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Report Reference Number: RVA2425BOMREP078

Date: 01/08/2024

The Audit Committee and The Board of Directors,
Adani Enterprises Limited
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle, S. G. Highway,
Khodiyar, Ahmedabad, Gujarat - 382421

The Audit Committee and The Board of Directors,
Adani Wilmar Limited
Fortune House,
Near Navrangpura Railway Crossing,
Ahmedabad, Gujarat – 380009

Sub: Recommendation of Share Entitlement Ratio for the proposed demerger of the Demerged Undertaking of Adani Enterprises Limited into Adani Wilmar Limited

Dear Sirs,

We refer to our engagement letter dated July 18, 2024, whereby RBSA Valuation Advisors LLP ("RBSA"/ "Valuer") has been jointly appointed by Adani Enterprises Limited ("AEL") and Adani Wilmar Limited ("AWL") to recommend the Share Entitlement Ratio for the proposed demerger of the Demerged Undertaking of AEL (as defined below) on a 'going concern' premise into AWL, pursuant to a Scheme of Arrangement between AEL and AWL and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "Scheme").

AEL and AWL are hereinafter jointly referred to as the "Companies" or 'Clients" and individually referred to as the "Company", as the context may require.

Demerged Undertaking and AWL are hereinafter jointly referred to as the "Valuation Subjects".

The fair share entitlement ratio for the purpose of this Report refers to the number of fully paid-up equity shares of face value INR 1/- each to be issued by AWL to the equity shareholders of AEL as a consideration for the proposed demerger of the Demerged Undertaking into AWL (the "Share Entitlement Ratio").

This report ("Report") is our deliverable to recommend the Share Entitlement Ratio for the proposed demerger of the Demerged Undertaking of AEL into AWL.

This Report is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SCOPE AND PURPOSE OF THIS REPORT

Adani Enterprises Limited was incorporated on March 2, 1993, as Adani Exports Limited, with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956. Its name was changed to Adani Enterprises Limited on August 10, 2006. AEL is in the business of integrated resources management, mining services and other trading activities. It also operates as an incubator, establishing new businesses in various areas like energy ecosystem, data center, airports, roads, copper, digital space and others.

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AEL is a designated partner of Adani Commodities LLP ("ACLLP") with a share of 99.9999%. ACLLP holds ~43.94% of the paid-up equity share capital of Adani Wilmar Limited.

AEL is also in the business of food FMCG (fast moving consumer goods) through trading and supply of edible oil & other allied commodities and through its strategic investments in ACLLP ("Food FMCG Business"). The equity shares of AEL are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

Adani Wilmar Limited was incorporated on January 22, 1999, with the Registrar of Companies, Gujarat, under the provisions of the Companies Act, 1956. Its business portfolio of products spans across edible oil, packaged food and FMCG and industry essentials. AWL is one of the few large FMCG food companies in India to offer most of the essential kitchen commodities for Indian consumers including edible oil, wheat flour, rice, pulses and sugar and has a strong distribution network. The equity shares of AWL are listed on the BSE and NSE.

We understand that the management of AEL and AWL (together referred to as the "Management") are contemplating the demerger of the undertaking pertaining to Food FMCG Business of AEL ("Demerged Undertaking") on a 'going concern' premise into AWL, pursuant to the Scheme (the "Proposed Transaction").

As part of the Proposed Transaction, it is envisaged that:

- AEL shall demerge its Demerged Undertaking into AWL pursuant to the Scheme;
- Appointed date for Scheme shall be April 1, 2024 or such other date as may be approved by the Boards of AEL and AWL;
- As a consideration for the demerger, AWL shall issue its equity shares to the shareholders of AEL;
- Equity shares held by ACLLP in AWL shall be cancelled simultaneously with the issue of the equity shares by AWL to the shareholders of AEL, pursuant to the Scheme.

We understand from the Management that the Demerged Undertaking of AEL include:

- Trading and supply of edible oil & other allied commodities by AEL (including, land, building and plant and machinery of AEL for refining of edible oils at Taluka Kadi, District Mehsana, leased to AWL) ("Oil Division"), and,
- Stake held by AEL in ACLLP (including ~43.94% stake held by ACLLP in AWL).

In this context, the Board of Directors of AEL and AWL have jointly appointed RBSA to recommend the Share Entitlement Ratio for the proposed demerger of the Demerged Undertaking of AEL on a 'going concern' premise into AWL, pursuant to the Scheme.

We would like to emphasize that certain terms of the Proposed Transaction are stated in the Report, however, the detailed terms of the Proposed Transaction shall be more fully described and explained in the Scheme document to be submitted with relevant authorities in relation to the Proposed Transaction. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the underlying Scheme.

For the purpose of this Report, we have considered the Valuation Date as July 31, 2024.

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The scope of our services is to conduct a relative (and not absolute) valuation exercise as at the Valuation Date to determine the equity value of Valuation Subjects and then arrive at the share entitlement ratio using internationally accepted valuation methodologies as may be applicable to Valuation Subjects and report on the same in accordance with generally accepted professional standards including ICAI Valuation Standards 2018 issued by the Institute of Chartered Accountants of India and International Valuation Standards.

We have been informed that:

i. Till the Proposed Transaction becomes effective, neither of the Companies would declare any substantial dividends having materially different yields as compared to the past few years;
ii. There would be no significant variation between the draft Scheme and final Scheme approved and submitted with the relevant authorities.

We have been informed that, in the event either of the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares/ merger/ demerger/ reduction of share capital before the Proposed Transaction becomes effective, the issue of shares pursuant to the Share Entitlement Ratio recommended in this Report shall be adjusted accordingly to take into account the effect of any such corporate actions.

This Report is our deliverable for the above engagement.

SOURCES OF INFORMATION

In connection with this exercise, we have received/considered the following information about Valuation Subjects from the Management / representatives of respective Companies, and/or obtained in the public domain:

i. Audited financial statements of AWL for FY22, FY23 and FY24;
ii. Limited reviewed unaudited financial statements of AWL for the 3 months period ended June 30, 2024;
iii. Unaudited carved-out Income Statement and Balance Sheet of the Oil Division of AEL for FY22, FY23, FY24 and for the 3 months ended June 30, 2024;
iv. Projected income statement, working capital requirements and capital expenditure requirements of AWL and Demerged Undertaking of AEL, which the management of the respective Companies believe to be their best estimate of the expected performance of AWL and Demerged Undertaking, respectively (“Management Projections”);
v. Draft Scheme of Arrangement pursuant to which Proposed Transaction is to be undertaken;
vi. Discussions with the Management to obtain requisite explanation and clarification of data provided, to *inter-alia* understand their perception of historical and expected future performance of AWL and Demerged Undertaking.
vii. Information available in public domain and databases such as S&P Capital IQ and websites of NSE, BSE etc.
viii. Other relevant information and documents for the purpose of this engagement.

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During the discussions with the Management, we have also obtained explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise. Besides the above information and documents, there may be other information provided by the Companies which may not have been perused by us in detail, if not considered relevant for the defined scope.

AEL and AWL have informed us that Vivro Financial Services Private Limited and IDBI Capital Markets & Securities Limited (together referred to as "Fairness Team") have been appointed by the respective companies respectively to provide fairness opinion on the Share Entitlement Ratio recommended by RBSA for the purpose of the Proposed Transaction. Further, at the request of the Companies we have had discussions with the members of Fairness Team in respect of our valuation analysis.

PROCEDURES ADOPTED

Procedures adopted for our analysis included such substantive steps as we considered necessary under the circumstances, including, but not limited to the following:

- Discussion with the Management to *inter-alia* in respect of:
  - Business and key fundamental factors that affect the business of AWL and the Demerged Undertaking
  - Historical financial performance, current state of affairs and expected future financial performance of AWL and the Demerged Undertaking.
- Analysis of information shared by the Management including the following:
  - Historical income statement and statement of assets and liabilities of AWL;
  - Historical carved out income statement and statement of assets and liabilities of the Demerged Undertaking;
  - Management Projections
- Obtained and analysed market prices, volume data and other relevant information for AWL;
- Obtained and analysed data of peer companies available in public domain, as deemed relevant by us for the purpose of the present exercise;
- Selection of appropriate internationally accepted valuation methodology/(ies), after deliberations and consideration to the sector in which the Valuation Subjects operate and analysis of their business operations;
- Considered Draft Scheme of Arrangement between AEL and AWL;
- Arrived at the equity value of the Valuation Subjects in order to determine Share Entitlement Ratio for the Proposed Transaction.

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SHAREHOLDING PATTERN

Adani Enterprises Limited

The issued and subscribed equity share capital of AEL as of June 30, 2024 was ~ INR 1,140 million consisting of 1,140,001,121 equity shares of face value of INR 1 each. The shareholding pattern of AEL as of June 30, 2024 is as under:

Shareholder category	No. of equity shares	Percentage
Promoter and Group	851,770,953	74.72%
Public shareholders	288,230,168	25.28%
Total	**1,140,001,121**	**100.00%**

Source: BSE filing

Equity shares of AEL are listed on the BSE and the NSE.

Adani Wilmar Limited

The issued and subscribed equity share capital of AWL as of June 30, 2024 was ~ INR 1,300 million consisting of 1,299,678,605 equity shares of face value of INR 1 each. The shareholding pattern of AWL as of June 30, 2024 is as under:

Shareholder category	No. of equity shares	Percentage
Promoter and Group	1,142,038,870	87.87%
Public shareholders	157,639,735	12.13%
Total	**1,299,678,605**	**100.00%**

Source: BSE filing

Equity shares of AWL are listed on the BSE and the NSE.

ACLLP holds 571,019,435 equity shares in AWL as at the report date.

We understand from the Management that as at the report date the Companies do not have any outstanding equity warrants/ options which may result in dilution of equity capital.

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VALUATION APPROACH & METHODOLOGY

Valuation Base: Valuation base means the indication of the type of value being used in an engagement. Different Valuation bases may lead to different conclusions of value. Considering the nature of this exercise, we have adopted Relative Value as the Valuation base.

Premise of Value: Premise of Value refers to the conditions and circumstances in which an asset is deployed. Considering the nature of this exercise, we have adopted 'Going Concern Value' as the Premise of Value.

Intended Users: This Report is intended for consumption of the Board of Directors of AEL and AWL and may be submitted to the shareholders of AEL and AWL and relevant regulatory and judicial authorities as may be mandatorily required under the laws of India, in connection with the Proposed Transaction.

It should be understood that the valuation of any entity or business 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 the passage of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions financial and otherwise, of the Companies, and other factors which generally influence the valuation of any entity or business.

Commonly accepted approach/ methods for determining the value of the equity shares of a company/ business, include:

- Income Approach – Discounted Cash Flow method
- Market Approach
- Asset Approach – Net Asset Value method

There are several commonly used and accepted methods, within the market approach, income approach and asset approach, for determining the Share Entitlement Ratio, which have been considered in the present case, to the extent relevant and applicable, and subject to the availability of relevant information.

<u>Income Approach – Discounted Cash Flow ("DCF")</u>

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalized) amount.

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. The terminal value represents the total value of the available cash flow for all periods subsequent to the horizon period. The terminal value of the business at the end of the horizon period is estimated, discounted to its present value equivalent, and added to the present value of the available cash flow to estimate the value of the business.

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Such DCF analysis involves determining the following:

- Estimating future free cash flows: Free cash flows to firm are the cash flows expected to be generated by the company/ asset that are available to the providers of the company's capital – both debt and equity.
- 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 to firm, 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.

Market Approach

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

Market Price Method:

Under this method, the value of shares of a company is determined by taking the average of the market capitalization of the equity shares of such companies as quoted on a recognized stock exchange over reasonable periods of time where such quotations are arising from the shares being regularly and freely traded in an active market, subject to the element of speculative support that may be inbuilt in the market price.

Comparable Companies Multiple (CCM) Method:

Under this method, the value of the shares / business of a company is estimated by applying the derived market multiple based on market quotations of comparable public / listed companies, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company / business (based on past and / or projected working results) after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. These valuations are based on the principle that such 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.

Comparable Transaction Multiple ("CTM") Method

Under Comparable Transaction Method, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

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Asset Approach

The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. A net asset methodology is most applicable for businesses where the value lies in its underlying assets and not in the ongoing operations of the business.

Valuation Approach/ methodology adopted

The Proposed Transaction contemplates demerger of Demerged Undertaking of AEL into AWL. Arriving at the share entitlement ratio for the Proposed Transaction of Demerged Undertaking into AWL would require determining the relative value of equity shares of AWL and Demerged Undertaking. These values are to be determined independently, but on a relative basis for the Valuation Subjects, without considering the effect of the Proposed Transaction. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for Proposed Transaction and our reasonable judgment, in an independent and bona fide manner.

Valuation of AWL

a) Valuation of AWL is carried out on a 'going concern value' premise. AWL is expected to make operating profits in the near to medium term and its historical net asset value is not expected to represent its earning potential. The Scheme of Arrangement would normally be proceeded with on a 'going concern' value premise and an actual realization of their operating assets is not contemplated. Hence, we have not adopted the NAV method to value AWL.
b) We have considered the Management Projections of AWL for estimating the equity value of AWL under the DCF method.
c) The equity shares of AWL are listed on BSE and NSE and are frequently traded. We have determined the market price of shares of AWL based on higher of 90 trading days or 10 trading days volume weighted average price on NSE, up to the Valuation Date, July 31, 2024, being the last working day immediately prior to the date of the board meeting of the Companies for the Proposed Transaction.
d) Considering the stage of operations, industry within which it operates and their historical and current performance, we have applied Enterprise Value/ EBITDA ('EV/EBITDA') multiple of listed comparable companies (after appropriate adjustments for AWL specific factors) for estimating the equity value of AWL under the CCM method. We have relied on publicly available information and certain databases such as CapitalIQ, etc. to arrive at the comparable company multiple.

e) Comparable Companies' Transaction Multiple method has not been used due to lack of information in the public domain on recent comparable transactions of similar scale and nature of business. Further, the transaction multiples may include acquirer specific considerations, synergy benefits, control premium and minority adjustments.
f) Valuation of AWL has been carried out adopting a combination of Income approach (Discounted cash flow method) and Market Approach (Comparable Companies Multiple method and Market Price Method).

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Valuation of Demerged Undertaking

Valuation of the Demerged Undertaking of AEL has been carried out considering the fair value of Oil Division of AEL and fair value of AWL shares held by ACLLP.

A. Valuation of Oil Division of AEL

a) Valuation of Oil Division is carried out on a ‘going concern value’ premise. The division is expected to make operating profits in the near to medium term and its historical net asset value of the is not expected to represent its market value/ earning potential. Accordingly, Asset Approach based on historical net asset value has not been adopted for the valuation of the Oil Division of AEL.
b) Oil Division is a part of AEL and is not separately listed on any stock exchanges. Accordingly, Market price method is not adopted.
c) Considering the nature of business and stage of operations of Oil Division, there were no closely comparable listed companies/ comparable transactions. Accordingly, CCM and CTM method have not been for valuation of the Oil Division of AEL.
d) We have considered the Management Projections of Oil Division for estimating its value under the DCF method.
e) Considering *inter-alia* the nature of business and its stage of operations, Adjusted NAV of the Oil Division has been computed based on the estimated market value of the land:
f) Valuation of Oil Division has been carried out adopting a combination of Income approach (Discounted cash flow method) and Adjusted NAV method.

B. Value of AWL shares held by ACLLP

Valuation of AWL shares held by ACLLP has been carried out considering the methodologies explained hereinabove earlier.

The fair value of the Demerged Undertaking is arrived at based on Adjusted Net Asset Value method considering *inter-alia* the fair value of Oil Division of AEL and fair value of AWL equity shares held by ACLLP.

The fair value of the Demerged Undertaking is divided by the number of equity shares of AEL as at the Valuation Date to arrive at the fair value of Demerged Undertaking per equity share of AEL.

SCOPE, ASSUMPTIONS, EXCLUSIONS, LIMITATIONS, 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 scope of our services is to recommend a Share Entitlement Ratio for the Proposed Transaction. Valuation Standards (“ICAI VS”) issued by the Institute of Chartered Accountants of India has been considered for the valuation.

The recommendation contained herein is as at the date of the Report (“Valuation Date”) and is not intended to represent value at any time other than the date of the Report.

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This Report, its contents and the results herein are (i) specific to 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. We have been informed by the Management that the business activities of the AWL and Demerged Undertaking have been carried out in the normal and ordinary course between June 30, 2024 and the Report date and that no material changes have occurred in their respective operations and financial position between June 30, 2024 and the Report date.

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 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.

Valuation of a business or an entity 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 Share Entitlement Ratio. While we have provided our recommendation of the Share Entitlement Ratio 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 determination of the Share Entitlement Ratio at which the Proposed Transaction shall take place will be with the Board of Directors of AEL and AWL who should take into account other factors such as their own assessment of the Proposed Transaction and inputs from other advisors.

In the course of the valuation, we were provided with both written and verbal information. We have evaluated the information provided to us by/ on behalf of the Management 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 Management. 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. Further, with respect to the information and explanation sought for the Demerged Undertaking, we have been given to understand by the Management that they have not omitted any relevant or material information. Our conclusions are based on the assumptions and information given by/on behalf of the Management. The Management has indicated to us that they have understood that any omissions, inaccuracies, or misstatements may materially affect our valuation analysis/results.

Valuation may be based on estimates of future financial performance or opinions that represent reasonable expectations at a particular point in time. However, we do not provide assurance on the achievability of the results projected by the Management as events and circumstances do not occur as expected and 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 as the achievement of the projected results is *inter-alia* dependent on actions, plans and assumptions of the Management and macro-economic and other external factors which are beyond the control of the Management. Further, we have relied on the assessment of the Management for contingent and other liabilities.

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The Report assumes that AWL and the Demerged Undertaking complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that they will be managed in a competent and responsible manner. Further, unless 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 financial statements provided to us.

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 alterative business transaction or other alternatives or whether such alternatives could be achieved or are available.

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 valuation analysis is based on the exercise of judicious discretion by the valuer 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 financial statements but could strongly influence the value.

No investigation/ inspection of the Valuation Subjects' claim to title of assets has been made for the purpose of this Report and the Valuation Subjects' 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 financial statements. Therefore, no responsibility is assumed for matters of a legal nature.

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 other than in connection with the Scheme, without our prior written consent. This Report does not in any manner address the prices at which equity shares of AWL / AEL will trade following announcement of the Proposed Transaction and we express no opinion or recommendation as to how the shareholders of AWL / AEL should vote at the shareholders' meeting(s) to be held in connection with the Proposed Transaction.

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 AEL and AWL in connection with the Proposed Transaction including for the purpose of obtaining regulatory approvals, as required under applicable laws of India, for the Proposed Transaction. Without limiting the foregoing, we understand that AEL and AWL may be required to share this Report with their shareholders, Indian regulatory or judicial authorities and merchant banker providing fairness opinion on the Share Entitlement Ratio, in connection with the Proposed Transaction (together, "Permitted Recipients"). We hereby give consent to such disclosure of this Report, on the basis that the Valuer owes responsibility only to AEL and AWL that have engaged us, under the terms of the engagement, and to no other person; and that, to the fullest extent permitted by law, the Valuer accepts no responsibility or liability to any

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other party, in connection with this Report. It is clarified that reference to this Report in any document and / or filing with Permitted Recipients, in connection with the Proposed Transaction, shall not be deemed to be an acceptance by the Valuer of any responsibility or liability to any person/ party other than AEL and AWL.

The Management has informed us that:
- There are no unusual / abnormal events in the Valuation Subjects till the Report Date materially impacting their operating / financial performance. Further, the Management has informed us that all material information impacting the Valuation Subjects has been disclosed to us.
- There would be no variation between the draft Scheme of Arrangement and the final scheme approved and submitted with the relevant authorities.

We owe responsibility to only the Boards of Directors of AEL and AWL that has appointed us under the terms of our engagement letter and nobody else. 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. In no circumstances shall the liability of the Valuer, its partners, its directors, or employees, relating to the services provided in connection with the engagement set out in this Valuation Report shall exceed the amount paid to the Valuer in respect of the fees charged by it for these services.

We do not accept any liability to any third party (including Permitted Recipients) in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion on the Share Entitlement Ratio. 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 his purpose.

Our Report can be used by the Companies 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 Companies 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 AEL and AWL) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to the Valuer. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this Report or any part thereof, except for the purpose asset 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.
The Management of AEL and AWL has been provided with the opportunity to review the draft report (excluding the recommended Share Entitlement Ratio) as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final Report.

The fee for the engagement is not contingent upon the results reported.

This Report is subject to the laws of India.

The Report should be used in connection with the Scheme.

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Disclosure of RV Interest or Conflict, if any and other affirmative statements

We do not have any financial interest in the Clients, nor do we have any conflict of interest in carrying out this valuation. Further, the information provided by the Management have been appropriately reviewed in carrying out the valuation.

BASIS OF FAIR SHARE ENTITLEMENT RATIO

The basis of demerger of the Demerged Undertaking of AEL into AWL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending a Share Entitlement Ratio, it is necessary to arrive at a single value for the Demerged Undertaking of AEL and AWL. It is however important to note that in doing so we are not attempting to arrive at the absolute values but at their relative values to facilitate the determination of a Share Entitlement Ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

The Share Entitlement Ratio has been arrived at on the basis of a relative valuation based on the various approaches/ methods explained herein earlier and various qualitative factors relevant to the Valuation Subjects and the business dynamics and growth potential of the businesses, having regard to information base, key underlying assumptions, and limitations.

We have independently applied valuation methodologies discussed herein above as appropriate and arrived at the value per share of the Demerged Undertaking per share of AEL and at the value per share of AWL. To arrive at the Share Entitlement Ratio for the Proposed Transaction, suitable minor adjustments/ rounding off have been done.

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The computation of the Share Entitlement Ratio is as under:

Valuation Approach	Demerged Undertaking of AEL (A)		AWL (B)	
	INR per share	Weight	INR per share	Weight
Market Approach: Comparable Companies Multiple Method	NA	-	350.2	25%
Market Approach: Market Price Method *	NA	-	343.8	50%
Income Approach: Discounted Cash Flow Method	NA	-	338.3	25%
Asset Approach: Adjusted Net Asset Value Method	172.7	100%	NA	-
Relative Value per share	**172.7**	**100%**	**344.0**	**100%**
Share Entitlement Ratio (A/B) (Rounded off)	**0.502**			

* Higher of 10 trading days VWAP or 90 trading days VWAP.
NA: Not Applicable/ Not adopted

On the basis of the foregoing and on consideration of the relevant factors and circumstances as discussed and outlined herein above, we recommend the following Share Entitlement Ratio for the demerger of the Demerged Undertaking of AEL into AWL:

251 (Two Hundred and Fifty-One) equity share of AWL of INR 1/- each, fully paid-up for every 500 (Five Hundred) equity shares of AEL of INR 1/- each, fully paid-up.

Respectfully submitted,

For RBSA Valuation Advisors LLP
(RVE No.: IBBI/RV-E/05/2019/110)

RBSA VALUATION ADVISORS LLP

Ravishu Vinod Shah
Partner
Asset Class: Securities or Financial Assets
(RV No.: IBBI/RV/06/2020/12728)
Date: 01/08/2024
Place: Mumbai