

VALUATION OF EQUITY SHARES

OF

SHAH METACORP LIMITED
(CIN: L46209GJ1999PLC036656)

Prepared by:

Ravi Shanker Nanduri

Company Secretary

IBBI Registered Valuer - Securities or Financial Assets

RAVI SHANKER NANDURI (IBBI Registered Valuer)
Unit 4, 6th Floor, Astral Heights, Road No. 1,
Near Nagarjuna Circle, Banjara Hills, Hyderabad – 500034

Date: March 22, 2024

To,

SHAH METACORP LIMITED

PLOT NO. 2/3 GIDC UBKHAL, KUKARWADA, TAL. VIJAPUR,
DIST. MEHSANA, KUKARWADA, GUJARAT, INDIA, 382830

Dear Sir,

SUB: VALUATION ANALYSIS OF THE EQUITY SHARES OF SHAH METACORP LIMITED

I refer to our engagement letter dated March 20, 2024 for carrying out the valuation of **Equity Shares of SHAH METACORP LIMITED** (here-in-after referred as "**Company**"). In accordance with the terms of the engagement, I am enclosing my report along with this letter. In attached report, I have summarized my valuation analysis of Equity Shares together with the description of methodologies used and limitation on my scope of work.

Based on my assessment and in terms of first proviso to Sub – Regulation 1 of Regulation 166A read with Sub – Regulation 1 of Regulation 164 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, the Floor Price of the Equity Share of the Company having Face Value of Rupees 01.00 each has been arrived at **Rs. 03.88**. In case you require any further assistance, please feel free to contact me.

This Valuation Analysis is confidential and has been prepared for you for providing the same to government or regulatory authorities and this report can be provided to potential investor of the Company for enabling compliance under various laws as detailed hereinafter in this report. It should not be used, reproduced or circulated to any other person, in whole or in part, without my prior consent. Such consent will only be given after full consideration of the circumstance at that time. I trust that above meets your requirements.

Please feel free to contact us in case you require any additional information or clarifications.

Thanking you,
Yours faithfully,

Ravi Shanker Nanduri – IBBI Registered Valuer
Registration Number: **IBBI/RV/03/2019/12712**



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1. BACKGROUND OF THE COMPANY:

History:

SHAH METACORP LIMITED (“COMPANY”) is Public Limited Company having its registered office at Plot No. 2/3 GIDC Ubkhal, Kukarwada, Tal. Vijapur, Dist. Mehsana, Kukarwada, Gujarat, India, 382830 and incorporated under the Companies Act, 1956 on 29th September, 1999. The Company Identification Number (CIN) of the company is L46209GJ1999PLC036656. Equity Shares of the Company are listed on Main board of Bombay Stock Exchange of India Limited and Main board of National Stock Exchange of India Limited with the highest trading volume has been recorded during the preceding 90 trading days prior to the relevant date on Main board of National Stock Exchange of India Limited.

Capital Structure of the Company:

Particulars	Amount (in Rs.)
Authorised Share Capital 70,00,00,000 Equity shares of Rupees 1.00 each	70,00,00,000
Issued, Subscribed & Fully Paid-up Share Capital 41,95,98,676 Equity shares of Rupees 1.00 each	41,95,98,676

Board of Directors and KMP:

Sr. No	Name	DIN
1.	DIPALI MANISH SHAH (Director)	08845576
2.	HIRAL VINODBHAI PATEL (Company Secretary)	*****0443L
3.	VIRAL MUKUNDBHAI SHAH (CEO)	*****7753D
4.	MONA VIRAL SHAH (Director)	02343194
5.	HEMANG HARSHADBHAI SHAH (Director)	08740598
6.	MAHENDRA KUMAR SHUKLA (Director)	09461897
7.	RAVIKUMAR MANOJKUMAR THAKKAR (Director)	09620074
8.	LAXMI SHIKANDAR JAISWAL (Director)	09616917
9.	NARENDRA KUMAR (CFO)	****1967N

2. PURPOSE:

The Company intends to issue Equity Shares on preferential basis to meet its funding requirement. In this regard, the Company has engaged me to carry out valuation of Equity Shares of the Company as per requirements of Sub – Regulation 1 of Regulation 166A read with Sub – Regulation 1 of Regulation 164 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, on the relevant date being February 28, 2024.

3. KEY DATES:

Appointing Authority: Board of Director of the Company

Appointment Date: March 20, 2024;

Valuation Date / Relevant Date: February 28, 2024;

Report Date: March 22, 2024.

4. IDENTITY OF VALUER AND ANY OTHER EXPERTS INVOLVED IN THE VALUATION:

I am independent Registered Valuer as required under the Companies (Registered Valuer & Valuation) Rules, 2017 registered with Insolvency & Bankruptcy Board of India having registration no. IBBI/RV/03/2019/12712.

No other Experts are involved in this valuation exercise.

5. PECUNIARY INTEREST DECLARATION

I do not have pecuniary interest in the Shares of the Company, past, present or prospective, and the opinion expressed is free of any bias in this regard. I strictly follow the code of conduct of the Registered Valuation Organization of IBBI.

6. SOURCES OF INFORMATION:

I have been provided the following information for the valuation analysis:

- MOA & AOA of COMPANY;
- Provisional Financials for the half year ended on September 30, 2023.
- Annual Report for the year ended on March 31, 2023, March 31, 2022 and March 31, 2021;
- Trading History Data of Equity Shares of COMPANY for last one year from relevant Date;
- Written Representations made by the Company in course of the valuation exercise;
- Other related information from various sources;

Besides the above listing, there may be other information provided by the Client which may not have been perused by me, if not considered relevant for my defined scope.

Discussions (in person / over call) with the management: to understand the business and fundamental factors that affect the Company's earning - generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance. During the discussions with the management, I have also obtained explanations and information considered reasonably necessary for this exercise.

FINANCIAL INFORMATION:

Particulars	As at March 31, 2023
	(Audited) Amt. in Lakhs
EQUITY AND LIABILITIES	
Equity	
Share Capital	3323.79
Reserve and Surplus	(-1562.84)
Non-Current Liability	
Long Term Borrowing	6246.68
Deferred Tax Liability (Net)	---
Other Long-Term Liabilities	---
Long Term Provision	17.22
Current Liabilities	
Short Term Borrowing	500.91
Trade Payables	1646.81
Other Current Liabilities	1866.63
Short Term provisions	1.06
TOTAL	12040.26
ASSETS	
Non-Current Assets	
Fixed Assets	2453.81
Non-current Investments	0.26
Long term loans & advances	0
Other Non-Current Assets	2468.95
Current Assets	
Current Investments	0.00
Inventories	781.81
Trade Receivables	2532.35
Cash and Cash Equivalents	2864.11
Short Term Loans and Advances	3.25
Other Current Assets	935.72
TOTAL	12040.26

7. VALUATION PARAMETERS

- I. Net Asset Value (NAV)
- II. Price Earning Capacity Value (PECV)
- III. Market Value.

I. Net Asset Value (NAV)

The Net Assets Method represents the value with reference to historical cost of assets owned by the company and the attached liabilities on particular date. Net asset will be calculated starting from the total assets of the company and deducting there from all debts, borrowing and liabilities, including current and Likely contingent Liability and preference capital if any. In other words it should represent true net worth of business after providing for all outside present and potential liabilities. In the case of companies, the net assets value calculated from assets side of the balance sheet in the above manner will be crossed checked with equity share capital plus free reserve and surplus, less likely contingent liabilities.

II. Price Earning Capacity Value (PECV)

The profit – earning capacity value will be calculated by capitalising the average of the after – tax profits at the following rates;

- I. 15% in the case of manufacturing companies.
- II. 20% in the case of trading companies.
- III. 17.5% in the case of “intermediate companies”, that is to say, companies whose turnover from trading activity is more than 40%, but less than 60% of their total turnover.

The crux of estimating the profit – earning capacity value lies in the assessment of the future maintainable earnings of the business. While the past trends in profits and profitability would serve as a guide, it should not be overlooked that the valuation is for the future and that it is the future maintainable stream of earnings that is of greater significance in the process of valuation. All relevant factors that have a bearing on the future maintainable earnings of the business must, therefore, be given due consideration.

III. Market Value:

The Equity Shares of Company are listed on Main Board of Bombay Stock Exchange of India Limited (BSE) for a period of more than 90 trading days as on the relevant date i.e. Wednesday, February 28, 2024 and are frequently traded in accordance with SEBI ICDR Regulations.

In case of “frequently traded shares (Regulation 164(1) of the SEBI ICDR Regulations):

If the equity shares of the Company have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following;

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

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

Articles of Association of the Company do not provide for any particular method of determination which results in a floor price higher than that determined under SEBI ICDR Regulations.

Equity Shares of the Company are listed on Main board of Bombay Stock Exchange of India Limited and Main board of National Stock Exchange of India Limited and “Main Board of National Stock Exchange of India Limited” is the Stock exchange on which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.

8. VALUATION ANALYSIS:

- **ADJUSTMENTS IN PRICING - FREQUENTLY AND INFREQUENTLY TRADED SHARES**

As per Regulation 166 of SEBI (ICDR) 2018 as amended from time to time, The price determined for a preferential issue in accordance with [, regulations 164, 164A, 164B or 165,], shall be subject to appropriate adjustments, if the issuer:

- a) makes an issue of equity shares by way of capitalization of profits or reserves, other than by way of a dividend on shares;
- b) makes an issue of equity shares after completion of a demerger wherein the securities of the resultant demerged entity are listed on a stock exchange;
- c) makes a rights issue of equity shares;
- d) consolidates its outstanding equity shares into a smaller number of shares;
- e) divides its outstanding equity shares including by way of stock split;
- f) re-classifies any of its equity shares into other securities of the issuer;
- g) is involved in such other similar events or circumstances, which in the opinion of the concerned stock exchange, require adjustments.

Major Events considered for Valuation:

As informed by the Company this is not applicable to the Company.

In terms of first Proviso to the Sub-Regulation 1 of Regulation 166A r.w. Sub-Regulation 1 of Regulation 166A and Sub-Regulation 1 of Regulation 164 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”) and by using the Valuation Parameters, the following is the Valuation Analysis of Equity Shares of the Company.

Sr. No.	Valuation Parameters	Value per Equity Share (in Rupees)
1.	Price Earning Capacity Value Method	0.02
2.	Net Assets Value Method	1.14
3.	Market Value Method	3.88

For, detailed working calculation of Value of Equity Share, please refer;

- Annexure – 1** For Net Assets Value Method
Annexure – 2 For Price Earning Capacity Value Method
Annexure – 3 For Market Value Method

Sr. No	Method	Value per Equity Share (in Rupees) (A)	Weights (B)	Weighted (C=A*B)
1.	Price Earning Capacity Value Method	0.02	1	0.02
2.	Net Assets Value Method	1.14	2	2.28
3.	Market Value Method	3.88	3	11.64
Total (D)			6	14.36
Floor Price (In Rupees) (Total of C / B)				2.32

9. CONCLUSION:

In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the documents available with us but which will strongly influence the worth of a Shares and Debentures.

In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined in this report, I conclude as under:

Sr. No.	Provisions	Minimum Floor Price (in Rupees)
A	Floor Price in terms of first Proviso to the Sub-Regulation 1 of Regulation 166A of the SEBI ICDR Regulations	2.32
B	Floor Price in terms of the Sub-Regulation 1 of Regulation 164 of the SEBI ICDR Regulations	3.88

Accordingly, the Floor Price of the Equity Shares of the Company having Face Value of Rupees 01.00 each in terms of Chapter V of SEBI ICDR Regulations as at Relevant date is **INR 03.88 (Rupees Three and Eighty Eight Paise Only)**.

10. CAVEATS, LIMITATIONS AND DISCLAIMERS:

My report is subject to the scope 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. My engagement for this valuation consulting work does not include any procedures designed to discover any defalcations or other irregularities, should any exist.

I have provided an assessment of the value based on the information available, application of certain formula and within the scope and constraints of our engagement, others may place a different value to the same. However, I independently did not verify such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.

The company and its representatives warranted to us that the information supplied to us was complete and accurate to the best of their knowledge and that the financial information properly reflects the business conditions and operating results for the respective periods in accordance with generally accepted accounting principles. Information supplied to us has been accepted as correct without any further verification. I have not audited, reviewed, or compiled the historical provided to us and, accordingly, i do not express any audit opinion or any other form of assurance on this information. Because of the limited purpose of the information presented, it may be incomplete and

contain departures from generally accepted accounting principles. In the course of the valuation, i were provided with both written and verbal information. I have however, evaluated the information provided to us by the Company 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.

My conclusions are based on the assumptions, forecasts and other information given by / on behalf of the Company. I assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise.

The draft of the present report was circulated to the Management for confirming the facts stated in the report and to confirm that information or facts stated are not erroneous and the assumptions used are reasonable.

No investigation on the Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the liabilities in the books. Therefore, no responsibility is assumed for matters of a legal nature.

My work does not constitute an audit or certification of the historical financial statements including the working results of the Company referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation mentioned in the report and it is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

I have no responsibility to update this report for events and circumstances occurring after the date of this report. My fees is not contingent to the results or output of this report. I will not be responsible to appear in front of Companies act, income tax, RBI or any other regulatory authority in relation to the said valuation.

The decision to carry out the transaction (including consideration thereof) on the basis of this valuation lies entirely with the COMPANY and my work and my finding shall not constitute a recommendation as to whether or not COMPANY should carry out the transaction. The report and conclusion of value are not intended by the author and should not be construed by the reader to be

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investment advice in any manner whatsoever. The conclusion of value represents my opinion, based on information furnished to us by the client and other sources. Any person/party intending to provide finance/invest in the shares/business of the Company 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.

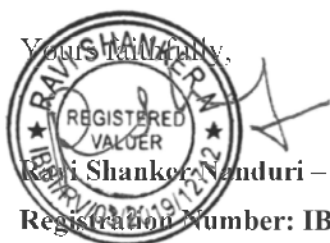
My report is meant for the purpose mentioned in point 2 of this report and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared.

I acknowledge that I am independent valuer and have no present or contemplated financial interest in the Company. My fees for this valuation is based upon my normal billing rates, and not contingent upon the results or the value of the business or in any other manner. I have not been engaged by the Company in any unconnected transaction during last five years.

Neither me, nor any managers, employees of my firm makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

Thanking you,

Yours faithfully,



Ravi Shanker Nanduri – IBBI Registered Valuer

Registration Number: IBBI/RV/03/2019/12712

Place: Hyderabad

Date: March 22, 2024

11. Annexure – 1

Valuation of Equity Shares of COMPANY under NAV Method

Calculation of Net Assets Value of the Company as at September 30, 2023 (Unaudited)

Particulars	Amount in Lakh Rs.
Total Assets	12,201.07
Total Liabilities	7,435.40
Net worth	4,765.67
Number of Equity Shares (Numbers in Lakh)	4,190.790
Book Value Per Share (In Rupees)	1.14

12. Annexure – 2

Valuation of Equity Shares of COMPANY under PECV Method

Amount in Lakh Rs.

Particulars	2023 – 2024	2022 – 2023	2021 – 2022	Total
Total Revenue	7,515.42	3,987.64	2,003.99	
Profit Before Tax	408.82	-28.76	-1,086.21	
Weights	3.00	2.00	1.00	6.00
Product	1,226.46	-57.52	-1,086.21	82.73
Weighted Average Profit Before Tax				13.79
Tax @ 25.17%				3.47
Future Maintainable Profit				10.32
Capitalisation rate @ 15.00%				68.79
Number of Shares (Numbers in Lakh)				4,195.99
Fair Value (In Rs.)				0.02

- For F.Y. 2023 – 2024 we have taken annualized value from data provided for September 30, 2023.

13. Annexure – 3

Valuation of Equity Shares of COMPANY under Market Price Method

(Source: Bombay Stock Exchange of India Limited)

Date of EGM/AGM/POSTAL BALLOT	30/03/2024
Relevant Date	28/02/2024

Name of the Company	SHAH METACORP LIMITED
Stock Exchange	National Stock Exchange of India Limited

Average of the volume weighted average price (VWAP) of the equity shares of SHAH METACORP LTD quoted on the National Stock Exchange of India Limited during the 90 trading days preceding the relevant date (considering relevant date as 28/02/2024)

Days	Date	Volume	VWAP	Days	Date	Volume	VWAP
1	27/02/2024	831950	3127974.60	46	22/12/2023	15550612	68852443.90
2	26/02/2024	764896	2910884.65	47	21/12/2023	6529030	25410593.45
3	23/02/2024	1290209	5051256.20	48	20/12/2023	31686866	118744111.95
4	22/02/2024	1357491	4915445.15	49	19/12/2023	1258022	4225320.25
5	21/02/2024	1108688	4169343.15	50	18/12/2023	1623351	5440810.55
6	20/02/2024	3678480	14145864.65	51	15/12/2023	2774750	9204907.80
7	19/02/2024	650022	2386984.10	52	14/12/2023	1031582	3433063.40
8	16/02/2024	315136	1118732.80	53	13/12/2023	2155811	7180930.05
9	15/02/2024	179616	646617.60	54	12/12/2023	2903500	9742246.00
10	14/02/2024	185469	676961.85	55	11/12/2023	1520995	4968038.00
11	13/02/2024	137483	508687.10	56	08/12/2023	1573280	5121901.80
12	12/02/2024	168157	630588.75	57	07/12/2023	1825185	5894241.80
13	09/02/2024	204555	777309.00	58	06/12/2023	3029150	9739422.80
14	08/02/2024	161827	623033.95	59	05/12/2023	2499607	8003007.70
15	07/02/2024	271848	1060207.20	60	04/12/2023	8776527	28913528.10
16	06/02/2024	417148	1647734.60	61	01/12/2023	5526389	18538889.60
17	05/02/2024	320613	1282452.00	62	30/11/2023	2394690	7937631.85
18	02/02/2024	1234411	4943595.05	63	29/11/2023	5540286	18592695.45

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19	01/02/2024	537782	2178017.10	64	28/11/2023	5520108	17675817.20
20	31/01/2024	623882	2557916.20	65	24/11/2023	2134067	6373648.55
21	30/01/2024	318868	1323302.20	66	23/11/2023	785875	2404067.15
22	29/01/2024	216682	910064.40	67	22/11/2023	3263984	9919460.60
23	25/01/2024	93155	395908.75	68	21/11/2023	2937892	9413255.10
24	24/01/2024	248630	1069109.00	69	20/11/2023	4022865	13284881.95
25	23/01/2024	143629	624786.15	70	17/11/2023	6876475	23083183.30
26	20/01/2024	375078	1658398.50	71	16/11/2023	8033471	27023934.25
27	19/01/2024	1262507	5618156.15	72	15/11/2023	10459263	32454422.45
28	18/01/2024	233943	1029349.20	73	13/11/2023	996478	2852125.55
29	17/01/2024	199376	887223.20	74	12/11/2023	1046710	2978935.30
30	16/01/2024	823952	3707784.00	75	10/11/2023	1606244	4423787.70
31	15/01/2024	514118	2364942.80	76	09/11/2023	539595	1469870.60
32	12/01/2024	186297	875595.90	77	08/11/2023	1173979	3167667.90
33	11/01/2024	195246	937180.80	78	07/11/2023	406365	1083317.70
34	10/01/2024	330975	1621777.50	79	06/11/2023	464547	1241366.80
35	09/01/2024	301200	1506000.00	80	03/11/2023	511012	1374773.35
36	08/01/2024	1908251	9726419.25	81	02/11/2023	1542200	4081104.20
37	05/01/2024	2355050	11608852.75	82	01/11/2023	572610	1508771.65
38	04/01/2024	1372432	6519052.00	83	31/10/2023	1155525	3056812.40
39	03/01/2024	881017	4008627.35	84	30/10/2023	3517489	9344043.10
40	02/01/2024	2243953	9708872.05	85	27/10/2023	1351559	3725898.20
41	01/01/2024	1214675	5041162.50	86	26/10/2023	1000628	2602605.90
42	29/12/2023	636644	2771219.65	87	25/10/2023	788335	2103923.70
43	28/12/2023	1472498	6777935.55	88	23/10/2023	2004811	5486579.20
44	27/12/2023	15939472	77847284.40	89	20/10/2023	591895	1652572.45
45	26/12/2023	32068568	170743927.15	90	19/10/2023	886674	2478747.50
Average Price							03.88

Average of the volume weighted average price (VWAP) of the equity shares of SHAH METACORP LTD quoted on the National Stock Exchange of India Limited during the 10 trading days preceding the relevant date (considering relevant date as 28/02/2024)

Days	Date	Volume	VWAP	Days	Date	Volume	VWAP
1	27/02/2024	831950	3127974.60	6	20/02/2024	3678480	14145864.65
2	26/02/2024	764896	2910884.65	7	19/02/2024	650022	2386984.10
3	23/02/2024	1290209	5051256.20	8	16/02/2024	315136	1118732.80
4	22/02/2024	1357491	4915445.15	9	15/02/2024	179616	646617.60
5	21/02/2024	1108688	4169343.15	10	14/02/2024	185469	676961.85
Average Price							03.78

A	Average of 90 trading days VWAP	03.88
B	Average of 10 trading days VWAP	03.78
C	Applicable Minimum Price (Higher of the A or B)	03.88