreseeable future.



- e) Public, industry, statistical, and other information furnished by others, upon which all or portions of this valuation is based, is believed to be reliable. However, I make no representation as to the accuracy or completeness of such information and have performed no procedures to corroborate the information.
- f) The client and its management/representatives warranted to us that the information they supplied was complete, accurate, true, and correct to the best of their knowledge. I 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.
- g) While my work has involved an analysis of financial information and accounting records, my engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, I express no audit opinion or any other form of assurance on this information.
- h) Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it nor may it be used for any purpose by anyone, other than those enumerated in this report without my written consent.



- i) The report and conclusion of value are not intended by me, and should not be construed by the reader to be investment advice in any manner whatsoever. The conclusion of value represents my considered opinion, based on information furnished to me by the client.
- j) I do not provide assurance on the achievability of the results forecast by the management/owners as events and circumstances do not occur as expected; differences between actual and expected results may be material. I express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.
- k) 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.
- l) No change of any item in this valuation/conclusion report shall be made by anyone other than me, and I shall have no responsibility for any such unauthorized change.
- m) My engagement for this valuation consulting work does not include any procedures designed to discover any defalcations or other irregularities, should any exist.
- n) I am not an environmental consultant or auditor, and I take no responsibility for any actual or potential environmental liabilities. Any



person entitled to rely on this report, wishing to know whether such liabilities exist, or the scope and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. I do not conduct or provide environmental assessments and has not performed one for the subject property.

I have not determined independently whether the client is subject to any present or future liability relating to environmental matters nor the scope of any such liabilities.

- o) The report assumes that the companies comply 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/fixed assets register provided to us.



Vishesh Unni Raghunathan

Registered Valuer

13 November, 2025

Chennai

UDIN: 25235769BMOOFQ6477

Annexure A – discussion on various measures**a) OPBITDA:**

OPBITDA is the profit generated from operations before depreciation, interest and taxes. As a measure of performance, it looks at profits generated without consideration for the assets used (through depreciation), debt funds used (through interest) or taxes.

At an OPBITDA level, while Anjani was profitable in 2022-23 and 2023-24, it was at a loss in 2024-25. It again has become profitable in the half-year ending Sept 2025. Meanwhile, Bhavya's performance has been inconsistent with OPBITDA losses in 2022-23 and 2024-25, and profits in 2023-24 and half-year ended September 2025.

Rs. In lakhs				
Particulars	Sep-25	2024-25	2023-24	2022-23
Anjani	1,089	-416	2,495	2,507
Bhavya	1,135	-1,547	384	-362

Particulars	Average (Rs. In lakhs)	%
Anjani	1,691	0.90
Bhavya	186	0.10
Total	1,877	1.00

On an average (after annualising for 2025-26), the OPBITDA of Anjani works out Rs. 1691 lakhs and Bhavya's Rs. 186 lakhs. Considering the asset size of both the entities, and the inconsistent performance of both the entities, allocation of values based on a ratio of 9:1 will not be appropriate.



b) OPBIT:

OPBIT is the profit generated from operations before Interest and Taxes. It accounts for the assets utilised (through depreciation), but not for debt funds used (through interest) or taxes.

Particulars	Sep-25	2024-25	2023-24	2022-23
Anjani	717	-2,000	825	789
Bhavya	225	-3,286	-1,312	-2,198

Since the OPBIT of Bhavya has been negative through the period (expect for the half-year ending September, 2025), this ratio has not been considered.

c) OPAT:

OPAT is the profit generated from operations after Depreciation, Interest and Taxes. It accounts for the assets utilised (through depreciation), debt funds used (through interest) and taxes.

Particulars	Sep-25	2024-25	2023-24	2022-23
Anjani	-687	-3,476	-1,191	-1,860
Bhavya	88	-3,714	-1,687	-2,595

The OPAT of both the entities have been negative through the years, expect for Bhavya showing an OPAT of Rs. 88 lakhs for the half-year ending September 2025. Accordingly OPAT has not been considered.

d) Sales per lakh tonne (Sales-PLT)

The Sales- PLT is a standard measure used in the cement industry. It indicates the yield the business is able to achieve per lakh tonne of production. The



ratio of sales per lakh tonne of production reflects the value generated from the utilisation of the assets in the entities. The ratio of the sales per lakh tonne of both the entities reflects the relative yield.

Particulars	Sep-25	2024-25	2023-24	2022-23
Anjani	2.8206	7.05239	8.51516	8.42547
Bhavya	3.49858	3.96558	5.30633	5.5799

Sales from manufactured goods	Sep-25	2024-25	2023-24	2022-23
Anjani	10618.000	26247.000	36954.774	36907.999
Bhavya	11445.650	13425.439	23829.379	24075.603

Average yield per lakh tonne	Sep-25	2024-25	2023-24	2022-23
Anjani	3764.4473	3721.717	4339.8802	4380.5271
Bhavya	3271.513	3385.4919	4490.7458	4314.7014

e) OPBITDA per lakh tonne (EBITDA- PLT)

EBITDA per lakh tonne is a standard measure used in the cement industry. It factors in operational factors and looks at the value generated per lakh tonne of utilised capacity. However, it does not capture the overall investments made in assets.

As discussed in (a) above, considering the inconsistent performance of both the entities at an OPBIDA level, the OPBITDA per lakh tonne has not been considered.

f) Return on Assets (ROA)

Return on Assets (ROA) captures the return on the Total Assets used by the business. The Earnings Before Interest and Taxes (EBIT) are divided by the total assets of the business. The ROA looks only at the return on the assets



used in the business and does not differentiate based on the size of the assets, the source of funds used in creating the assets (interest), or the tax structures. Since both the entities are under the control of the same management, and the overall capacity has not been fully utilised in the recent past, the decision to allocate production between both will depend on the yields from the assets, subject to minimum utilisation required to absorb fixed costs.

Since the OPBIT of Bhavya has been negative through the periods (except for the half-year ending September 2025), Return on Assets cannot be considered.

g) Total Operating Assets

Total operating assets represents the absolute value of the operating assets of both the entities. This includes the factories, mines, machinery, equipment etc of both the entities. The ratio between the averages allows us to apportion the value based on the size of the assets of both the companies. Accordingly, the total operating assets of both the companies have been considered.

Particulars	Sep-25	2024-25	2023-24	2022-23	Average
Anjani	21,349.54	22,320.54	23,531.21	24,892.35	23,023.41
Bhavya	22,171.79	22,479.10	23,934.83	25,267.42	23,463.29

