

VALUATION

REPORT

**REPORT ON FAIR VALUE FOR ISSUE OF PREFERENTIAL ALLOTMENT OF
SHARES/SECURITIES**

SHAH METACORP LIMITED

Summary Report	3
Executive Summary	4
Industry background.....	5
Director Details	6
Caveats, Limitations and Disclaimers	6
Purpose of the Report	8
Scope of Work and Bases of Valuation	12
Appointing Authority.....	12
Disclosure of Registered Valuer Interest	12
Basis and Premise of Valuation	13
Source of Information.....	13
Valuation Methodology and Approaches	14
Selection of Valuation Methodology	16
Preferred approach for Valuation	17
Valuation of Shares of the Company	17
Conclusion.....	19

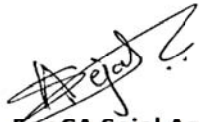
Summary Report

1. Date of Valuation : 31st January, 2025
2. Date of appointment : 10th January, 2025
3. Date of submission of the Valuation Report : 05th February, 2025

The said valuation assignment has been conducted for the purpose of computing the Value of Shares for Issue of Preferential allotment of shares/securities of **SHAH METACORP LIMITED** (herein afterreferred to as "**the Company**") for further issuance of securities, as per Section 42 and Section 62(1)(c) of the Companies Act 2013 read with Rule 13(2)(g) of Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the 'Chapter V - Preferential Issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('**SEBI (ICDR) Regulations 2018**') and the valuation guidelines stipulated under International Valuation Standards.

The Value for Issue of Preferential allotment of shares/securities ascertained by us is **Rs. 4.71 /- per share**.

For and on behalf of



For CA Sejal Agrawal
Registered Valuer - Securities & Financial Assets
Registration No. IBBI/RV/06/2020/13106
Place: Ahmedabad
UDIN: 25141498BMGXBN9000



Executive Summary

Client	: SHAH METACORP LIMITED
CIN	: L46209GJ1999PLC036656
Business Activity of Company	: Iron & Steel Products
Net Worth as on 31 st December, 2024	: 16124.14 Amt in Inr (lakhs)
Purpose of Valuation	Further issuance of securities, as per Section 42 and Section 62(1)(c) of the Companies Act 2013 read with Rule 13(2)(g) of Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the 'Chapter V - Preferential Issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI (ICDR) Regulations 2018')
Base of Valuation	: Market Value - Sec 30 of IVS 2020
Premise of Valuation	: Highest and best use - Sec 140 of IVS 2020
Approach for Valuation	Market Approach (Market price method), Income Approach, Net Asset Method
Value Variation from Standard Assumptions	None
Special Assumptions	None
Capacity & Status of Valuer	External- Sejal Agrawal (RV-S&FA)
Independence	: The total fees, including the fee for this assignment earned from the instructing party are less than 5.0% of our total annual revenues. We have no association with the instructing party during the past five years.
Standards Utilized	International Valuation Standard



Introduction

Background Information:

Company Information	
CIN	L46209GJ1999PLC036656
Company Name	SHAH METACORP LIMITED
ROC Name	ROC Ahmedabad
Registration Number	036656
Date of Incorporation	29/09/1999
Email Id	cs@shahgroupco.com
Registered Address	Plot No. 2/3 GIDC Ubkhal, Kukarwada, Tal. Vijapur, Dist. Mehsana, Kukarwada, Gujarat, India, 382830
Address at which the books of account are to be maintained	2nd Floor, Mrudul Tower B/h-Times of India, Ashram Road, Ahmedabad, Gujarat, India, 380009
Listed in Stock Exchange(s) (Y/N)	Yes
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Public
ACTIVE compliance	ACTIVE Compliant
Authorised Capital (Rs)	90,00,00,000
Paid up Capital (Rs)	59,38,78,676



Director Details

The Board of Directors of the company as on valuation date are as follows: -

Sr. No	DIN/PAN	Name	Designation
1	08845576	DIPALI MANISH SHAH	Director
2	02343194	MONA VIRAL SHAH	Director
3	08740598	HEMANG HARSHADBHAI SHAH	Director
4	09461897	MAHENDRA KUMAR SHUKLA	Director
5	09616917	LAXMI SHIKANDAR JAISWAL	Director
6	07718831	ADITYABHAI JAGDISHBHAI JOSHI	Director

Caveats, Limitations and Disclaimers

1. Restriction on use of Valuation Report

This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. I do not take any responsibility for the unauthorized use of this report.

2. Responsibility of RV

We owe responsibility only to the client that has appointed us under the terms of the engagement letters. 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 wilful default on part of the client or companies, their directors, employees or agents.

3. Accuracy of Information

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.



4. Achievability of the forecast results

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 as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

5. Post Valuation Date Events

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.

6. Reliance on the representations of the clients, their management and other third parties

The client and its management 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 maintenance schedule of all plant-machinery-equipment-tools-vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents.

7. No procedure performed to corroborate information taken from reliable external sources

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 or reproduced in its proper form and context.

8. Compliance with relevant laws

The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies 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 reflected in the balance sheet provided to us.

9. Multiple factors affecting the Valuation Report

The valuation report is tempered by the exercise of judicious discretion by the RV, 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 Balance Sheet but could strongly influence the value.



10. Future services including but not limited to Testimony or attendance in courts/ tribunals/authorities for the opinion of value in the Valuation Report

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.

Purpose of the Report

This valuation is done for the purpose of determining the price per share pursuant to Issue Of Preferential allotment of shares/securities in pursuance to compliance with the provisions of Section 42 and Section 62(1)(c) of the Companies Act 2013 read with Rule 13(2)(g) of Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the 'Chapter V - Preferential Issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI (ICDR) Regulations 2018') and the valuation guidelines stipulated under International Valuation Standards.

- The company is looking to assess its fair value for the proposed Issue of Preferential allotment of shares/securities in accordance with Regulations 164 and 166A of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 ("ICDR") using latest available un-audited Report on Financial Results as on 30th September, 2024.
- There is no change in control, however, allotment to the Proposed allottees is more than five percent of the post issue fully diluted share capital of the issuer, therefore, the pricing Issue of Preferential allotment of shares/securities of the Company shall be determined as higher of:
 - the price determined as per Regulation 164 of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 or
 - the price determined as per Valuation Report of an Independent Registered Valuer as per Regulation 166A of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 or
 - the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable.



- For the purposes of price to be determined as per Regulation 164 of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018, the Issue of Preferential allotment of shares/securities of the company are frequently traded on the stock exchange, on **NSE** and thus Regulation 164(1) becomes applicable.
- For the purposes of valuation under Regulation 166A, detailed valuation methodology has been explained in this report.
- The relevant extract of the regulation 164 and 166A are as under:

Regulation 164: Pricing of frequently traded shares

1. If the Issue of Preferential allotment of shares/securities: of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price per share in the said Issue of Preferential allotment of shares/securities: to be allotted shall be not less than higher of the following:
 - (a) The 90 trading days' volume weighted average price of the related Issue of Preferential allotment of shares/securities quoted on the recognised stock exchange preceding the relevant date; or
 - (b) The 10 trading days' volume weighted average prices of the related Issue of Preferential allotment of shares/securities 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.

(a) A Preferential issue of specified securities to qualified institutional buyers, not exceeding five in number, shall be made at a price not less than 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 Issue of Preferential allotment of shares/securities to be allotted pursuant to the preferential issue:



(b) no allotment shall be made, either directly or indirectly, to any qualified institutional buyer who is a promoter or any person related to the promoters of the issuer: Provided that a qualified institutional buyer who does not hold any shares in the issuer and who has acquired rights in the capacity of a lender shall not be deemed to be a person related to the promoters. Explanation. —For the purpose of this clause, a qualified institutional buyer who has any of the following rights shall be deemed to be a person related to the promoters of the issue: -

- (a) rights under a shareholder's agreement or voting agreement entered into with promoters or promoter group;
- (b) veto rights; or
- (c) right to appoint any nominee director on the board of the issuer.

1. For the purpose of this Chapter, "frequently traded shares" means the shares of the issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer:

Provided that where the share capital of a particular class of shares of the issuer is not identical throughout such period, the weighted average number of total shares of such class of the issuer shall represent the total number of shares.

Explanation: For the purpose of this regulation, 'stock exchange' means any of the recognised stock exchange(s) in which the Issue of Preferential allotment of shares/securities of the issuer are listed and in which the highest trading volume in respect of the Issue of Preferential allotment of shares/securities of the issuer has been recorded during the preceding 90 trading days prior to the relevant date



Regulation 166A: Allotment of more than five per cent of the post issue fully diluted share capital of the Issuer

(1) Any preferential issue, which may result in a change in control or allotment of more than five percent. of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price:

Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable:

Keeping in the view of above regulations: -

- There is no change in control, however, the allotment to the proposed allottees is more than five percent of the post issue fully diluted share capital of the issuer

The Companies Act, 2013

Relevant Extract of Section 62: Further issue of share capital

(1) Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(b) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed



Scope of Work and Bases of Valuation

- Registered Valuer has been appointed by the Board to issue a report on the likely valuation of equity share. I understand that the purpose of the said report is to determine the Fair Market Value for Issue Of Preferential allotment of shares/securities of the company as per Section 42 and Section 62(1)(c) of the Companies Act 2013 read with Rule 13(2)(g) of Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the 'Chapter V - Preferential Issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI (ICDR) Regulations 2018').
- Registered Valuer to value the Issue of Preferential allotment of shares/securities of the Company as per the International Accounting Standards.
- The value is to be determined with reference to the date of Valuation.

Appointing Authority

The management of the Company appointed CA Sejal Agrawal (Registered Valuer cum Chartered Accountant) for Issue of Preferential allotment of shares/securities.

Disclosure of Registered Valuer Interest

I have no present or prospective contemplated financial interest in the Company nor any personal interest with respect to the Promoters & Board of Directors of the Company. I have no bias/prejudice with respect to any matter that is the subject of the valuation report or to the parties involved with this engagement.

My professional fee 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.



Basis and Premise of Valuation

As per IVS 2020 we have used the “Market Value” as the basis of valuation. The Premise of Value has been taken as Highest & Best Use (HABU), which is also understood to be the Current Use, in the present case.

IVS-104 defines “Market Value” as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Sec 140 of International Valuation Standard defines Highest and best use is the use, from a participant perspective, that would produce the highest value for an asset.

Source of Information

- Audited Financial Statements of the Company for the Financial Year 2020-21, 2021-22, 2022-23.
- Limited Review report as on 31st December, 2024.
- MOA and AOA
- GST Certificate
- Certificate of Incorporation
- A signed management representation letter stating the projections are based on best estimates and judgment of the management.
- Data extracted from publicly available sources believed to be reliable and true i.e. money control, BSE, NSE and The Economic Times.
- Other information / data available in public domain.



Valuation Methodology and Approaches

In valuing the shares of the company, we need to perform the following steps:

1. Understanding the Business of the company
2. Understanding the Industry in which the company operates
3. Identifying the Assets of the company, including Income Generating Businesses, fixed assets, etc.
4. Valuing the Assets of the company, wherein, three different approaches may be employed to determine value: (i) the Income Approach, (ii), the Market Approach and (iii) the Cost Approach. While each of these approaches is initially considered in the valuation of an asset, the nature and characteristics of the asset, availability of required data for each of the approaches indicate which approach, or approaches, is most applicable.
5. Identifying the liabilities of the company
6. Computing the Value available to Shareholders and arriving at the Value per share

As required by Valuation Standards, we have given consideration to all the relevant and appropriate valuation approaches. In selecting the appropriate valuation approach and method, we have considered the following:

- a) The appropriate basis (es) of value and premise(s) of value, determined by the terms and purpose of the valuation assignment,
- b) The respective strengths and weaknesses of the possible valuation approaches and methods,
- c) The appropriateness of each method in view of the nature of the asset, and the approaches or methods used by participants in the relevant market, and
- d) The availability of reliable information needed to apply the method(s).

We have hereunder discussed the various approaches available under the valuation standards and approach (es) adopted by us after considering the above and the information available for the asset under valuation:



Income Approach

The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. This approach is appropriate where the income-producing ability of the asset is the critical element affecting the value or reasonable projections of the amount and timing of future income are available for the subject asset. The approach is used where 'Anticipation of benefits' is the economic principle which would be used by market participants to decide the Value of the subject asset.

The following Income Approach method have been considered by us in the report:

Discounted Cash Flow (DCF) Method

DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

Beta is an adjustment that uses historic stock market data to measure the sensitivity of the company's cash flow to market indices, for example, through business cycles.

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows in the future. The free cash flows are projected for a certain number of years and then discounted at a discount rate that reflects a company's cost of capital and the risk associated with the cash flows it generates. DCF analysis is based mainly on the following elements:

- Projection of financial statements (key value driving factors)
- The cost of capital to discount the projected cash flows

Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. This approach is appropriate where the subject assets or substantially similar assets are frequently publicly traded and the information on the market transactions are sufficiently and reliably available. The approach is used where 'Price Equilibrium' is the economic principle which would be used by market participants to decide the Value of the subject asset.



The following Market approach methods have been considered by us in this report:

- **Guideline Publicly Trade comparable method** – The Guideline publicly trade comparable method utilizes the information on publicly traded comparable that are the same or similar to the subject asset to arrive at an indication of the value.
- **Comparable transactions method** - The comparable transactions method, also known as the guideline transactions method, utilizes information on transactions involving assets that are the same or similar to the subject asset to arrive at an indication of value.

Cost Approach

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

The value arrived at under this approach is based on the financial statements of the Company, may be defined as Shareholders' Funds or Net Assets owned by the Company. The balance sheet values are adjusted for any contingent liabilities that are likely to materialize.

Selection of Valuation Methodology

There is no single definition of the term 'Value' that is suitable for all purposes or at all times. The value of a particular asset may vary according to different valuation methodologies that are adopted to ascertain the value for a specific purpose. Valuation of securities is an inexact science. It may sometimes involve a set of judgments and assumptions that may be subject to certain uncertainties. In the section above, Independent Registered Valuer has discussed some of the commonly used valuation methodologies. The valuation methodology to be adopted varies from case to case depending upon different factors affecting valuation. There are a number of methodologies to value companies / businesses using historical and forecast financials of the company.



A typical valuation analysis involves review and analysis of historical financials of the company and broad comparison of the company's forecast financial projections as regards all the significant macro and micro variables like economy and industry growth rate assumptions, inflation, interest and foreign exchange rates and tax rate forecasts. Company's profitability factors (industry competitive factors and company's operating strategies and its competitive position in the industry), economies of scale and optimal capital structure also affects the business valuation of the company.

However, the value is specific to the point in time and may change with the passage of time.

Preferred approach for Valuation

We have considered the Net Asset Method to calculate the fair equity value of the company by determining the fair market value of its assets and liabilities on a consolidated basis. This approach provides a valuation based on the company's net asset position, reflecting its financial strength and asset base.

We have considered the Market Method to calculate the fair equity value to determine the price as per Regulation 164 of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018

We have considered this methodology for calculation of fair equity value of the Company based on its consolidated cash flows. After considering its business plan, we have calculated the Enterprise value and then derived the Equity value by adjusting its debt, cash and cash equivalents and surplus assets on the date of valuation.

Valuation of Shares of the Company

We have considered appropriate weightage to all the three methods as discussed above and derived a value of equity share.

Weightage Average method

Relevant date		03/02/2025	
Valuation date		31/01/2025	
SHAH METACORP LIMITED			
Valuation Approach			
	Value per share (INR)	Weight	Total Value (Weight x Price)
A. Market Approach -VWAP Basis [90/10 days] (Annexure 1)	4.45	33.33%	1.48
B. Net asset method (Annexure 2)	2.72	33.33%	0.90
C. Income Approach-[DCF] (Annexure 3)	6.97	33.33%	2.32
TOTAL		100%	4.71
Average Price Per Share			



Basis for Weights:

1. Net Asset Value (NAV):

The Net Asset Value method calculates the value of a company based on its assets and liabilities.

Assigning 33.33 weight to NAV is justified for the following reasons:

We assign a 33.33% weight the Net Asset Method, reflecting the steel manufacturing industry's reliance on tangible assets like production facilities and machinery. This weight balances the physical asset value with other methods that account for future earnings.

2. Market Approach:

Market Price Method: specifically utilizing Volume Weighted Average Price (VWAP) over 10 and 90 days,

By considering both short-term (10 days) and slightly longer-term (90 days) perspectives, it accounts for recent market trends and provides a balanced view.

Assigning 33.33% weight to Market Price is justified for the following reasons:

Reflects Real-Time Market Sentiment: It captures the current market price, reflecting the collective judgment of investors and market participants, providing a real-time assessment of the company's value.



3. DCF Method (Discounted Cash Flow):

The DCF method is a fundamental approach to valuation that estimates the present value of a company's future cash flows. Discounted Cash Flow Method under the Income Approach has been considered. For computing the Value of Shares using Income Method, we have adopted the Discounted Cash Flows (DCF) method. Discounted cash flow is one of the most prominent methodologies of valuation.

Assigning 33.33% weight to DCF is justified for the following reasons:

- DCF is a fundamental valuation method that focuses on the future cash flows of the company, providing a comprehensive and intrinsic view of its value.
- It considers the time value of money, providing a present value for future cash flows, making it a robust method for long-term investment analysis.

The price computed above is in consonance with Regulation 166A as amended by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022 vide Notification No. SEBI/LAD-NRO/GN/2022/63 dated 14th January, 2022 which mandates that Issue of Preferential allotment of shares/securities which may result in allotment of more than five per cent, shall conform to the pricing provisions of specified under Chapter V of the ICDR Regulations.

Conclusion

Based on my valuation exercise, the minimum issue price for the **Issue of Preferential allotment of shares/securities** as at the close of trading hours of the date preceding the relevant date, i.e., 03rd February 2025, as per **Regulation 166A**, is **Rs. 4.71 per share**. This value is derived from the Valuation Approach adopted by me, which is higher than the value arrived at under **Regulation 164(1)** (Rs. 4.45 per share).

The allotment of the Issue of Preferential allotment of shares/securities to proposed allottees is for cash consideration and there is no change in control, however, the allotment is more than five percent of the post issue fully diluted share capital of the issuer, kindly treat this valuation report as per the mandatory requirement of Regulation 166A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.



Annexure 1

Valuation Method - VWAP Basis [90/10 days]

Regulation 164(1)

- At least 10% of the total Issue of Preferential allotment of shares/securities have been traded on the NSE in 240 trading days preceding the Valuation Date, therefore, Issue of Preferential allotment of shares/securities of the company shall be treated as frequently traded.
- Stock Exchange means the Stock Exchange where highest trading volume in respect of the Issue of Preferential allotment of shares/securities of the issuer has been recorded during the preceding 90 trading days prior to the Valuation Date. The company is listed in **BSE and NSE**. and has highest trading volume at **NSE** data is considered for all relevant computations.
- For the purpose of valuation, we have relied on the data of NSE in accordance to the amended Regulations 164 and 166A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended vide Notification No. SEBI/LAD- NRO/GN/2022/63 dated 14th January, 2022.

Valuation as per Weighted Average for 10 Days preceding the relevant date:

S.NO	Date	series	vwap	VOLUME	VALUE
1	31-Jan-25	EQ	3.86	9,27,900	35,81,328.02
2	30-Jan-25	EQ	3.81	5,64,952	21,53,513.98
3	29-Jan-25	EQ	3.56	9,34,148	33,29,661.45
4	28-Jan-25	EQ	3.52	24,16,282	85,00,083.32
5	27-Jan-25	EQ	3.75	12,40,584	46,54,476.05
6	24-Jan-25	EQ	3.89	4,37,945	17,02,389.20
7	23-Jan-25	EQ	3.91	7,39,700	28,95,043.32
8	22-Jan-25	EQ	3.91	13,93,331	54,51,583.21
9	21-Jan-25	EQ	4.07	5,99,966	24,42,401.04
10	20-Jan-25	EQ	4.15	8,15,379	33,80,115.73
				1,00,70,187	3,80,90,595
VWAP of 10 Trading 'days					3.78



Valuation as per Weighted Average for 90 Days preceding the relevant date:

S.NO	Date	series	vwap	VOLUME	VALUE
1	31-Jan-25	EQ	3.86	9,27,900	35,81,328.02
2	30-Jan-25	EQ	3.81	5,64,952	21,53,513.98
3	29-Jan-25	EQ	3.56	9,34,148	33,29,661.45
4	28-Jan-25	EQ	3.52	24,16,282	85,00,083.32
5	27-Jan-25	EQ	3.75	12,40,584	46,54,476.05
6	24-Jan-25	EQ	3.89	4,37,945	17,02,389.20
7	23-Jan-25	EQ	3.91	7,39,700	28,95,043.32
8	22-Jan-25	EQ	3.91	13,93,331	54,51,583.21
9	21-Jan-25	EQ	4.07	5,99,966	24,42,401.04
10	20-Jan-25	EQ	4.15	8,15,379	33,80,115.73
11	17-Jan-25	EQ	4.02	5,68,779	22,88,713.73
12	16-Jan-25	EQ	4.03	6,38,860	25,72,525.30
13	15-Jan-25	EQ	4.06	10,91,555	44,31,141.79
14	14-Jan-25	EQ	4.11	7,02,373	28,89,019.41
15	13-Jan-25	EQ	4.2	17,51,304	73,53,075.91
16	10-Jan-25	EQ	4.16	24,49,624	1,01,84,943.64
17	09-Jan-25	EQ	4.1	6,64,640	27,23,673.42
18	08-Jan-25	EQ	4.19	9,45,454	39,64,098.89
19	07-Jan-25	EQ	4.18	10,82,630	45,21,570.58
20	06-Jan-25	EQ	4.4	6,33,952	27,86,333.39
21	03-Jan-25	EQ	4.56	13,83,328	63,06,385.24
22	02-Jan-25	EQ	4.48	6,55,933	29,37,020.85
23	01-Jan-25	EQ	4.53	2,77,013	12,54,562.07
24	31-Dec-24	EQ	4.43	5,04,042	22,32,741.42
25	30-Dec-24	EQ	4.51	6,17,974	27,89,807.68
26	27-Dec-24	EQ	4.47	12,06,704	53,96,206.41
27	26-Dec-24	EQ	4.35	6,06,265	26,38,048.97
28	24-Dec-24	EQ	4.21	4,00,768	16,88,487.05
29	23-Dec-24	EQ	4.27	5,98,376	25,56,826.19
30	20-Dec-24	BE	4.45	4,25,063	18,90,825.80
31	19-Dec-24	BE	4.46	5,06,367	22,60,469.40



32	18-Dec-24	BE	4.27	5,45,352	23,30,968.35
33	17-Dec-24	BE	4.25	6,21,742	26,40,287.89
34	16-Dec-24	BE	4.34	5,25,712	22,83,486.54
35	13-Dec-24	BE	4.24	7,56,975	32,13,173.72
36	12-Dec-24	BE	4.36	4,86,619	21,20,792.61
37	11-Dec-24	BE	4.6	8,34,784	38,40,478.05
38	10-Dec-24	BE	4.72	6,22,584	29,37,763.08
39	09-Dec-24	BE	4.45	4,72,706	21,03,391.63
40	06-Dec-24	BE	4.33	5,53,759	23,98,264.33
41	05-Dec-24	BE	4.39	2,02,899	8,90,821.83
42	04-Dec-24	BE	4.47	2,82,538	12,62,648.03
43	03-Dec-24	BE	4.5	3,25,952	14,66,784.00
44	02-Dec-24	BE	4.46	5,32,616	23,76,276.90
45	29-Nov-24	BE	4.42	28,105	1,24,224.10
46	28-Nov-24	BE	4.34	2,36,018	10,24,318.12
47	27-Nov-24	BE	4.26	51,556	2,19,628.56
48	26-Nov-24	BE	4.18	45,428	1,89,889.04
49	25-Nov-24	BE	4.1	68,449	2,80,640.90
50	22-Nov-24	BE	4.04	2,09,277	8,45,139.41
51	21-Nov-24	BE	4.11	5,88,344	24,18,093.84
52	19-Nov-24	BE	4.26	2,79,656	11,91,713.12
53	18-Nov-24	BE	4.29	1,46,521	6,28,575.09
54	14-Nov-24	BE	4.38	1,67,962	7,35,673.56
55	13-Nov-24	BE	4.47	1,69,554	7,57,906.38
56	12-Nov-24	BE	4.6	1,16,622	5,37,014.01
57	11-Nov-24	BE	4.67	2,76,272	12,90,623.55
58	08-Nov-24	BE	4.77	1,71,731	8,19,181.18
59	07-Nov-24	BE	4.87	1,72,717	8,41,031.79
60	06-Nov-24	BE	4.83	3,01,665	14,57,897.49
61	05-Nov-24	BE	4.93	1,66,356	8,20,135.08
62	04-Nov-24	BE	5.05	5,97,630	30,18,674.10
63	01-Nov-24	BE	5.31	3,75,812	19,93,891.08
64	31-Oct-24	BE	5.19	3,64,602	18,92,764.81
65	30-Oct-24	BE	5.06	3,76,580	19,06,012.62
66	29-Oct-24	BE	4.88	5,40,619	26,36,345.14
67	28-Oct-24	BE	4.63	4,77,018	22,07,450.68
68	25-Oct-24	BE	4.52	5,64,014	25,49,220.21
69	24-Oct-24	BE	4.71	4,95,214	23,34,540.60
70	23-Oct-24	BE	4.67	8,85,568	41,31,720.34
71	22-Oct-24	BE	4.91	7,02,735	34,50,945.95



72	21-Oct-24	BE	5.3	6,31,655	33,49,853.32
73	18-Oct-24	BE	5.45	24,55,615	1,33,73,288.18
74	17-Oct-24	BE	5.25	6,11,862	32,12,275.50
75	16-Oct-24	BE	4.94	6,25,536	30,88,011.55
76	15-Oct-24	BE	4.74	4,76,946	22,61,946.41
77	14-Oct-24	BE	4.82	7,05,552	34,03,413.14
78	11-Oct-24	BE	4.87	5,65,923	27,53,496.92
79	10-Oct-24	BE	4.99	6,96,387	34,76,321.77
80	09-Oct-24	BE	5.03	10,09,787	50,75,694.49
81	08-Oct-24	BE	4.56	9,39,938	42,86,811.40
82	07-Oct-24	BE	4.68	7,46,304	34,92,048.11
83	04-Oct-24	BE	4.98	5,86,928	29,21,223.28
84	03-Oct-24	BE	5	1,92,779	9,63,895.00
85	01-Oct-24	BE	5.13	2,18,772	11,22,828.09
86	30-Sep-24	BE	5.17	4,37,247	22,60,830.85
87	27-Sep-24	BE	5.25	6,15,959	32,33,904.46
88	26-Sep-24	BE	5.28	7,39,275	39,03,372.00
89	25-Sep-24	BE	5.18	1,81,284	9,39,051.12
90	24-Sep-24	BE	5.08	1,25,232	6,36,178.56
				5,56,84,435	24,76,79,904
VWAP of 90 Trading 'days					4.45

VWAP Basis (90/10 days)

VWAP (10 trading days preceding the relevant date) (A)	3.78
VWAP (90 trading days preceding the relevant date) (B)	4.45
Minimum Price (Higher of (A) or (B))	4.45



Net Asset Method-
Statement of Financial Position as on 31st December, 2024

Particulars	Shah Metacorp Limited
Assets	
Non-Current Assets	
-	
Tangible Assets	2,250.28
Non-Current Investments	1.26
other financial assets	219.15
Other-Non-Current Assets	74.30
Deferred Tax Asset	1,722.73
Current Assets	
Current Investments	-
Inventories	877.53
Trade Receivables	11,919.48
Cash And Cash Equivalents	43.76
Short-Term Loans and Advances	370.05
Other Financial Assets	7.18
Income tax Asset (Net)	17.43
Other Current Assets	888.25
Total Assets	18,391.40
Liabilities	
Non-Current Liabilities	
Long-term borrowings	483.30
Long-term Provision	16.76
Current Liabilities	
Trade Payables	1,437.58
Other Current Liabilities	328.48



Other Financial Liabilities	1.13
Total Liabilities	2,267.26
Net Worth	16,124.14
Preference Share Holder	-
Net Worth attributable to Equity Holders	16,124.14
No. of Equity Shares Outstanding	59,38,78,676
Book Value/ Equity Share	2.72
Face Value	1

Annexure 3

Valuation Method - Discounted Cash Flow Method

PARTICULARS	FY 24	31-12-2024	FY 25	FY 26	FY 27	FY 28	FY 29	
								Perpetuity Growth Rate
								3%
<i>Cash Accrual Timing Factor</i>	0.00	0.25	0.13	0.75	1.75	2.75	3.75	
PBT (Excluding Other Income)	-349.85	550.75	286.07	3,466.93	4,743.94	6,611.38	9,380.19	
Tax @ 25.17%	-	-	-	1,017.24	1,353.12	1,839.07	2,553.47	
EBIT(1-Tax)	(349.85)	550.75	286.07	2,449.69	3,390.81	4,772.31	6,826.72	
Add Finance Cost	1.07	2.37	-	-	-	-	-	
Book Depreciation	352.32	260.59	2.11	236.43	212.79	191.51	172.36	
(Inc)/Dec in Working Capital	-3,996.29	-7,571.49	5,932.75	2,320.94	-591.35	-886.76	-163.04	
Operating Cash Flows	(3,992.75)	(6,757.78)	6,220.93	5,007.06	3,012.25	4,077.06	6,836.04	
(Inc)/Dec in Fixed Assets	-42.24	-367.14	-	-	-	-	-	
Free Cash Flows	(4,034.99)	(7,124.92)	6,220.93	5,007.06	3,012.25	4,077.06	6,836.04	42,162.38
Discounting Factor	1.00	0.96	0.98	0.87	0.73	0.61	0.51	0.51
Present Value of Free Cash Flows	(4,034.99)	(6,811.72)	6,082.66	4,375.35	2,199.01	2,486.50	3,482.98	21,481.87



Summary	Amount (In INR Lakhs)
Present Value of Total Discrete Period Cash Flows	18,626.50
Present Value of Terminal Cash Flows	21,481.87
Enterprise value (EV)	40,108.36
Less: Debt	483.30
Add: Deferred Tax Asset	1,722.73
Add: Non Current Investments	1.26
Add: Cash & Cash Equivalent	43.76
Equity Value (In INR Lakhs)	41,392.81
Total No. of Shares Outstanding as on valuation date	59,38,78,676
Value per share (INR)	6.97

DFCF Assumptions:

Particulars	Notes	
Risk free rate (Rf) as on 31.12.2024	6.75%	Considered of long-term Indian government bond rate
Market Rate of Return	15.66%	BSE Sensex return on long term basis
Industry Beta... (β)	0.89	We have considered Average Beta of 0.89 for the Steel industry from http://www. Damodaran.com website.
Additional Company Specific (including Small Company) Risk Premium (unsystematic risk) (CSR P)	5%	We have given a 5% additional risk premium looking into company profile, financial structure and ROI investor will look into while investing in this type of company. This is also dependent upon the level of aggressiveness of the future cash flows and present scenario of the country and company environment in which it is operating.
Cost of Equity (Ke)	19.70%	As per CAPM model i.e. $[K_e = R_f + \beta(R_m - R_f) + CSR P]$
Growth Rate	3%	As the perpetuity growth rate assumes that the Company will continue its historic business and generate Free Cash Flows at a steady state forever. Since terminal value constitutes a major proportion of the entire value of the business, we while deciding the terminal growth rate have given emphasis to economic factors & financial factors like Inflation of the Country, GDP growth of the Country, Projected Financials, Historical Financial Position, Organic & Inorganic growth strategies of the Company, investment opportunity etc. Accordingly, for perpetuity, we have considered 3% growth rate.



Valuation Analysis of Equity Shares

METCORP TRADING LLC

05th February, 2025

Strictly Private & Confidential

ABOUT VALUER

PERSONAL DETAILS

SEJAL AGRAWAL

CA, CS, Registered Valuer

Contact: - 9687672506

Mail: - valux@procurve.in

Address: E 716, Ganesh Glory 11, Jagatpur, Ahmedabad-382481

QUALIFICATIONS AND EXPERIENCE

Mrs. Sejal Ronak Agrawal is specializing in Business Valuation, Company Law, Capital Markets & Financial Services, and Transaction Advisory.

She has successfully led numerous valuation assignments across various sectors, ensuring compliance and transparency for her clients.

With over 11 years of diverse expertise, Ms. Agrawal is a FCA (Fellow Chartered Accountant) and CS (Company Secretary), bringing a wealth of experience in valuations, IND AS consultancy, forensic accounting, auditing, and insolvency.

She is a Chartered Accountant, Company Secretary, Registered Valuer (IBBI), Insolvency Professional (IBBI), and Social Auditor (NISM).

To,
Board of Directors/Audit Committee
METCORP TRADING LLC
Building Number 80, Souq Al Kabir, Bur Dubai

Subject – Fair Valuation of Equity of METCORP TRADING LLC.

Dear Sir,

The said valuation assignment has been conducted for the purpose of computing the Value per EQUITY SHARE of **METCORP TRADING LLC** (herein after referred to as “Company”) for the purpose of issue of report on valuation of preferential allotment of shares/securities to comply with the provisions of Section 42 and 62 of Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and the valuation guidelines stipulated under ICAI Valuation standards.

Valuation Summary:

I **Sejal Ronak Agrawal** (“herein-after-referred as “**Valuer**”), hereby certify the fair value of equity shares of the Company as follow.

- | | |
|---------------------------------|-----------------------------------|
| 1. Date of Valuation | : 31 st December, 2024 |
| 2. Date of appointment | : 16 th January, 2025 |
| 3. Date of Submission of Report | : 5 th February, 2025 |

Name of Instrument	Value per share (AED)	Fair value (AED In Lakhs)
EQUITY	1,23,813.86/-	371.44

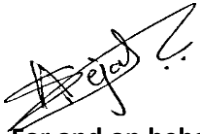


This certificate is being issued for compliance with the aforesaid purpose only.

Thank you

Date: 05th February, 2025

Place: Ahmedabad



For and on behalf of

For CA Sejal Agrawal is

Registered Valuer - Securities & Financial Assets

Registration No. IBBI/RV/06/2020/13106

Place: Ahmedabad

UDIN: 25141498BMGXBM9061



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sejal@procurve.in, valux@procurve.in

Table of Content:

PERSONAL DETAILS	2	
QUALIFICATIONS AND EXPERIENCE	2	
EXECUTIVE SUMMARY	6	
INDUSTRY BACKGROUND	6	
CAVEATS, <i>LIMITATIONS AND DISCLAIMERS</i>	7	
PURPOSE OF VALUATION, SCOPE & LIMITATIONS	8	
APPOINTING AUTHORITY	9	
IDENTITY OF VALUER	9	
NATURE AND SOURCES OF INFORMATION	9	
EXTENT OF THE INVESTIGATION UNDERTAKEN	9	
VALUATION METHODOLOGIES AND VALUE CONCLUSION	10	
<i>VALUATION OF SHARES OF THE COMPANY</i>		11

EXECUTIVE SUMMARY

Client	METCORP TRADING LLC
Relevant industry	Metal
Net worth as on 31.12.2023	364.95 (Amt in Lakhs AED)
Base of Valuation	: Market Value - Sec 30 of IVS 2020
Premise of Valuation	: Highest and best use - Sec 140 of IVS 2020
Valuation Approach	: Income Approach
Method for Valuation	: Discounted Cash Flow Method
Value Variation from Standard Assumptions	: None
Special Assumptions	: None
Independence	: The total fees, including the fee for this assignment earned from the instructing party are less than 5.0% of our total annual revenues. We have no association with the instructing party during the past five years.
Valuation Currency	AED

INDUSTRY BACKGROUND

The historical roots of metalworking predate recorded history; its use spans cultures, civilizations and millennia. It has evolved from shaping soft, native metals like gold with simple hand tools, through the smelting of ores and hot forging of harder metals like iron, up to and including highly technical modern processes such as machining and welding. It has been used as an industry, a driver of trade, individual hobbies, and in the creation of art;[1] it can be regarded as both a science and a craft.

Modern metalworking processes, though diverse and specialized, can be categorized into one of three broad areas known as forming, cutting, or joining processes. Modern metalworking workshops, typically known as machine shops, hold a wide variety of specialized or general-use machine tools capable of creating highly precise, useful products. Many simpler metalworking techniques, such as blacksmithing, are no longer economically competitive on a large scale in developed countries; some of them are still in use in less developed countries, for artisanal or hobby work, or for historical reenactment.



CAVEATS, LIMITATIONS AND DISCLAIMERS

I. Restriction on use of Valuation Report

This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. I do not take any responsibility for the unauthorized use of this report.

II. Responsibility of RV

We owe responsibility only to the client that has appointed us under the terms of the engagement letters. 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 wilful default on part of the client or companies, their directors, employees or agents.

III. Accuracy of Information

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

IV. Achievability of the forecast results

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 as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

V. Post Valuation Date Events

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.

VI. Reliance on the representations of the clients, their management and other third parties

The client and its management 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 maintenance schedule of all plant-machinery-equipment-tools-vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents.



VII. No procedure performed to corroborate information taken from reliable external sources

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 or reproduced in its proper form and context.

VIII. Compliance with relevant laws

The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies 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 reflected in the balance sheet provided to us.

IX. Multiple factors affecting the Valuation Report

The valuation report is tempered by the exercise of judicious discretion by the RV, 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 Balance Sheet but could strongly influence the value.

X. Future services including but not limited to Testimony or attendance in courts/ tribunals/ authorities for the opinion of value in the Valuation Report

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.

PURPOSE OF VALUATION, SCOPE & LIMITATIONS**PURPOSE OF VALUATION**

Based on the discussions held with the Management and Key Managerial Personnel (KMPs) of the Company, this valuation is done for the purpose of issue of report on valuation of preferential allotment of shares/securities to comply with the provisions of Section 42 and 62 of Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and the valuation guidelines stipulated under ICAI Valuation standards.



APPOINTING AUTHORITY

The management of the Company appointed CA Sejal Agrawal (Registered Valuer cum Chartered Accountant) for valuation of Equity Shares.

IDENTITY OF VALUER

For CA Sejal Agrawal

Registered Valuer - Securities & Financial Assets

Registration No. IBBI/RV/06/2020/13106

Place: Ahmedabad

NATURE AND SOURCES OF INFORMATION

We have reviewed the following documents including but not limited to:

- Discussions with the KMPs.
- Audited of 31st December, 2022 and 31st December, 2023
- Management Representations Letter
- Provisional financial statements for 31.12.2024.
- Management Signed projection From FY 2025 to 2028
- Profile of the company
- Company documents like TRN, MOA, License.

EXTENT OF THE INVESTIGATION UNDERTAKEN

We have exercised due care in performing the valuation procedures, including the application of appropriate discount rates based on the risk profile of the business plan. However, we expressly state that, although we have reviewed the financial data for the purpose of this valuation, we have not conducted an audit and have relied on the historical and projected financial statements (P&L Account and Balance Sheet) prepared and submitted by the company's management. While we have conducted inspections and investigations within the scope of available information, a comprehensive verification of all assets and liabilities was not undertaken. The projections provided may not materialize as forecasted; however, the management has represented that due care was taken in preparing these financial forecasts, and they reflect a true and fair view of the expected business plan of the company.



VALUATION METHODOLOGIES AND VALUE CONCLUSION

There are Four approaches to Valuation namely Income, Asset, and Market Approaches.

Approach	Valuation Methodologies	Basis of Consideration
Asset	Net Asset Value (NAV) Method	<p>The Asset-based method views the business as a set of assets and liabilities that are used as building blocks of a business value. The business value is the difference in the value of these assets and liabilities on a Book Value basis or Realizable Value basis or Replacement Cost basis. However, this methodology recognizes the historical cost of net assets only without recognizing its present earnings, the comparative financial performance of its peers, their enterprise values, etc. Therefore, in general, Net Asset Value only reflects the minimum proxy value of the company.</p> <p>In the instant case, we have not considered the Net Asset Value method. The asset-based approach is used to value the overall business and is usually performed during the purchase or sale of the business, or a merger or acquisition.</p>
Market	Comparable Companies Multiples (CCM) Method	<p>This methodology uses the valuation ratio of a publicly traded company and applies that ratio to the company being valued. The valuation ratio typically expresses the valuation as a function of a measure of financial performance or Book Value (e.g., Revenue, EBITDA, EBIT, Earnings per Share or Book Value). A key benefit of Comparable Company Market Multiple analysis is that the methodology is based on the current market stock price. The current stock price is generally viewed as one of the best valuation metrics because it is based on observable inputs.</p> <p>In the instant case, we have not applied this methodology as this method comes with limitations of reliance on chosen comparable firms, selected multiples, adjustments, and assumptions. It overlooks a company's intrinsic worth in over or undervalued markets and fail to consider future growth, competitive advantages, and synergies, thereby presenting a partial assessment.</p>



Income	Discounted Free Cash Flow (DFCF) Method	<p>The DFCF method expresses the present value of the business as a function of its future cash earnings capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. The value of the firm is arrived at by estimating the Free Cash Flows (FCF) to Firm and discounting the same with Weighted Average cost of capital (WACC). The DFCF methodology is the most appropriate basis for determining the earning capability of a business. In the DFCF approach, the appraiser estimates the cash flows of any business after all operating expenses, taxes, and necessary investments in working capital and Capex are being met.</p> <p>We have considered this methodology for calculation of fair equity value of the Company based on its consolidated cash flows. After considering its business plan, we have calculated the Enterprise value and then derived the Equity value by adjusting its debt, cash and cash equivalents and surplus assets on the date of valuation.</p>
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VALUATION OF SHARES OF THE COMPANY

Provisional Balance Sheet as of 31st December, 2024

Particulars	Amount in AED Lakhs
Share Capital	3.00
Other Equity	364.95
Total Shareholder Funds	367.95
Total Non-Current Liabilities	300.00
Total Current Liabilities	31.36
Total Equity & Liabilities	699.31
Total Non-Current Assets	0.00
Total Current Assets	699.31
Total Assets	699.31



Provisional Profit and Loss Statement for the period ended 31st December, 2023

Particulars	Amount in AED Lakhs
Gross Revenue	3,321.64
Other Income	1.23
Total Income	3,322.87
Total Expenses	3,275.11
Profit Before Tax (PBT)	47.76



Discounted Cash Flow Method i.e., Discounted Free Cash Flow (DFCF):

PARTICULARS	31-12-2024	31-12-2025	31-12-2026	31-12-2027	31-12-2028	Terminal
			Perpetuity Growth Rate			3%
Cash Accrual Timing Factor	0.00	0.50	1.50	2.50	3.50	
PBT (Excluding Other Income)	46.53	305.59	569.28	670.17	820.95	
Tax @ 25.168%	4.30	27.62	50.90	59.98	73.55	
EBIT(1-Tax)	42.23	277.96	518.38	610.19	747.40	
Add Finance Cost	-	-	-	-	-	
Book Depreciation	-	-	-	-	-	
(Inc)/Dec in Working Capital	-328.24	-461.89	-717.88	-672.17	-470.51	
Operating Cash Flows	(286.01)	(183.93)	(199.50)	(61.98)	276.89	
(Inc)/Dec in Fixed Assets	-	-	-	-	-	
Free Cash Flows	(286.01)	(183.93)	(199.50)	(61.98)	276.89	1,658.11
Discounting Factor	1.00	0.91	0.76	0.63	0.53	0.53
Present Value of Free Cash Flows	(286.01)	(167.76)	(151.39)	(39.13)	145.43	870.86



Summary	Amount (In AED Lakhs)
Present Value of Total Discrete Period Cash Flows	(498.86)
Present Value of Terminal Cash Flows	870.86
Enterprise value (EV)	372.00
Less: Debt	1.00
Add: Cash & Cash Equivalent	0.44
Equity Value (In AED Lakhs)	371.44
Total No. of Shares Outstanding as on valuation date	300
Value per share (AED)	1,23,813.86
Value per share (AED) (Round off)	1,23,814.00

DFCF Assumptions:

Particulars	Notes	
Risk free rate (Rf) as on 31.12.2024	5.23%	Considered the long-term USA government bond rate, along with the Abu Dhabi Country Specific Risk Premium.
Equity Risk Premium (Rm - Rf)	4.99%	The Equity Risk Premium (Rm - Rf) for the United Arab Emirates is sourced from Damodaran's website.
Industry Beta... (β)	1	Beta is a measure of volatility, or systematic risk of the return on a particular security to the return on a market portfolio. It is understandable that the Company's business model is unique and it is difficult to find any listed companies, which are comparable to the Company in terms of nature of services, stages of operations etc. Accordingly, having regard to management representations and generally accepted valuation principles, I have conservatively considered the Beta of 1



Additional Company Specific (including Small Company) Risk Premium (unsystematic risk) (CSRP)	10%	We have give additional risk premium looking into company profile, financial structure and ROI investor will look into while investing in this type of company. This is also dependent upon the level of aggressiveness of the future cash flows and present scenario of the country and company environment in which it is operating.
Cost of Equity (Ke)	20.20%	As per Modified CAPM model i.e. $[K_e = R_f + \beta(R_m - R_f) + CSRP]$
WACC	20.20%	$WACC = (K_e * \% \text{ Equity in Capital Structure}) + (\text{Cost of Debt} * \% \text{ Debt in Capital Structure} * (1 - \text{Tax Rate}))$
Growth Rate	3%	As the perpetuity growth rate assumes that the Company will continue its historic business and generate Free Cash Flows at a steady state forever. Since terminal value constitutes a major proportion of the entire value of the business, we while deciding the terminal growth rate have given emphasis to economic factors & financial factors like Inflation of the Country, GDP growth of the Country, Projected Financials, Historical Financial Position, Organic & Inorganic growth strategies of the Company, investment opportunity etc.



Valuation Analysis of Equity Shares of GENERAL CAPITAL AND HOLDING COMPANY PRIVATE LIMITED

Strictly Private & Confidential

To,
 Board of Directors/Audit Committee
GENERAL CAPITAL AND HOLDING COMPANY PRIVATE LIMITED
 2ND FLOOR, MRUDUL TOWER, B/H. TIMES OF INDIA, ASHRAM ROAD, Ahmedabad, AHMEDABAD, Gujarat, India, 380009

Subject – Fair Valuation of Equity of GENERAL CAPITAL AND HOLDING COMPANY PRIVATE LIMITED.

Dear Sir,

The said valuation assignment has been conducted for the purpose of computing the Value per EQUITY SHARE of **GENERAL CAPITAL AND HOLDING COMPANY PRIVATE LIMITED** (herein after referred to as “Company”) for the purpose of issue of report on valuation of preferential allotment of shares/securities to comply with the provisions of Section 42 and 62 of Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and the valuation guidelines stipulated under International Valuation standards.

Valuation Summary:

I **Sejal Ronak Agrawal** (“herein-after-referred as “Valuer”), hereby certify the fair value of equity shares of the Company as follow.

- | | |
|---------------------------------|-----------------------------------|
| 1. Date of Valuation | : 31 st January, 2025 |
| 2. Date of appointment | : 10 th January, 2025 |
| 3. Date of Submission of Report | : 05 th February, 2025 |

Name of Instrument	Value per share (INR)	Fair value (INR in Lakhs)
EQUITY	1797.96	2155.76

This certificate is being issued for compliance with the aforesaid purpose only.

Thank you



For and on behalf of

CA Sejal Agrawal

Registered Valuer - Securities & Financial Assets

Registration No. IBBI/RV/06/2020/13106

Place: Ahmedabad

UDIN: 25141498BMGXBL5481



Table of Content:

EXECUTIVE SUMMARY:	4
INDUSTRY BACKGROUND- FINANCE INDUSTRY	5
COMPANY ASSESSMENT	6
PURPOSE OF VALUATION, SCOPE & LIMITATIONS	7
APPOINTING AUTHORITY	8
IDENTITY OF VALUER	8
NATURE AND SOURCES OF INFORMATION	8
EXTENT OF THE INVESTIGATION UNDERTAKEN	8
VALUATION METHODOLOGIES AND VALUE CONCLUSION	9
CAVEATS, LIMITATION AND DISCLAIMERS	13

EXECUTIVE SUMMARY:

Client	GENERAL CAPITAL AND HOLDING COMPANY PRIVATE LIMITED
Corporate Identification Number (CIN)	U70100GJ2008PTC053445
Relevant industry	Finance industry
Net worth as on 30.09.2024	1196.29 Amt (INR Lakhs)
Base of Valuation	: Market Value - Sec 30 of IVS 2020
Premise of Valuation	: Highest and best use - Sec 140 of IVS 2020
Valuation Approach	: Income Approach
Method for Valuation	: Discounted Cash Flow Method
Value Variation from Standard Assumptions	: None
Special Assumptions	: None
Independence	: The total fees, including the fee for this assignment earned from the instructing party are less than 5.0% of our total annual revenues. We have no association with the instructing party during the past five years.
Valuation Currency	INR



INDUSTRY BACKGROUND- FINANCE INDUSTRY

India has a diversified financial sector undergoing rapid expansion both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payment banks to be created recently, thereby adding to the type of entities operating in the sector. However, the financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for MSMEs, issuing guidelines to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by Government and private sector, India is undoubtedly one of the world's most vibrant capital markets.



COMPANY ASSESSMENT

Company Information	
CIN	U70100GJ2008PTC053445
Company Name	GENERAL CAPITAL AND HOLDING COMPANY PRIVATE LIMITED
ROC Name	ROC Ahmedabad
Registration Number	053445
Date of Incorporation	01/04/2008
Email Id	info@gencap.in
Registered Address	2ND FLOOR, MRUDUL TOWER, B/H. TIMES OF INDIA, ASHRAM ROAD, Ahmedabad, AHMEDABAD, Gujarat, India, 380009
Listed in Stock Exchange(s) (Y/N)	No
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Private
ACTIVE compliance	ACTIVE Compliant
Authorised Capital (Rs)	2,00,00,000
Paid up Capital (Rs)	1,19,900



Share Holding Pattern as on Valuation date are as follows:

Equity Share Holder		
Sr. No	Name of Shareholders	No. Of Equity Shares
1	Viral M Shah	1,12,237
2	Mona Shah	7,663
	Total	1,19,900

The Board of Directors of the company as on valuation date are as follows:

Director/Signatory Details			
Sr. No	DIN/PAN	NAME	Designation
1	00014182	VIRAL MUKUNDBHAI SHAH	Director
2	02343194	MONA VIRAL SHAH	Director

PURPOSE OF VALUATION, SCOPE & LIMITATIONS

PURPOSE OF VALUATION

Based on the discussions held with the Management and Key Managerial Personnel (KMPs) of the Company, this valuation is done for the purpose of issue of report on valuation of preferential allotment of shares/securities to comply with the provisions of Section 42 and 62 of Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and the valuation guidelines stipulated under international Valuation standards.



APPOINTING AUTHORITY

The management of the Company appointed CA Sejal Agrawal (Registered Valuer cum Chartered Accountant) for valuation of Equity Shares.

IDENTITY OF VALUER

For CA Sejal Agrawal

Registered Valuer - Securities & Financial Assets

Registration No. IBBI/RV/06/2020/13106

Place: Ahmedabad

NATURE AND SOURCES OF INFORMATION

We have reviewed the following documents including but not limited to:

- Discussions with the KMPs.
- Audited of 31st March, 2024, 31st March, 2023
- Provisional Financial Statement as on 30th September, 2024
- Management Representations Letter
- MOA & AOA
- GST Certificate
- Management Signed projection From FY 2025 to 2029
- Certificate Of incorporation

EXTENT OF THE INVESTIGATION UNDERTAKEN

We have exercised due care in performing the valuation procedures, including the application of appropriate discount rates based on the risk profile of the business plan. However, we expressly state that, although we have reviewed the financial data for the purpose of this valuation, we have not conducted an audit and have relied on the historical and projected financial statements (P&L Account and Balance Sheet) prepared and submitted by the company's management. While we have conducted inspections and investigations within the scope of available information, a comprehensive verification of all assets and liabilities was not undertaken. The projections provided may not materialize as forecasted; however, the management has represented that due care was taken in preparing these financial forecasts, and they reflect a true and fair view of the expected business plan of the company.



VALUATION METHODOLOGIES AND VALUE CONCLUSION

There are three approaches to Valuation namely Income, Asset, and Market Approaches.

Approach	Valuation Methodologies	Basis of Consideration
Asset	Net Asset Value (NAV) Method	<p>The Asset-based method views the business as a set of assets and liabilities that are used as building blocks of a business value. The business value is the difference in the value of these assets and liabilities on a Book Value basis or Realizable Value basis or Replacement Cost basis. However, this methodology recognizes the historical cost of net assets only without recognizing its present earnings, the comparative financial performance of its peers, their enterprise values, etc. Therefore, in general, Net Asset Value only reflects the minimum proxy value of the company.</p> <p>In the instant case, we have not considered the Net Asset Value method. The asset-based approach is used to value the overall business and is usually performed during the purchase or sale of the business, or a merger or acquisition.</p>
Market	Comparable Companies Multiples (CCM) Method	<p>This methodology uses the valuation ratio of a publicly traded company and applies that ratio to the company being valued. The valuation ratio typically expresses the valuation as a function of a measure of financial performance or Book Value (e.g., Revenue, EBITDA, EBIT, Earnings per Share or Book Value). A key benefit of Comparable Company Market Multiple analysis is that the methodology is based on the current market stock price. The current stock price is generally viewed as one of the best valuation metrics because it is based on observable inputs.</p> <p>In the instant case, we have not applied this methodology as this method comes with limitations of reliance on chosen comparable firms, selected multiples, adjustments, and assumptions. It overlooks a company's intrinsic worth in over or undervalued markets and fail to consider future growth, competitive advantages, and synergies, thereby presenting a partial assessment.</p>



Income	Discounted Free Cash Flow (DFCF) Method	<p>The DFCF method expresses the present value of the business as a function of its future cash earnings capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. The value of the firm is arrived at by estimating the Free Cash Flows (FCF) to Firm and discounting the same with Weighted Average cost of capital (WACC). The DFCF methodology is the most appropriate basis for determining the earning capability of a business. In the DFCF approach, the appraiser estimates the cash flows of any business after all operating expenses, taxes, and necessary investments in working capital and Capex are being met.</p> <p>We have considered this methodology for calculation of fair equity value of the Company based on its cash flows. After considering its business plan, we have calculated the Enterprise value and then derived the Equity value by adjusting its debt, cash and cash equivalents and surplus assets on the date of valuation.</p>
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Provisional Balance Sheet as of 30th September,2024

Particulars	Amount in INR Lakhs
Share Capital	1.20
Other Equity	1195.09
Total Shareholder Funds	1196.29
Total Non-Current Liabilities	4733.98
Total Current Liabilities	1372.08
Total Equity & Liabilities	7302.76
Total Non-Current Assets	6683.96
Total Current Assets	618.80
Total Assets s	7302.76



Provisional Profit and Loss Statement for the period ended 30th September, 2024

Particulars	Amount in INR Lakhs
Gross Revenue	782.01
Other Income	7.94
Total Income	789.94
Total Expenses	771.68
Profit Before Tax (PBT)	18.26

Method of Valuation

Discounted Cash Flow Method i.e., Discounted Free Cash Flow (DFCF):

(Figures in INR lakhs)

PARTICULARS	FY 24	30-09-2024	FY 25	FY 26	FY 27	FY 28	FY 29	Terminal
					Perpetuity Growth Rate			2%
Cash Accrual Timing Factor	0.00	0.25	0.25	1.00	2.00	3.00	4.00	
PBT (Excluding Other Income)	-47.14	10.33	90.14	112.70	126.51	227.88	264.81	
Tax @ 25.168%	-	-	-	-	-	86.26	98.47	
EBIT(1-Tax)	(47.14)	10.33	90.14	112.70	126.51	141.62	166.34	
Add Finance Cost	0.02	0.01	0.02	0.02	0.03	0.03	0.03	
Book Depreciation	1.81	1.60	1.05	0.73	0.51	0.36	0.25	
(Inc)/Dec in Working Capital	524.92	10.21	-644.60	195.90	316.50	294.12	466.62	
Operating Cash Flows	479.61	22.14	(553.40)	309.35	443.55	436.13	633.24	
(Inc)/Dec in Fixed Assets	-	-	-	-	-	-	-	
Free Cash Flows	479.61	22.14	(553.40)	309.35	443.55	436.13	633.24	2,391.68
Discounting Factor	1.00	0.95	0.95	0.83	0.69	0.57	0.47	0.57
Present Value of Free Cash Flows	479.61	21.13	(528.08)	256.51	304.96	248.64	299.35	1,363.52



Summary	Amount (In INR Lakhs)
Present Value of Total Discrete Period Cash Flows	581.38
Present Value of Terminal Cash Flows	1,363.52
Enterprise value (EV)	1,944.90
Less: Debt	4,733.98
Add: Investment	4,934.17
Add: Cash & Cash Equivalent	10.67
Equity Value (In INR Lakhs)	2,155.76
Total No. of Shares Outstanding as on valuation date	1,19,900
Value per share (INR)	1,797.96

DFCF Assumptions:

Particulars	Notes	
Risk free rate (Rf) as on 31.01.2025	6.69%	Considered of long-term Indian government bond rate
Market Rate of Return	15.61%	BSE Sensex return on long term basis
Industry Beta... (β)	1	Beta is a measure of volatility, or systematic risk of the return on a particular security to the return on a market portfolio. It is understandable that the Company's business model is unique and it is difficult to find any listed companies, which are comparable to the Company in terms of nature of services, stages of operations etc. Accordingly, having regard to management representations and generally accepted valuation principles, I have conservatively considered the Beta of 1
Additional Company Specific (including Small Company) Risk Premium (unsystematic risk) (CSRP)	5%	We have given additional risk premium looking into company profile, financial structure and ROI investor will look into while investing in this type of company. This is also dependent upon the level of aggressiveness of the future cash flows and present scenario of the country and company environment in which it is operating.
Cost of Equity (Ke)	20.60%	As per Modified CAPM model i.e. $[K_e = R_f + \beta(R_m - R_f) + CSRP]$
WACC	20.60%	$WACC = (K_e * \% \text{ Equity in Capital Structure}) + (\text{Cost of Debt} * \% \text{ Debt in Capital Structure} * (1 - \text{Tax Rate}))$



Growth Rate	2%	As the perpetuity growth rate assumes that the Company will continue its historic business and generate Free Cash Flows at a steady state forever. Since terminal value constitutes a major proportion of the entire value of the business, we while deciding the terminal growth rate have given emphasis to economic factors & financial factors like Inflation of the Country, GDP growth of the Country, Projected Financials, Historical Financial Position, Organic & Inorganic growth strategies of the Company, investment opportunity etc.
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CAVEATS, LIMITATION AND DISCLAIMERS

I. Restriction on use of Valuation Report

This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. I do not take any responsibility for the unauthorized use of this report.

II. Responsibility of RV

We owe responsibility only to the client that has appointed us under the terms of the engagement letters. 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.

III. Accuracy of Information

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.



IV. Achievability of the forecast results

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 as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

V. Value Estimate:

The valuation of companies/business and assets is not a precise science and is 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, therefore, no indisputable single value. Whilst, we consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.

VI. Post Valuation Date Events

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.

VII. Reliance on the representations of the clients, their management and other third parties

The client and its management 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 maintenance schedule of all plant-machinery-equipment-tools-vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. 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.

VIII. No procedure performed to corroborate information taken from reliable external sources

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 or reproduced in its proper form and context.



IX. Compliance with relevant laws

The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies 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 reflected in the balance sheet provided to us.

X. Multiple factors affecting the Valuation Report

The valuation report is tempered by the exercise of judicious discretion by the RV, 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 Balance Sheet but could strongly influence the value.

XI. Future services including but not limited to Testimony or attendance in courts/ tribunals/ authorities for the opinion of value in the Valuation Report

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.

