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Security Cover

Valuation Report

For **Foseco India Limited**

Valuation Date: August 21, 2025

Report Date: August 22, 2025

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VALUATION ANALYSIS

We refer to our engagement letter dated July 25, 2025 ("**Engagement Letter**") confirming our appointment with Foseco India Limited (the "**Client**" or the "**Acquirer**") to act as independent valuers for Foseco India Limited and Morganite Crucible (India) Limited (the "**Target**" and together with the Acquirer the "**Companies**"). In the following paragraphs, we have summarized our valuation analysis (the "**Analysis**") of the equity shares of the Companies as informed by the management of the Companies and detailed herein, together with the description of the methodologies used and limitations on our scope of work.

1. CONTEXT AND PURPOSE:

We understand that the Acquirer is proposing to enter into a share purchase agreement ("**SPA**") to acquire 42,00,000 equity shares of face value of INR 5 each of the Target ("**Sale Shares**") from Morganite Crucible Limited and Morgan Terrassen B.V. ("**Sellers**"), constituting 75% (seventy-five percent) of the total voting equity share capital of the Target on a fully diluted basis. The underlying consideration for the acquisition of Sale Shares is proposed to be paid and discharged by the Acquirer by issuing and allotting equity shares of face value of INR 10 each of the Acquirer, to the Sellers, by way of preferential allotment on a private placement basis, in accordance with the terms of the SPA, applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, and the applicable provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued thereunder, as amended from time to time (the transaction contemplated under the SPA is hereinafter referred to as the "**Proposed Transaction**").

The Client has engaged us for determining the fair value of the equity shares of the Foseco India Limited and Morganite Crucible (India) Limited, and to recommend the Equity Share Exchange Ratio for the purpose of the Proposed Transaction, as required under the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019.

The valuation is purely for an indicative purpose and it is the prerogative of parties to the Proposed Transaction to decide about the transaction price. The actual transaction price may vary from our indicative analysis of value depending upon the circumstances of the transaction. The final transaction value is something that the parties would have to decide upon.

2. CONDITIONS, ASSUMPTIONS & LIMITATIONS

Conditions

The historical financial information about the Companies presented in this report is included solely for the purpose of arriving at value conclusion presented in this report,

and it should not be used by anyone to obtain credit or for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country. We have not audited, reviewed, or compiled the financial statements and express no assurance on them. The financial information about the Companies presented in this report may include normalization adjustments made solely for the purpose of arriving at value conclusions presented in this report. Normalization adjustments as reported are hypothetical in nature and are not intended to present restated historical financial results or forecasts of the future.

Readers of this report should be aware that business valuation is based on future earnings potential that may or may not materialize. Any financial projections e.g., projected balance sheet, projected profit and loss account, projected cash flow statement as presented in this report are included solely to assist in the development of the value conclusion. An analysis of such nature is necessarily based on the prevailing stock market, financial, economic, and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. The actual results may vary from the projections given and events occurring after the date hereof may affect our Analysis. The variations may be material, which may change the overall value. We have no responsibility to modify this report for events and circumstances occurring subsequent to the valuation date.

The ultimate analysis will have to be tempered by the exercise of judicious discretion by the valuer and judgment taking into account the relevant factors. There will always be several factors, e.g., management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the face of the balance sheet but could strongly influence the value.

We have, however, used conceptually sound and generally accepted methods, principles, and procedures of valuation in determining the value estimate included in this report.

Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

We are fully aware that based on the opinion of value expressed in this report, we may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and our tendering evidence before such authority shall be under the applicable laws.

We acknowledge that we have no present or contemplated financial interest in the Companies. Our fees for this valuation are based upon our normal billing rates, and

not contingent upon the results or the value of the business or in any other manner.

Prior to issuance of this valuation report, the contents and factual accuracies of this Report were reviewed and approved by the management of the Companies.

The valuation worksheets prepared for the exercise are proprietary to us and cannot be shared. Any clarifications on the workings will be provided on request, prior to finalizing the Report, as per the terms of our engagement.

We owe responsibility only to the Client that has appointed us under the terms of the Engagement Letter. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the Client or Companies, their directors, employees, or agents. Our liability if any shall be restricted to fees received by us for this assignment.

Assumptions

We have relied upon the representations contained in the public and other documents in our possession concerning the value and useful condition of all investments in securities or partnership interests, and any other assets or liabilities except as specifically stated to the contrary in this report.

We have assumed that all assets of the business are free and clear of liens and encumbrances (other than what has been provided in the financial statements) and that the owner has good title to all the assets.

We have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry. This report presumes that the management of the Companies will maintain the character and integrity of the Companies through any sale, reorganization or reduction of any owner's/manager's participation in the existing activities of the Companies.

The report assumes that the Companies/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the Companies/business/assets will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

The market value of the Companies has been performed on the basis of limited review financials of the Companies as published/reported on the relevant stock exchanges, and provided to us by management as on June 30, 2025. Hence, due to the lack of audited financials as of the valuation date and based on representation given by the management that there should not be material difference between limited review financials and audited financial statements, we have considered limited review financials as the proxy for the financial position as of the valuation date, Analysis may change post availability of such information.

Limitations

Our review of the affairs of the Companies and their books and account does not constitute an audit in accordance with Auditing Standards or validation of financial statements or due diligence of any sort. Our work did not constitute independent valuation of any assets or liabilities of the Companies on individual basis. In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts, and other information given by/on behalf of the Companies.

In the opinion of management, Current Assets, Loans & Advances as appearing in balance sheet of the Companies are fully realizable in the ordinary course of business. We have relied on the judgment of the management that contingent liabilities as appearing in balance sheet is not likely to crystallize. Our conclusion of fair value assumes that the title to assets and liabilities of the Companies as reflected in balance sheet is intact. We have not conducted visit to locations of operations and/or point of sales of the Companies.

We do not provide assurance on the achievability of the results forecast by the management as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans, and assumptions of management.

The client and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the clients, their management and other third parties concerning the financial data, operational data and working condition 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. We shall not be liable for any loss, damages, cost, or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the Companies, their directors, employee, or agents.

We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this Analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

The scope of our 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.

Our report does not express any opinion regarding compliance with statutory requirements under Companies Act, Income Tax Act, FEMA, SEBI regulations or any other regulations. Compliance with statutory requirements is the exclusive responsibility of management.

Provision of valuation recommendations and considerations of the issues described herein are areas of our regular valuation practice. Our Analysis should not be construed as any financial or investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction with the Companies.

The valuation of companies and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is no indisputable single value and the estimate of the value is normally expressed as falling within a likely range. To comply with the Client's request, we have provided a single value for the overall fair value derived as provided in this report. Whilst, we consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.

It is to be noted that valuation is not a precise science and the responsibility for any decision would remain with the decision maker. This valuation report at best is only an 'opinion'. It is neither a recommendation nor advice to the parties to the transaction to conclude transaction as contemplated in this report. No responsibility is accepted towards any shareholder, employees, tax authorities or other third parties in respect of, or arising out of or in connection with our valuation.

3. BACKGROUND OF THE COMPANIES

Foseco India Limited

Foseco India Limited manufactures and sells additives and consumables used in the metallurgical industry in India. It also provides pharmaceuticals, medicinal chemical,

and botanical products, as well as chemical and chemical products. The Company primarily serves the requirements of ferrous and non-ferrous foundries to automotive, tractors, general engineering, valves, power, railways, etc. The Company was incorporated on 22 March 1932 and has its registered office in Pune, India. Foseco India Limited is a subsidiary of Foseco Overseas Limited. It is listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange of India (BSE).

Share Capital of Foseco India Limited as on June 30, 2025:

Shareholder	Number of Shares Held	Percentage Held
Promoter & Promoter Group	47,88,845	74.98%
Public	15,97,614	25.02%
Grand Total	63,86,459	100.00%

Morganite Crucible (India) Limited

Morganite Crucible (India) Limited manufactures and sells crucibles in India and internationally. The Company provides silicon carbide and clay graphite crucibles, foundry, and allied products for ferrous and non-ferrous metal industries. It offers crucibles, including morganite, noltina, crucible stands, and installation / heating procedure; foundry products, such as blue lightning thermocouple sheath, degassing tubes, degassing rotors, crucible lifters, gas fired heater sheath, ladle bowls and ladle liners, launders, carbon-based refractory cement, stopper rods, coated crucibles, rods, tiles and stirrers, degassing machines, and heat treatment containers; furnace industry products comprising fusion and cupellation furnace, ashing calcining and roasting furnace, sample drying oven, and assayware; and metal transfer tubes, as well as related accessories. The Company was formerly known as Greaves Morganite Crucible Limited and changed its name to Morganite Crucible (India) Limited in August 2007. The Companies was incorporated on 13 January 1986 and is based in Aurangabad, India. The ultimate holding company of Morganite Crucible (India) Limited is Morgan Advanced Materials Plc. It is listed on Bombay Stock Exchange of India (BSE).

Share Capital of Morganite Crucible (India) Limited as on June 30, 2025:

Shareholder	Number of Shares Held	Percentage Held
Promoter & Promoter Group	42,00,000	75.00%
Public	14,00,000	25.00%
Grand Total	56,00,000	100.00%

4. SOURCES OF INFORMATION

The Analysis is based on a review of the business plan of the Companies provided by the Management and information relating to the sector as available in the public domain. Specifically, the sources of information include:

- Companies' presentation and website
- Financial projections of Foseco India Limited is for 4 years 6 months from July 01, 2025 and ending December 31, 2029 and Morganite Crucible (India) Limited is for 4 years 9 months from July 01, 2025 and ending March 31, 2030 as provided by the management
- Limited Review financial statements for both the Companies as on June 30, 2025 and audited financial statements as on March 31, 2025, as on March 31, 2024 and as on March 31, 2023.
- Share Market Trading data from NSE & BSE
- Other relevant information and documents for the purpose of this engagement provided through emails or hard copy of documents or during discussion.

In addition to the above, we have also obtained such other oral or written information and explanations which were considered relevant for the purpose of the Analysis.

5. VALUATION DATE

The Analysis of the FMV of the equity shares of the Companies and the Equity Share Exchange Ratio has been carried out as on August 21, 2025.

6. VALUATION METHODOLOGY AND APPROACH

- The fair market value is the price exchanged between a willing and not anxious buyer and a willing, but not anxious seller, taking into account the knowledge that the buyer and the seller have, as a consequence of their respective positions, as at the date of transaction.
- Valuation is a relative concept and not a precise science. This is because, value can be perceived differently by different people, depending upon their circumstances and their understanding of the other party's circumstances.
- There is no mathematically accurate formula of valuation. Different valuation techniques give different range of values. In other words, there is no indisputable single value.
- As required under Rule 21(2)(c)(iv) of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended from time to time, in case of investment by way of swap of shares, irrespective of the amount, the valuation involved in the swap arrangement will have to be made by a Category I Merchant Banker registered with

SEBI or an Investment Banker outside India registered with the appropriate regulatory authority in the host country.

- Accordingly, this valuation report is in accordance with the pricing guidelines specified in Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended from time to time.
- Brief background on each of the internationally accepted methods / approaches and its relevance to the given case is provided in the following table:

Methods / Approaches	Relevance
Net Asset Value ("NAV") - Cost Approach	<ul style="list-style-type: none"> ▪ It computes book/replacement/ realizable value of net assets. ▪ Relevant in the case of liquidation of a Companies or in the case of a Companies where the earning potential of a Companies is not getting captured appropriately under the income/ market approach. ▪ It is also relevant for evaluating surplus / non-operational assets and contingent / off balance sheet liabilities ▪ <i>Not relevant in the present case as this method will not capture the earning potential of the business operating on a going concern basis. Accordingly, we have not considered this for the purpose of our valuation.</i>
Market Price ("MP") - Market Approach	<ul style="list-style-type: none"> ▪ It is based on the market quotes of shares of the subject Companies over an appropriate period. ▪ <i>The equity shares of the Companies are listed on the recognized exchange. Hence, we have applied and considered this approach in the present case.</i>
Comparable Companies Multiple ("CCM") - Market Approach	<ul style="list-style-type: none"> ▪ Value is arrived by applying the derived revenue / earnings / other appropriate parameter multiples based on the market quotations of comparable public / listed companies possessing attributes similar to the business of such Companies, after making adjustments as appropriate, to the subject Companies' maintainable revenues / profits / other appropriate parameter. ▪ <i>We have performed a search for suitable comparable companies for valuing the equity of the Companies under this method. We have considered the appropriate multiples of the listed comparable companies, which is engaged in the business similar to that of the Companies. Hence, applied and considered in the present case.</i>
Discounted Cash Flow ("DCF") -	<ul style="list-style-type: none"> ▪ Discounts forecasted cash flows to the present using a relevant discount rate. The discount rate, weighted average cost of capital or cost of equity (depending upon the cash flow being used), reflect the return expectations from the asset depending on the inherent risks in the cash flows

Income Approach	<ul style="list-style-type: none"> ▪ Most scientific – considers the time value of money and the cash outflows including working capital and capital expenditure required for increased levels of business forecasted. ▪ <i>Considered relevant and appropriate in case of companies / businesses which are in the growth stage of their life cycle, as in the present case. Hence, applied and considered in the present case.</i>
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- Detailed explanation for the methodology used has been given in the following paragraphs:

Market price Method

- Under the Market Price method, a valuer shall consider the traded price observed over a reasonable period while valuing assets which are traded in the active market. A valuer shall also consider the market where the trading volume of asset is the highest when such asset is traded in more than one active market.
- It is also important to note that Foseco India Limited and Morganite Crucible (India) Limited are listed on the relevant stock exchanges so we have used Volume-Weighted Average Price (VWAP) over a recent period as specified under Securities and Exchange Board of India (ICDR) Regulations, 2018.
- In the case of Foseco India Limited, the shares are listed and frequently traded on the National Stock Exchange of India (NSE) because its traded turnover on NSE during the 240 trading days preceding the relevant date is exceeding 10% of its total number of shares. Based on trading volumes, the NSE is considered as the primary market for valuation purposes.
- As per the Regulation 164 of SEBI (ICDR) Regulation, 2018, the price of the equity shares of Foseco India Limited are frequently traded so the issue price of Foseco India Limited shall be made at a price not less than higher of the following:
 - i. The 90-trading day's volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date;

OR

 - ii. The 10-trading day's volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date;
- For the purpose of the above, 'relevant date' means, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue. Relevant date is August 22, 2025

Foseco India Limited

Sr.no.	Period	VWAP
1	90 Days Volume Weighted Average	5,307.54
2	10 Days Volume Weighted Average	5,674.12
Higher of Both		5,674.12

Morganite Crucible (India) Limited

Sr.no.	Period	VWAP
1	90 Days Volume Weighted Average	1,496.60
2	10 Days Volume Weighted Average	1,556.10
Higher of Both		1,556.10

COMPARABLE COMPANIES MULTIPLE METHOD

- The CCM Method arrives at the value of the Companies by using multiples derived from valuation of comparable companies, as manifest through stock market valuations of listed companies.
- This valuation is based on the principle that market valuation, 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.
- Under this method, we have considered the EV/EBITDA multiple (EV/EBITDA) of the suitable listed comparable companies which are in the same business line as that of the Companies, to value the equity shares of the Companies. We believe, EV/EBITDA Multiple Method (EV/EBITDA) is one of the ideal methods in the present scenario, considering the nature of the Companies.
- The multiples are based on Enterprise Value and EBITDA of the comparable companies as on latest available except the market capitalization which is computed considering using the higher of the volume-weighted average price (VWAP) of the company's equity shares quoted on a recognized stock exchange over the 90 trading days or 10 trading days preceding the relevant date, i.e., August 22 2025.
- The average EV/EBITDA multiple of the comparable companies have been applied to the EBITDA of the Companies as on Valuation date. The EBITDA for the 12 months period ended June 30, 2025 is multiplied with the average EV/EBITDA multiple. The

Equity value of the Companies is arrived after providing few adjustments to the Enterprise Value of the Companies.

The Value as per CCM Methodology is as follows:

Foseco India Limited

Company Name	EV/EBITDA
Carborundum Universal Limited (NSEI:CARBORUNIV)	29.17
Grindwell Norton Limited (BSE:506076)	36.46
RHI Magnesita India Limited (BSE:534076)	24.34
Vesuvius India Limited (BSE:520113)	31.88
Wendt (India) Limited (BSE:505412)	39.88
Average EV/EBITDA Multiple	32.34
LTM EBITDA (INR Mn)	1,012.90
Enterprise Value (INR Mn)	32,761.41
Add: Cash and Cash Equivalents	2,938.46
Less: Leases	(15.68)
Equity Value (INR Mn)	35,684.20
No. of equity shares outstanding as on 30/06/25	6,386,459
Equity Value per Share	5,587.48

Morganite Crucible (India) Limited

Company Name	EV/EBITDA
IFGL Refractories Limited (NSEI:IFGLEXPOR)	16.62
Orient Ceratech Limited (BSE:504879)	17.22
RHI Magnesita India Limited (BSE:534076)	24.34
Vesuvius India Limited (BSE:520113)	31.88
Average EV/EBITDA Multiple	22.51
LTM EBITDA (INR Mn)	389.8
Enterprise Value (INR Mn)	8,775.66
Add: Cash and Cash Equivalents	214.4
Less: Leases	(19.4)
Equity Value (INR Mn)	8,970.66
No. of equity shares outstanding as on 30/06/25	5,600,000
Equity Value per Share	1,601.90

DISCOUNTED CASH FLOW METHOD

The Discounted Free Cash Flow technique is one of the most rigorous approaches and an internationally accepted valuation methodology for valuation of a business. Under the Discounted Free Cash Flow technique either:

- the projected free cash flows from business operations available to all stake holders are discounted at the weighted average cost of capital and the sum of such discounted free cash flows is the value of the business from which value of debt and other capital is deducted to arrive at the value of the equity – Free Cash Flows to Firm (“FCFF”); or
- the projected free cash flows from business operations available to equity shareholders (after deducting cash flows attributable to the debt providers and any other stake holders) are discounted at the cost of equity and the sum of such discounted free cash flows is the value of the equity - Free Cash Flows to Equity (“FCFE”).

In the present case, we have considered it appropriate to use the FCFF methodology to arrive at the total equity value of the Companies. Under this method, the value of the Companies is obtained by discounting expected cash flows to the Companies i.e., the residual cash flows after meeting all operating expenses, reinvestment needs and taxes, but prior to any payment to either debt or equity holders, at the weighted average cost of capital, which is the cost of the different components of financing used by the Companies.

The weighted average cost of capital (“WACC”) is the discount factor used to arrive at the value of Companies. Discounting free cash flow to the Companies at the cost of capital will yield the value of operating assets of the Companies. To arrive at the equity value, value of non-operating assets will have to be added and debt will have to be deducted. Non-operating assets include cash, marketable securities and holding in other companies.

Terminal value is the present value at a future point in time of all future cash flows when we expect stable growth rate forever. To arrive at the terminal value, the Perpetuity Growth Model is used which accounts for the value of free cash flow in the first year beyond the projection horizon (N+1) is used. This value is divided by the discount rate minus the assumed perpetuity growth. $T_0 = FCF_{N+1} / (k - g)$. T_0 is the value of future cash flows at a future point in time which is immediately prior to N+1 or at the end of period N, which is the final year in the projection period, k being discount rate and g being the perpetual growth rate. This equation is perpetuity, uses a geometric series to determine the value of a series of growing future cash flows.

Based on the review and analysis of above-mentioned basis of information, we have estimated the fair value of equity of the Companies as on August 21, 2025 as per the table below:

Foseco India Limited

Valuation Date	30-Jun-25
Cost of Equity	11.80%
Growth rate	5%

(In INR Mn)					
Particulars	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29
	6 months	12 months	12 months	12 months	12 months
Revenue	3,121.21	7,229.29	8,458.27	9,896.17	11,578.52
Less : Direct and Indirect Cost	(2,576.86)	(5,667.76)	(6,343.70)	(7,134.55)	(8,059.84)
EBITDA	544.35	1,561.53	2,114.57	2,761.62	3,518.68
Less : Depreciation	(47.03)	(101.30)	(109.84)	(115.93)	(120.15)
EBIT	497.32	1,460.23	2,004.73	2,645.69	3,398.53
Less : Tax	(125.17)	(367.51)	(504.55)	(665.87)	(855.34)
NOPAT (Net Operating Profit After Tax)	372.16	1,092.72	1,500.18	1,979.83	2,543.19
Add : Depreciation	47.03	101.30	109.84	115.93	120.15
Less : Incremental working capital	(92.09)	(63.02)	(73.74)	(86.27)	(100.94)
Less : Capital expenditure	(189.50)	(129.26)	(186.22)	(154.83)	(154.83)
Free Cash Flow to Equity (FCFF)	137.59	1,001.73	1,350.06	1,854.65	2,407.57
Discounting Period	0.25	1.00	2.00	3.00	4.00
Discounting factor	0.97	0.89	0.80	0.72	0.64
Present Value of FCFF	133.81	896.01	1,080.12	1,327.20	1,541.03

Calculation for Perpetuity	Amt in INR Mn
EBITDA for Perpetuity	3,694.62
Less: Depreciation	(121.57)
EBIT for Perpetuity	3,573.04
Less: Taxes	(899.26)
NOPAT for Perpetuity	2,673.78
Less: Net Capex	-
Less: Incremental Working Capital	(34.74)
FCFF for Perpetuity	2,639.04
Capitalised value for perpetuity	38,809.45
Discount Factor	0.64
Present Value of Perpetuity	24,829.67

Calculation of Equity Value	Amt in INR Mn
Net present value of explicit period	4,978.17
Present value of perpetuity	24,829.67
Net present value of FCFF	29,807.83
Add: Cash and Cash Equivalents	2,938.46
Less: Leases	(15.68)
Equity Value	32,730.62
No. of equity shares outstanding as on 30/06/25	6,386,459
Equity Value per Share	5,125.00

Morganite Crucible (India) Limited

Valuation Date	30-Jun-25
Cost of Equity	11.94%
Growth rate	5%

Particulars	(In INR Mn)				
	31-Mar-26 9 months	31-Mar-27 12 months	31-Mar-28 12 months	31-Mar-29 12 months	31-Mar-30 12 months
Revenue	1,534.16	2,204.59	2,480.17	2,790.19	3,138.96
Less : Direct and Indirect Cost	(1,121.15)	(1,589.98)	(1,741.55)	(1,912.06)	(2,103.88)
EBITDA	413.01	614.61	738.62	878.13	1,035.08
Less : Depreciation	(66.10)	(85.50)	(83.20)	(101.90)	(106.40)
EBIT	346.91	529.11	655.42	776.23	928.68
Less : Tax	(87.31)	(133.17)	(164.96)	(195.36)	(233.73)
NOPAT (Net Operating Profit After Tax)	259.60	395.94	490.46	580.87	694.95
Add : Depreciation	66.10	85.50	83.20	101.90	106.40
Less : Incremental working capital	86.24	(24.50)	(27.56)	(31.00)	(34.88)
Less : Capital expenditure	(45.92)	(66.14)	(74.40)	(279.02)	(94.17)
Free Cash Flow to Equity (FCFF)	366.02	390.81	471.70	372.75	672.30
Discounting Period	0.38	1.25	2.25	3.25	4.25
Discounting factor	0.96	0.87	0.78	0.69	0.62
Present Value of FCFF	350.87	339.41	365.97	258.34	416.26

Calculation for Perpetuity	Amt in INR Mn
EBITDA for Perpetuity	1,086.83
Less: Depreciation	(65.92)
EBIT for Perpetuity	1,020.91
Less: Taxes	(256.94)
NOPAT for Perpetuity	763.97
Less: Net Capex	-
Less: Incremental Working Capital	(15.69)
FCFF for Perpetuity	748.24
Capitalised value for perpetuity	10,779.98
Discount Factor	0.62
Present Value of Perpetuity	6,674.43

Calculation of Equity Value	Amt in INR Mn
Net present value of explicit period	1,730.85
Present value of perpetuity	6,674.43
Net present value of FCFF	8,405.27
Add: Cash and Cash Equivalents	214.40
Less: Leases Liability	(19.40)
Equity Value	8,600.27
No. of equity shares outstanding as on 30/06/25	5,600,000
Equity Value per Share	1,535.76

FAIR VALUE

- The fair value has been arrived after taking into consideration all the factors and methodologies mentioned earlier in this report.
- Weights have been given to the different methods discussed herein based on the relevance of the method for the valuation of the Companies.
- The fair value of equity shares of the Companies is summarized as under:

Particulars	Foseco			Morganite		
	Equity Value (INR Mn)	Weightage	Product (INR Mn)	Equity Value (INR Mn)	Weightage	Product (INR Mn)
DCF	32,730.62	50%	16,365.31	8,600.27	50%	4,299.70
Market price	36,237.53	25%	9,059.38	8,714.18	25%	2,178.55
CCM	35,684.20	25%	8,921.05	8,970.66	25%	2,242.67
Total Equity Value (INR MN)			34,345.74			8,720.91
Number of Shares			6,386,459			5,600,000
Price/Share (INR) (Weightage Average) (A)			5,377.90			1,557.30
Price/Share (INR) (As per FEMA Regulations & its corresponding SEBI Regulations) (B)			5,674.12			1,556.10
Higher of (A) and (B)			5,674.12			1,557.30

Therefore, considering the facts and circumstances of the case and according to our wisdom, judgment, and experience, we have valued the equity shares of Foseco India Limited and Morganite Crucible (India) Limited at a value of INR 5,674.12 /- (Rupees Five thousand six hundred seventy four twelve paise only) per equity share of Foseco India Limited and INR 1,557.30 /- (Rupees One thousand five hundred fifty seven thirty paise only) per equity share of Morganite Crucible (India) Limited, respectively.

7. DISTRIBUTION OF REPORT

The Analysis is confidential and has been prepared exclusively for the Companies. We consent to this report being used in and the references to this report being made in any document in relation to the Proposed Transaction and being provided to or produced before the Securities and Exchange Board of India, the Reserve Bank of India, stock exchanges and other regulatory or statutory authorities as may be required in relation to the Proposed Transaction. It should not be used, reproduced, or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of us. Such consent will only be given after full consideration of the circumstances at the time.

The report does not form part of any offer or invitation to any section of public to subscribe for or purchase equity shares or assets or liabilities of the Companies or lend money to the Companies with or without security or lend money against the security of equity shares of the Companies.

8. CONCLUSION

In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined above in this report, in our opinion and to the best of our information and according to the explanations given to us by management, we recommend the following Equity Share Exchange Ratio.

274 equity shares of Foseco India Limited of INR 10/- each fully paid up for every 1,000-equity share of Morganite Crucible (India) Limited INR 5/- each fully paid up.

Our valuation report and Equity Share Exchange Ratio is based on the equity share capital structure of Morganite Crucible (India) Limited as mentioned earlier in this report. Any variation in the equity capital of Foseco India Limited and Morganite Crucible (India) Limited may have material impact on the Equity Share Exchange Ratio.

Thank You,

For V. B. Desai Financial Services Ltd.

Pradip Shroff

Managing Director