

Jayavant B. Bhavé

B.Com. LL.B. Dip.IRPM,FCS

J. B. Bhavé & Co
Company Secretaries

Office : Flat No. 9, Karan Aniket, Plot No. 37, Shri Varanasi Co-op Soc. Ltd
Off Bangalore-Mumbai ByPass, Behind Atul Nagar, Warje, Pune 411 058.
E-mail : jbbhave@gmail.com

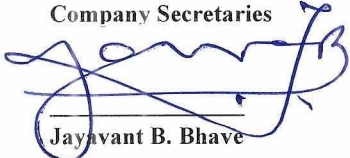
To,
The Chief General Manager
Listing Operation, BSE Limited,
20th Floor, P.J. Towers,
Dalal Street,
Mumbai – 400 001.

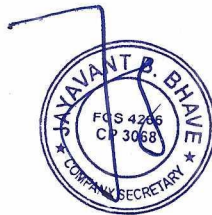
Dear Sir,

Sub: Application for “In-principal approval” prior to issue and allotment of 11,50,800 equity shares of Foseco India Limited on preferential basis under Regulation 28(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

1. I Jayavant Bhavé, Practicing Company Secretary, hereby certify that the minimum issue price for the proposed preferential issue of Foseco India Limited, based on the pricing formula prescribed under Regulation 164 of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 has been worked out at INR 5,674 (Indian Rupees Five Thousand Six Hundred Seventy-Four).
2. The relevant date for the purpose of said minimum issue price was August 22, 2025.
3. The workings for arriving at such minimum issue price or valuation report from an Independent Registered Valuer have been attached herewith. The name of the Registered Valuers are as follows: -
(I) GT Valuation Advisors private Limited and BDO Valuation Advisory LLP
4. The highest trading volume in respect of the equity shares of Foseco India Limited has been recorded during the preceding 90 trading days prior to the relevant date on National Stock Exchange of India Limited.
5. I hereby certify that the Articles of Association of Foseco India Limited do not provide for a method of determination which results in a floor price higher than that determined under ICDR Regulations, 2018.

For J. B. Bhavé & Co.
Company Secretaries


Jayavant B. Bhavé
Practicing Company Secretary
FCS: 4266 CP: 3068
UIN: S1999MH025400



PR No.: 1238/2021

UDIN: F004266G001079813

Date: August 25, 2025

Place: Pune

GT Valuation Advisors Private limited Registered Valuer Registration No. IBBI/RV-E/05/2020/134 16 th Floor, Tower III, One International Centre, Senapati Bapat Marg Prabhadevi (West), Mumbai - 400013 Maharashtra, India	BDO Valuation Advisory LLP Registered Valuer Registration No. IBBI/RV-E/02/2019/103 The Ruby, Level 9, North East Wing, Senapati Bapat Marg, Dadar West, Mumbai – 400028 Maharashtra, India
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Dated: August 22, 2025

To,

The Board of Directors

Foseco India Limited

Gate Nos. 922 and 923,
Sanaswadi, Taluka Shirur,
Pune 412208, Maharashtra

Sub: Fair Valuation of equity shares of Foseco India Limited and Morganite Crucible (India) Limited for determination of an indicative share swap ratio.

Dear Sir / Madam,

We refer to respective engagement letters of GT Valuation Advisors Private limited (“GTVAPL”) and BDO Valuation Advisory LLP (“BDO Val”), whereby GTVAPL & BDO Val (jointly referred to as “Valuers” or “We” or “Us” and individually referred to as “the Valuer”) have been appointed on June 19, 2025, and July 30, 2025, respectively by Foseco India Limited (“Foseco” or the “Acquirer” or the “Client”). We understand that the Acquirer is contemplating an acquisition of promoter stake in Morganite Crucible (India) Limited (“Morganite” or the “Target”) and the underlying consideration shall be paid and discharged by the Acquirer by issuing its equity shares (“Proposed Transaction”). In connection with this, the Valuers are appointed to determine fair value of equity shares of the Acquirer and the Target and present a Share Swap Ratio for the Proposed Transaction.

Foseco and Morganite are hereinafter collectively referred to as “the Companies”.

As part of the Proposed Transaction, promoters of Morganite, namely, Morganite Crucible Limited and Morgan Terrassen B.V. (“Sellers”) will be issued equity shares of Foseco as a consideration. The Share Swap Ratio for this report refers to number of equity shares of Foseco which would be issued and allotted to the Sellers pursuant to the Proposed Transaction.

Our deliverable for this engagement would be a joint report recommending the Share Swap Ratio for the Proposed Transaction (“Report”).



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

SCOPE AND PURPOSE OF THIS REPORT

Foseco India Limited, based in Pune, manufactures additives and consumables for the metallurgical industry and serves various sectors like automotive and railways. It is a subsidiary of Foseco Overseas Limited. The equity shares of the Acquirer are listed on BSE Limited (“BSE”) and on the National Stock Exchange of India Limited (“NSE”).

Morganite Crucible (India) Limited, based Chhatrapati Sambhajinagar, is engaged in the business of designing, manufacturing, marketing and selling crucibles and other foundry consumable products for various metal meltings and handling applications. Morgan Advanced Materials Plc is the ultimate holding company of Morganite. The equity shares of the Target are listed on BSE.

We understand that the Acquirer is contemplating an acquisition of promoter stake of Morganite, and the underlying consideration shall be paid and discharged by the Acquirer by issuing its equity shares. So far as the issue of equity shares of Foseco to the Sellers is concerned, it shall be issued on preferential allotment basis in accordance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”), as amended from time to time and other applicable SEBI Regulations, if any.

For the aforesaid purpose, the Acquirer has appointed the Valuers to submit a report to determine the fair value of equity shares of Foseco and Morganite and recommend a Share Swap Ratio for the Proposed Transaction in accordance with Section 62 and other applicable provisions of the Companies Act 2013 and Chapter V of the SEBI ICDR Regulations. Further, as the Proposed Transaction entails issue of equity shares by Foseco, the Client has requested the Valuers to present the Report for the consideration of the Board of Directors (“Board”) of Foseco. This Report will be placed before the Board, Audit Committee, and the Shareholders of Foseco, and to the extent mandatorily required under the applicable laws of India, maybe produced before judicial, regulatory or Government authorities, in connection with the Proposed Transaction.

We would like to emphasize that certain terms of the Proposed Transaction are stated in our report, however the detailed terms of the Proposed Transaction shall be more fully described and explained in the definitive agreements between Foseco and the Sellers. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the relevant definitive agreements.

For the purposes of this report, the Relevant Date as per Chapter V of the SEBI ICDR Regulations is considered as August 22, 2025, being the date that is 30 days prior to the date of the EGM of members of the Company to be held to consider the preferential issue of equity shares. For the purpose of this exercise, we have considered the working day preceding the Relevant Date, i.e. August 21, 2025, as the valuation date (“Valuation Date”). Further, we have been provided with historical financial statements of the Companies as of a cut-off date of June 30, 2025.

For the aforesaid purpose, the valuation analysis is carried out by giving cognizance to the ICAI Valuation Standards, 2018 / International Valuation Standards, 2025, and as part of valuation process by assigning appropriate weights to the applicable internationally accepted methodologies.



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

We have been informed by the management of Foseco (the “Management”) that:

- a) There would not be any capital variation in the Companies till the Proposed Transaction becomes effective. In the event that either of the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares before the Proposed Transaction becomes effective, the issue of shares pursuant to the Share Swap Ratio recommended in this Report shall be adjusted accordingly to take into account the effect of any such corporate actions.
- b) Till the Proposed Transaction becomes effective, neither Companies would declare any substantial dividends having materially different yields as compared to past few years.
- c) There are no unusual/abnormal events in the Companies materially impacting their operations/financial position after June 30, 2025, till the Report date.

We have relied on the above while arriving at the Share Swap Ratio for the Proposed Transaction.

This Report is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality and not in parts.

BACKGROUND OF VALUERS**GT VALUATION ADVISORS PRIVATE LIMITED**

GT Valuation Advisors Private limited is a Registered Valuer entity under IBBI having Registration No IBBI/RV-E/05/2020/134, GTVAPL holds certificate of practice with RVO ICAI to value Securities and Financial Assets and Plant and Machinery.

Darshana Kadakia is a Director in GTVAPL and is a registered valuer with IBBI. The valuer is registered with IBBI to undertake valuation under asset class Securities and Financial Assets and holds certificate of practice as a Valuer.

BDO VALUATION ADVISORY LLP

BDO Valuation Advisory LLP is a Registered Valuer entity under IBBI having Registration No IBBI/RV-E/02/2019/103, BDO Val holds certificate of practice with IOV Registered Valuers Foundation to value Securities and Financial Assets, Plant & Machinery, and Land & Building.

Mandar Vikas Gadkari is a Partner in BDO Val and is a registered valuer with IBBI having Registration No IBBI/RV/06/2018/10500. The valuer is registered with IBBI to undertake valuation under asset class Securities and Financial Assets and holds certificate of practice as a Valuer.

SOURCES OF INFORMATION

In connection with this exercise, we have received/obtained the following information about the Companies from the Management:

- Audited Financial Statements of Foseco from Calendar Year (“CY”) ended December 31, 2021, to Calendar Year ended December 31, 2024.
- Audited Financial Statements of Morganite from Financial Year (“FY”) ended March 31, 2021, to Financial Year ended March 31, 2025.



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

- Limited Review Audited financial statements of Foseco and Morganite for the period ended June 30, 2025.
- Income tax return of Foseco and Morganite for Assessment Year 2024-25
- Financial projections of Foseco from July 01, 2025, to December 31, 2029.
- Financial projections of Morganite from July 01, 2025, to March 31, 2030.
- Number of equity shares of the Companies on the Valuation Date on a fully diluted basis.
- Other relevant information and documents for the purpose of this engagement provided through emails or hard copy of documents or during discussion.

In addition, we have obtained information from public sources/ proprietary databases including Capital IQ.

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

We have taken into consideration market parameters as on the Valuation Date, in our analysis and made adjustments for information made known to us by the Management till the date of this Report ("Report Date") which will have a bearing on the valuation analysis.

MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING THE VALUATION

- Key operating / financial parameters of the companies and the risk associated with their businesses.
- Representations by the Management on the current status of operations of the Companies.
- Financial Projections of the Companies provided to us.
- Discussions with the Management on the future business aspects.

PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

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

- Requested and received financial and qualitative information, and clarifications regarding past financial performance of the Companies.
- Considered data available in public domain related to the Companies, and its peers.
- Discussions with the Management to:
 - Understand the business and fundamental factors that affect its earning-generating capability and historical financial performance of the Companies.
 - Understand the assumptions and the basis of key assumption used by the Management in developing financial projections.
- Identification of suitable comparable companies.



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

- Undertook Industry Analysis:
 - Researched publicly available market data including economic factors and industry trends that may impact the valuation.
 - Analysed key trends and valuation multiples of comparable companies using proprietary databases subscribed by us or our network firms.
- Obtained and analysed market prices, volume data and other relevant information for Foseco and Morganite.
- Selected internationally accepted valuation methodology/(ies) as considered appropriate by us, in accordance with the ICAI Valuation Standards / International Valuation Standards published by the International Valuation Standard Council
- Arrived at fair valuation of equity shares of the Companies in order to conclude our analysis on Share Swap Ratio for the Proposed Transaction.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

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

The recommendation contained herein is not intended to represent value at any time other than the date of the Report.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and (iii) are based on the data detailed in the section – Sources of Information. An analysis of this nature is necessarily based on the information made available to us, the prevailing stock market, financial, economic, and other conditions in general and industry trends in particular, as of the Valuation Date. 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.

The valuation recommendation rendered in this Report only represents our recommendation based upon information till date, furnished by the Management (or its representatives) and other sources and the said recommendation shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

It should be understood that the valuation of any entity or its assets is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we have relied on explanations provided by the Management and have made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. This valuation could fluctuate with lapse of time, changes in prevailing market conditions and prospects, foreign exchange rates, industry performance and general business and economic conditions, financial and otherwise, of the companies, and other factors which generally influence the valuation of companies and their assets.



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

Valuation is not a precise science, and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed value for the Companies. While we have provided our recommendation on the value based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the recommendation of the value at which the Proposed Transaction shall take place will be with the Board of Directors of Foseco who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including information as detailed in the section - Sources of Information. In accordance with the terms of our engagement, we have assumed and relied upon, (i) the accuracy of the information that was publicly available and formed a basis for this Report and (ii) the accuracy of information made available to us by the Management. As per our Engagement Letters and in accordance with the customary approach adopted in valuation exercises, we have not audited or otherwise investigated the historical/projected financial information provided to us. Although, we have made the necessary enquiries regarding key assumptions considered in the business model in the context of the Companies, its industry or their economy and reviewed such data for consistency and reasonableness, we have not independently investigated the data provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements.

Also, with respect to explanations and information sought from the Management, we have been given to understand that they have not omitted any relevant and material factors. Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Also, we assume no responsibility for financial/technical information furnished by Management.

Accordingly, we assume no responsibility for any errors in the information furnished by the Management or obtained from public domain and their impact on the Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report.

We have relied on data from external sources. These sources, although considered to be reliable, are external and hence, we assume no liability for the accuracy of the data. We have assumed that the business continues normally without any disruptions due to statutory or other external/ internal occurrences.

The Management has represented that the business activities have been carried out in the normal and ordinary course between June 30, 2025 and the Report Date for the Companies and that no material adverse change has occurred in their respective operations and financial position between the respective aforementioned dates.

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



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

This Report does not look into the business/ commercial reasons behind the Proposed Transaction nor the likely benefits arising out of the same. 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 such alternatives could be achieved or are available. In addition, we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Transaction.

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

We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to the Companies. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the Companies, their directors, employees, or agents.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion on the valuation of the Companies. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for this purpose. Our report is not, nor should it be construed as our opinion or certifying the compliance of the Proposed Transaction with the provisions of any law including companies, taxation or as regards any legal implications or issues arising thereon. This Report is subject to the laws of India.

The information provided by the Management have been appropriately reviewed in carrying out the valuation. Sufficient time and information were provided to us to carry out the valuation.

Neither this Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, without our prior written consent except for disclosures to be made to relevant regulatory authorities, recognized stock exchanges or as required under applicable law.

This Report and the information contained in it is absolutely confidential and intended only for the sole use and information of the Board of Directors of Foseco and only in connection with the Proposed Transaction. Without limiting the foregoing, we understand that the Client may be required to share this Report with regulatory or judicial authorities in connection with the Proposed Transaction. We hereby give consent to such disclosure of this Report, on the basis that the Valuers owes responsibility only to Foseco that has engaged us, under the terms of the engagement, and no other person; and that, to the fullest extent permitted by law, the Valuers accept no responsibility or liability to any other party, in connection with this Report. It is clarified that reference to this Report in any document and / or filing with any recipient, in connection with the Proposed Transaction, shall not be deemed to be an acceptance by the Valuers of any responsibility or liability to any person / party other than Foseco.

The scope of work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this report which might be relevant in the context of the Proposed Transaction and which a wider scope might uncover. Our assistance/ this report should not be considered any advice for financial reporting purposes.



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

The Report is for regulatory compliance only and may not be used for any other purpose other than that stated herein and in our Engagement Letters, in particular for accounting or financial reporting purposes. The Management is solely responsible for determining any amounts it records in its books and records and financial statements and footnotes thereto.

We shall not under any circumstances have any direct or indirect liability or responsibility to any party engaged by the Client or to whom the Client may disclose or directly or indirectly permit the disclosure of any part of the report and that by allowing such disclosure we do not assume any duty of care or liability, whether in contract, tort, breach of statutory duty or otherwise, towards any of the third parties.

Our report can be used by the Client only for the purpose, as indicated in this report, for which we have been appointed. The results of our valuation analysis and our report cannot be used or relied by the Client for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person / party for any decision of such person / party based on this report. Any person / party intending to provide finance / invest in the shares / business of the Companies / their holding companies / subsidiaries / associates / investee companies / other group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person / party (other than the Client) chooses to place reliance upon any matters included in the report, they shall do so at their own risk and without recourse to the Valuers. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this report or any part thereof, except for the purpose as set out earlier in this report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so.

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

Though the Valuers are issuing a joint report, notwithstanding the issuance of this joint report, it is clarified that GTVAPL is not responsible for the acts or omissions of BDO Val and vice versa, in connection with this engagement. Further, 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.

DISCLOSURE OF RV (VALUERS) INTEREST OR CONFLICT, IF ANY AND OTHER AFFIRMATIVE STATEMENTS

The Valuers are not affiliated to the Client in any manner whatsoever.

We do not have any financial interest in the Client, nor do we have any conflict of interest in carrying out this valuation, as of the date of the engagement letter till the Report date. We further state that we are not related to the Companies or their promoters or their directors or their relatives.

Valuer's fee is not contingent on an action or event resulting from the analysis, opinions, or conclusions in this report.

Further, the information provided by the Management have been appropriately reviewed in carrying out the valuation. Sufficient time and information was provided to us to carry out the valuation.



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

SHAREHOLDING PATTERN

Foseco India Limited

The issued and subscribed equity share capital of Foseco as on the Valuation Date is INR 63.9 Mn consisting of 63,86,459 equity shares of face value of INR 10/- each.

The shareholding pattern is as follows:

Sr. No.	Particulars	No of Shares	% Shareholding
1	Promoter and Promoter Group	47,88,845	74.98%
2	Public & Others	15,97,614	25.02%
	Total	63,86,459	100.00%

Source: www.bseindia.com

Morganite Crucible (India) Limited

The issued and subscribed equity share capital of Morganite as on the Valuation Date is INR 28.0 Mn consisting of 56,00,000 equity shares of face value of INR 5/- each.

The shareholding pattern is as follows:

Sr. No.	Particulars	No of Shares	% Shareholding
1	Promoter and Promoter Group	42,00,000	75.00%
2	Public & Others	14,00,000	25.00%
	Total	56,00,000	100.00%

Source: www.bseindia.com

APPROACH FOR RECOMMENDATION OF SHARE SWAP RATIO

Arriving at the share swap ratio for the Proposed Transaction would require determining the fair value of equity shares of Foseco and Morganite. These values are to be determined independently, but on a relative basis for the Companies, without considering the effect of the Proposed Transaction.

As mentioned hereinabove, since the Proposed Transaction would result in preferential allotment of equity shares of a listed company, i.e. Foseco, to the Sellers, relevant provisions of the SEBI ICDR Regulations would be applicable to the Proposed Transaction.

Regulation 163(3)

Specified securities may be issued on a preferential basis for consideration other than cash: Provided that consideration other than cash shall comprise only swap of shares pursuant to a valuation report by an independent registered valuer, which shall be submitted to the stock exchange(s) where the equity shares of the issuer are listed.

The pricing guidelines provided under SEBI ICDR Regulations shall require determining if the shares of the issuer entity are “frequently traded” or not.



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

As per SEBI ICDR Regulations, “frequently traded shares” means the shares of the issuer, in which the traded turnover on any recognized 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.

Stock Exchange	Traded turnover of equity shares of Foseco during the 240 trading days preceding the relevant date (“A”)	Total number of equity shares of Foseco (“B”)	Traded turnover % (A/B)
NSE	9,72,770	63,86,459	15.23%

Based on the above, the shares of Foseco are frequently traded.

Regulation 164(1): Pricing of frequently traded shares

If the equity shares of the issuer have been listed on a recognized 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:

- the 90 trading days’ volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or*
- the 10 trading days’ volume weighted average prices of the related equity shares quoted on a recognized 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.

Regulation 166A: Other conditions for pricing

(1) 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.

Further, though SEBI ICDR Regulations are not applicable for fair valuation of the Target, viz. Morganite, however its equity shares also need to be separately valued to arrive at the share swap ratio.

Considering the above, valuation of equity shares of Foseco and Morganite has been determined using usual and conventional methodologies adopted for acquisitions and our reasonable judgment, in an independent and bona fide manner.

The valuation approach adopted by GTVAPL and BDO Val are given in Annexure 1A and 1B respectively (Annexure 1A and 1B together referred to as Annexures).



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

BASIS OF SHARE SWAP RATIO

The basis of the share swap ratio has been estimated after taking into consideration all the factors and methods mentioned herein after. Though different values have been arrived under each of the approaches / methods as mentioned in the Annexures, for the purposes of the share swap ratio, it is necessary to arrive at a final value for each Companies. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approach / method.

The share swap ratio is based on the methodologies explained in the Annexures and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses of the Companies, having regard to available information base, key underlying assumptions and limitations.

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

The final responsibility for the determination of the Share Swap Ratio at which the Proposed Transaction shall take place will be with the Board of Directors of Foseco who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

We have independently applied approaches/methods discussed in the Annexures, as considered appropriate, and arrived at the value per share of the Companies. To arrive at the consensus on the share swap ratio for the Proposed Transaction, suitable minor adjustments / rounding off have been done.



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

CONCLUSION

Based on the foregoing, and on consideration of all the relevant factors and circumstances discussed and outlined hereinabove, pursuant to the acquisition of the Sellers' stake in Morganite, consideration whereof is expected to be discharged by way of issue of equity shares of Foseco to the Sellers, we recommend the following indicative share swap ratio:

274 (Two Hundred and Seventy-Four) Equity Shares of Foseco of INR 10 each fully paid up, for every 1,000 (One Thousand) Equity Shares of Morganite of INR 5 each fully paid up.

It should be noted that we have not examined any other matter including economic rationale for the Proposed Transaction per se or accounting, legal or tax matters involved in the Proposed Transaction.

<p>Respectfully submitted, For GT Valuation Advisors Private Limited Registered Valuer Registration No. IBBI/RV-E/05/2020/134</p> <p><i>D.R. Kadakia</i></p>  <p>Darshana Kadakia Director IBBI Membership No.: IBBI/RV/05/2022/14711 Place: Mumbai Date: 22 August 2025</p>	<p>Respectfully submitted, For BDO Valuation Advisory LLP Registered Valuer Registration No. IBBI/RV-E/02/2019/103</p> <p><i>Mandar Vikas Gadkari</i></p>  <p>Mandar Vikas Gadkari Partner IBBI Membership No.: IBBI/RV/06/2018/10500 VRN: IOVRVF/BDO/2025-2026/5538 Place: Mumbai Date: August 22, 2025</p>
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Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

Annexure 1A - Approach to Valuation – GTVAPL

Our appointment was formalized via engagement letter dated 19 June 2025; however, the work had started earlier based on verbal confirmation.

We have given due cognizance to the ICAI Valuation Standards (IVS”) for the purpose of arriving at the valuation of the Companies. The valuation base considered is Fair Value. The IVS defines Fair Value as “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”.

IVS 301 provides guidance on the valuation approaches and methodologies that can be considered by the valuer for valuation of business asset / business ownership interest (i.e., valuation of equity shares).

As per the guidance provided in IVS 301 following three approaches can be used for valuation of business / business ownership interest. The valuation techniques can be broadly categorized as follows:

- a) Market Approach:
 - i. Market Price Method
 - ii. Comparable Companies Multiple Method
 - iii. Comparable Transaction Multiple Method
- b) Income Approach – Discounted Cash Flow Method
- c) Cost/Asset Approach
 - i. Replacement Cost Method
 - ii. Reproduction Cost Method

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 business. The commonly used methodologies under this approach are presented hereunder:

Market Price (“MP”) Method

The market price of an equity shares as quoted on stock exchanges is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

The equity shares of Foseco are listed on NSE and BSE. Considering the volume traded was higher on NSE than BSE, the share prices observed on NSE over a reasonable period have been considered for arriving at the value per equity share of Foseco.

Since the pricing conditions prescribed for preferential issue under SEBI ICDR Regulations would be applicable in the present case, the higher of the below two methods has been considered for arriving at the value of equity shares of Foseco:

- The volume weighted average price (“VWAP”) for 90 trading days preceding the Relevant Date,
- The VWAP for 10 trading days preceding the Relevant Date.



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

The equity shares of Morganite are listed on BSE hence the share prices observed over a reasonable period have been considered for arriving at the value per equity share of Morganite.

Comparable Companies Multiple (“CCM”) Method

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

As part of our analysis, we have carried out research on comparable companies for Foseco and Morganite, listed on Indian Stock exchanges and having similar operations.

- a) Foseco manufactures and sells additives and consumables used in the metallurgical industry, serving the requirements of ferrous and non-ferrous foundries in India. Accordingly, we have evaluated companies based on their product portfolio including abrasives, foundry consumables and serving requirements of both ferrous and non-ferrous industries.

Based on the above evaluation, we have identified companies comparable to Foseco as Wendt (India) Limited, Vesuvius India Limited, Carborundum Universal Limited, Grindwell Norton Limited and RHI Magnesita India Limited.

- b) Morganite manufactures and sells crucibles, foundry and allied products in India and internationally, serving mainly the non-ferrous industries. Accordingly, we have evaluated companies based on their product portfolio including refractories, castable and allied products.

Based on the above evaluation, we have identified comparable companies to Morganite as Orient Ceratech Limited, IFGL Refractories Limited, Vesuvius India Limited and RHI Magnesita India Limited.

In the present valuation analysis, Enterprise Value (“EV”) to Earnings before Interest, Tax, Depreciation and Amortization (“EBITDA”) multiple of comparable listed companies, as mentioned above, are considered to arrive at EV of Foseco and Morganite. The value arrived is adjusted for cash and cash equivalents, other surplus assets, debt & debt-like items including lease liabilities to arrive at the Equity value.

Comparable Transaction Multiple (“CTM”) Method

Under this method, the value of the equity shares of a company/ business undertaking is arrived at by using the prices / multiples implied by reported transactions of comparable companies. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

The difficulty here is in the selection of a comparable transaction since it is rare to find two or more companies having similar product portfolio, size, business strategy etc. We were unable to apply this method due to lack of credible and sufficient information available in the public domain relating to any comparable transactions in the recent past.

Discounted Cash Flow (“DCF”) Method

The DCF method values the asset by discounting the free cash flows expected to be generated by the asset for the explicit forecast period and also the perpetuity value (or terminal value) in case of assets with indefinite life.



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

The DCF analysis is mainly based on the following elements:

a) Estimated future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

b) Appropriate discount rate to be applied to cash flows i.e., the cost of capital:

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

In general DCF method is a widely accepted valuation methodology, as it concentrates on the cash generation potential of the business. Thus we have used this method to capture the values of the Companies based on the financial projections of the Companies provided by the Management.

Based on the analysis of the financial projections of the Companies, we note that the expected growth in the revenues is in line with the historical growth. However the EBITDA margins of the Companies are expected to improve.

In case of Foseco, the expected growth in revenue from CY25 to CY29 is ~17% which is in line with the historical growth of ~16% from CY21 to CY24. While the EBITDA margin of Foseco is expected to improve from ~17% in CY24 to ~30% in CY29 on account of cost efficiencies and operational leverage.

In case of Morganite, the expected growth in revenue from FY26 to FY30 is ~13% which is in line with the historical growth of ~13% from FY21 to FY25. While the EBITDA margin of Morganite is expected to improve from ~23% in FY25 to ~33% in FY30 on account of economies of scale.

We have used the free cashflow to firm (the "FCFF") approach under the DCF method to estimate the Enterprise Value. The value arrived is adjusted for cash and cash equivalents, other surplus assets, debt & debt-like items including lease liabilities, to derive the Equity Value.

Please note that we have relied on explanations, financial projections and information provided by the Management. The financial projections and its underlying assumptions are only the best estimates of the Management for the companies' growth and sustainability of profitability margins. Although we have reviewed the data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.

Cost Approach

As per IVS 103, 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). IVS 301 on Business Valuations and IVS 103 on Valuation Approaches and Methods specify that common methodologies for Cost Approach are Replacement Cost Method and Reproduction Cost Method. These methods involve determining the value of the asset based on the cost that will have to be incurred to recreate/replicate the asset with substantially the same utility as that of the asset under valuation.

The Cost Approach is generally used when an asset can be quickly recreated with substantially the same utility as the asset to be valued; or in case where liquidation value is to be determined; or income approach and /or market approach cannot be used. We have therefore not considered the Cost Approach for the Companies.



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

Fair Valuation:

We have arrived at the fair value of equity shares of both Companies by applying below mentioned weights to the value derived under various methods.

The computation of Share Swap Ratio for Proposed Transaction by GTVAPL is tabulated below:

Valuation Approach	Morganite		Foseco	
	Value per Share of Morganite (INR)	Weight	Value per Share of Foseco (INR)	Weight
Market Approach:				
Market Price method (i)	1,556.1	25.0%	5,674.1	25.0%
Comparable Companies Multiples method (ii)	1,614.9	25.0%	5,485.5	25.0%
Income Approach – DCF Method (iii)	1,522.4	50.0%	5,124.7	50.0%
Cost Approach*	242.4	NA	572.0	NA
Relative Value per Share (Weighted Average of (i), (ii) and (iii) --- (A)	1,553.9		5,352.2	
Floor Price as per Regulation 164 (1) of SEBI (ICDR) Regulations --- (B)	NA*		5,674.1	
Higher of (A) and (B)	1,553.9		5,674.1	
Fair Share Exchange Ratio (Rounded)	274:1000			
274 (Two Hundred and Seventy-four) Equity Shares of Foseco of INR 10 each fully paid up, for every 1,000 (One Thousand) Equity Shares of Morganite of INR 5 each fully paid up.				

* NA – Not Applicable / Not Adopted

Notes: As mentioned earlier, the Cost/Asset approach is not used in the present case, since both the Companies i.e., Foseco & Morganite, are going concerns and hence an actual realization of their operating assets is not contemplated.



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

Annexure 1B- Approach to Valuation – BDO Val

BASIS OF VALUE

The report has been prepared on the basis of “Fair Value” as at Valuation Date. The generally accepted definition of “Fair Value” is the value as applied between a hypothetical willing vendor and a hypothetical willing prudent buyer in an open market and with access to all relevant information.

PREMISE OF VALUE

The report has adopted “Going Concern Value” as the premise of value in the given circumstances. The generally accepted definition of Going concern value is the value of a business enterprise that is expected to continue to operate in the future.

We have carried out the valuation in accordance with the principles laid in the International Valuation Standards, 2025, as applicable to the purpose and terms of this engagement.

The three main valuation approaches are the asset approach, income approach, market approach and asset approach. There are several commonly used and accepted methods within the market approach, income approach and asset approach, for determining the value of equity shares of a company, which can be considered in the present valuation exercise, to the extent relevant and applicable, to arrive at the Share Swap Ratio(s) for the purpose of the Proposed Transaction, such as:

- i. “Cost” approach;
- ii. “Income” approach; and
- iii. “Market” approach

Within these three basic approaches, several methods may be used to estimate the value.

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

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

Cost Approach:

The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

Replacement Cost Method

Generally, replacement cost is the cost that is relevant to determining the price that a participant would pay as it is based on replicating the utility of the asset, not the exact physical properties of the asset. Replacement cost is adjusted for physical deterioration and all relevant forms of obsolescence. After such adjustments, this can be referred to as depreciated replacement cost.

Reproduction Cost Method

Reproduction cost is appropriate if the cost of a modern equivalent asset is greater than the cost of recreating a replica of the subject asset, or the utility offered by the subject asset could only be provided by a replica rather than a modern equivalent.

Summation Method

The summation method, also referred to as the underlying asset method, is typically used for investment companies or other types of assets or entities for which value is primarily a factor of the values of their holdings.

Income Approach:

The income approach provides an indication of value by converting future cash flows to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. A fundamental basis for the income approach is that investors expect to receive a return on their investments and that such a return should reflect the perceived level of risk in the investment.

Discounted Cash Flow Method

Under the DCF method the forecast cash flows are discounted back to the valuation date, resulting in a present value of the asset. When selecting the appropriate type of cash flow for the nature of asset or assignment. In addition, the discount rate and other inputs must be consistent with the type of cash flow chosen.

The intended holding period for one investor should not be the only consideration in selecting an explicit forecast period and should not impact the value of an asset. However, the period over which an asset is intended to be held may be considered in determining the explicit forecast period if the objective of the valuation is to determine its investment value.

Where the asset is expected to continue beyond the explicit forecast period, valuers must estimate the value of the asset at the end of that period. The terminal value is then discounted back to the valuation date, normally using the same discount rate as applied to the forecast cash flow.

The market approach/exit value method can be performed in a number of ways, but the ultimate goal is to calculate the value of the asset at the end of the explicit cash flow forecast. Common ways to calculate the terminal value under this method include application of a market-evidence based capitalization factor or a market multiple.

The rate at which the forecast cash flow is discounted should reflect not only the time value of money, but also the risks associated with the type of cash flow and the future operations of the asset.



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. The market approach often uses market multiples derived from a set of comparable assets, each with different multiples. The selection of the appropriate multiple within the range requires judgement, considering qualitative and quantitative factors.

Guideline Publicly Traded Comparable or Comparable Companies Multiple (“CCM”) Method

The guideline publicly traded method utilizes information on publicly traded comparable companies that are similar to the subject asset to arrive at an indication of value. The method should be used only when the subject asset is sufficiently similar to the publicly traded comparable companies to allow for a meaningful comparison.

Comparable Transactions Multiples (“CTM”) Method

The comparable transactions method, also known as the guideline transactions method, utilizes information on transactions involving assets that are the same or similar to the subject asset to arrive at an indication of value.

Market Price Method

Under this method, the market price of an equity shares of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors’ perception about the true worth of the company.

The valuation approaches/ methods used, and the values arrived at using such approaches/ methods have been tabled in the next section of this report.

VALUATION APPROACHES / METHODS USED

We have relied on International Valuation Standards to arrive at the fair value per share of Foseco and Morganite, based on the following valuation methodologies-

1. Cost Approach –

The Cost Approach is generally used when the company is not operating as a going concern; or does not have future earning potential ; or income approach and /or market approach cannot be used. In the instant case, both the Companies are going concern and have future earning potential. Hence, we have not considered the Cost Approach for valuation of the Companies.

2. Income Approach –

DCF method is a widely accepted valuation methodology, as it considers the future potential of the business. Thus, we have used this method to value the Companies based on the financial projections of the Companies provided by the Management.

We have analyzed the historical financial performance of both the entities. It is noted that for the period from CY 21 to CY 24, Foseco’s Revenue has grown @ CAGR of ~16%. In case of Morganite, from FY 21 to FY 25, its Revenue has grown @ CAGR of ~13%.



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

In case of Foseco, for the projected period from CY 24 to CY 29, the revenue is projected to grow @ CAGR of ~17% and EBITDA margin is expected to grow from ~17% in CY24 to ~30% in CY29 on account of operating leverage.

In case of Morganite, for the projected period from FY 25 to FY 30, the revenue is projected to grow @ CAGR of ~13% and EBITDA margin is expected to grow from ~23% in FY25 to ~33% in FY30 on account of increase in capacity and operating leverage.

We have used the free cashflow to firm (the "FCFF") approach under the DCF method to estimate the Enterprise Value. The value arrived is adjusted for cash and cash equivalents, lease liabilities and other non-operating items, to derive the Equity Value. We have used latest available financial statements of the Companies for the period ended June 30, 2025 and market factors as on the Valuation Date to compute the discounting factor. The Equity Value so arrived is then suitably roll-forwarded up to the Valuation Date.

The projections provided to us are only the best estimates of growth and sustainability of profitability margins. Although, we have reviewed the financial forecast provided to us for consistency and reasonableness, we have not independently investigated the financial projections of the Companies.

We must emphasize that realizations of free cash flows forecast will be dependent on the continuing validity of the assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to provide any assurance about the achievability of the projections. Since the financial forecasts relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material.

3. Market Approach –

- a) Since the equity shares of the Companies are listed on the stock exchange, we have considered the Market Price Method for valuation.

While the equity shares of Foseco are listed on NSE and BSE, the volume traded on NSE is higher than that on BSE. Hence the share prices observed on NSE over a reasonable period have been considered for arriving at the value per equity share of Foseco.

Since the pricing conditions prescribed for preferential issue under SEBI ICDR Regulations would be applicable in the present case, the higher of the volume weighted average price ("VWAP") for 90 trading days preceding the Relevant Date and the VWAP for 10 trading days preceding the Relevant Date. In the current case, 10 trading days VWAP has been considered, being higher than the 90 trading days VWAP.

Further, the equity shares of Morganite are listed on BSE, hence the share prices observed over a reasonable period have been considered for arriving at the value per equity share of Morganite. The higher of the VWAP for 90 trading days, 60 trading days and 10 trading days as on the Valuation Date for arriving at the value of equity shares of Morganite.

- b) Due to availability of the listed comparable companies operating in similar segment/business as that of Foseco and Morganite, we have used CCM Method for valuation.

Foseco manufactures additives and consumables for the metallurgical industry and serves various sectors like automotive and railways. Accordingly, we have evaluated companies in the listed space



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based on their key product portfolio including abrasives, foundry consumables and serving requirements of both ferrous and non-ferrous industries.. On review of their business operations/ end user industry the following comparable entities have been selected to compute the comparable market multiples:

(1) RHI Magnesita India Limited (2) Vesuvius India Limited, (3) Grindwell Norton Limited, (4) Carborundum Universal Limited, and (5) Wendt (India) Limited.

Morganite is engaged in the business of designing, manufacturing, marketing and selling crucibles and other foundry consumable products for various metal meltings and handling applications Accordingly, we have evaluated companies in the listed space whose key product portfolio includes refractories, refractory products and crucibles and serving mainly the non-ferrous industries.

(1) RHI Magnesita India Limited (2) Vesuvius India Limited, (3) IFGL Refractories Limited, and (4) Orient Ceratech Limited.

In the present valuation analysis, Enterprise Value ("EV") to Earnings before Interest, Tax, Depreciation and Amortization ("EBITDA") multiple of comparable listed companies, as mentioned above, are considered to arrive at EV of Foseco and Morganite. The value arrived is adjusted for cash and cash equivalents and lease liabilities to arrive at the Equity value.

- c) Due to unavailability of credible and sufficient information in public domain, relating to comparable transactions of companies having similar operations, product portfolio in the recent years (as that of Foseco and Morganite) we have not used CTM Method for valuation.

The valuation approaches/ methods used, and the values arrived at using such approaches/ methods have been tabled below in the next section of this Report.



Recommendation of Share Swap Ratio for the proposed acquisition of promoter stake in Morganite Crucible (India) Limited in exchange of equity shares of Foseco India Limited

The computation of Equity Share Swap Ratio for Proposed Transaction by BDO Val is tabulated below:

Valuation Approach	Valuation Method	Morganite		Foseco	
		Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Cost Approach ¹	Summation Method	245.38	NA	578.77	NA
Income Approach ²	DCF Method (A)	1,585.70	50.0%	5,307.05	50.0%
Market Approach ³	Market Price method (B)	1,556.10	25.0%	5,674.12	25.0%
Market Approach ⁴	Comparable Companies Multiples method (C)	1,501.10	25.0%	5,498.21	25.0%
Relative Weighted Average Value Per Share [Weighted average price of (A), (B) and (C)]		1,557.15		5,446.61	
Value Per Share considered for Swap		1,557.15		5,674.12 ⁵	
Fair Share Swap Ratio (Rounded Off)		274 equity shares of Foseco for every 1,000 shares of Morganite.			

NA means Not Adopted / Not Applicable.

Valuer Notes:

1. Since Summation Method under 'Cost Approach' does not reflect the intrinsic value of the business of Morganite and Foseco in a 'going concern scenario', we have not considered Cost Approach for this valuation exercise.
2. Discounted Cash Flow Method ("DCF") under the Income Approach has been considered for valuation of Morganite and Foseco as the true worth of their businesses would be reflected in their future earnings potential.
3. Morganite is listed on BSE. We have considered market price on BSE for valuing Morganite. Foseco is listed on NSE and BSE. However, volume traded on NSE is higher than that on BSE. Hence the share prices observed on NSE over a reasonable period have been considered for arriving at the value per equity share of Foseco..
4. For Morganite and Foseco, under the Market Approach, Comparable Companies Multiple ("CCM") Method is considered being the most appropriate method.
5. As per SEBI (ICDR)(Amendment) Regulations, 2018, if the equity shares of the issuer are listed on a recognised stock exchange, the price of the equity shares to be allotted shall be not less than higher of 90 trading days VWAP or 10 trading days VWAP. In the current case, 10 trading days VWAP has been considered for determining the share swap ratio, being higher than the weighted average value per share computed.

