ANNEXURE A-20

VALUATION ANALYSIS

FOR THE PROPOSED AMALGAMATION AMONG

BELCO SPECIAL STEEL PRIVATE LIMITED
(TRANSFEROR COMPANY 1)
AND
PARKASH MULTIMETALS PRIVATE LIMITED
(TRANSFEROR COMPANY 2)
AND
BEHARI LAL ISPAT PRIVATE LIMITED
(TRANSFEREE COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
(UNDER SECTION 230 TO 232 OF THE COMPANIES ACT, 2013)

06th February, 2023
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Ref. No.: CPV/RV/2022-23/026

To,
The Board of Directors
Behari Lal Ispat Private Limited
Village - Salani, Amloh Road,
Mandi Gobindgarh,
Punjab – 147 301, India

To,
The Board of Directors
Belco Special Steels Private Limited
Village Turan, Amloh Road,
Mandi Gobindgarh, Fatehgarh Sahib,
Punjab – 147 301, India

To,
The Board of Directors
Parkash Multimetals Private Limited
447 Sector - 3 - C G. T. Road,
Mandi Gobindgarh, Fatehgarh Sahib,
Punjab - 147 301, India

Dear Sir/Ma'am,

Subject: Recommendation of Equity Share Exchange Ratio pursuant to the proposed Scheme of Arrangement for Amalgamation among Belco Special Steels Private Limited ("Transferor Company 1"/"BSSPL") & Parkash Multimetals Private Limited ("Transferor Company 2"/"PMPL") with Behari Lal Ispat Private Limited ("Transferee Company"/"BLIPL")

We, **Corporate Professionals Valuation Services Private Limited**, refer to our engagement letter dated 01st February, 2023 for the recommendation of share exchange ratio for the proposed Amalgamation among **Belco Special Steels Private Limited ("Transferor Company 1"/"BSSPL") & Parkash Multimetals Private Limited ("Transferor Company 2"/"PMPL") with Behari Lal Ispat Private Limited ("Transferee Company"/"BLIPL")**, pursuant to a Scheme of Amalgamation under Sections 230 to 232 and other applicable clauses of the Companies Act, 2013. In accordance with the terms of the engagement, we are enclosing our Valuation Report along with this letter. In the attached report, we have summarized the recommendation of equity share exchange ratio based on Management Certified Financials of Transferor Companies and Transferee Company as on 30th September, 2022 together with the description of methodologies used and limitations on our Scope of Work.

This Valuation Analysis is confidential and has been prepared exclusively for the Management of the Companies. It should not be used, reproduced, or circulated to any other person, in whole or in part, without the prior written consent of Corporate Valuation Services Private Limited. Such consent will only be given after full consideration of the circumstance at the time. We are however aware that the conclusion in this report may be used for the purpose of certain statutory disclosures and we provide consent for the same.

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Trust the above meets your requirements. Please feel free to contact us in case you require any additional information or clarifications

Yours Faithfully,

For Corporate Professionals Valuation Services Private Limited
Registered Valuer (IBBI)
Registration No. IBBI/RV-E/02/2019/106

Sanchit Vijay
(Director)

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SECTION I – APPOINTMENT FOR DETERMINATION OF SHARE EXCHANGE RATIO

This Valuation Report has been prepared by Corporate Professionals Valuation Services Private Limited to determine the share exchange ratio for the Amalgamation of **Belco Special Steels Private Limited ("Transferor Company 1"/"BSSPL") & Parkash Multimetals Private Limited ("Transferor Company 2"/"PMPL") with Behari Lal Ispat Private Limited ("Transferee Company"/"BLIPL")** under the provisions of Section 230-232 of the Companies Act, 2013. We have been appointed as per the engagement letter dated 01st February, 2023 to issue this Valuation Report.

BRIEF OF THE COMPANIES INVOLVED IN THIS ARRANGEMENT

1. **Belco Special Steels Private Limited (hereinafter also referred to as 'BSSPL' or 'Transferor Company 1')**, bearing CIN U74999PB2019PTC050154 was incorporated on 23rd October, 2019 under the provisions of the Companies Act, 2013 as a Private Limited Company with the name & style of Belco Special Steels Private Limited. The Registered office of the Transferor Company 1 is presently situated at Village Turan, Amloh Road, Opposite Simran Steel Ind, Mandi Gobindgarh Fatehgarh Sahib, Punjab – 147 301. The Transferor Company 1 is engaged in the business of Manufacturing of Alloy and Carbon Steels in various sections - Round, Flat, Hex and Square.

2. **Parkash Multimetals Private Limited (hereinafter also referred to as 'PMPL' or 'Transferor Company 2')**, bearing CIN U27100PB2011PTC035331 was incorporated on 01st August, 2011 under the provisions of the Companies Act, 1956 as a Private Limited Company with the name & style of Parkash Multimetals Private Limited. The Registered office of the Transferor Company 2 is presently situated at 447 sector – 3 – C G. T. Road Mandi Gobindgarh Fatehgarh Sahib, Punjab – 147 301. Transferor Company 2 is engaged in the business of Trading of basic iron and steel.

3. **Behari Lal Ispat Private Limited (hereinafter also referred to as 'BLIPL' or 'Transferee Company')** bearing CIN U27109PB1995PTC016490 was incorporated on 23rd May, 1995 as a private limited company under the provisions of the Companies Act, 1956 with the name & style of Behari Lal Ispat Private Limited. The registered office of the Transferee Company is presently situated at Village – Salani Amloh Road Mandi Gobindgarh, Punjab – 147 301. Transferee Company is a manufacturer of high quality/business services such as Forging Rolls, Alloy and Non-Alloy Ingots and Castings etc.

OBJECTIVES AND RATIONALE OF THE SCHEME: -

- Transferor Companies and Transferee Company are engaged in the same segment of the business. Hence, under this Scheme, the Amalgamation of the Transferor Companies into the Transferee Company would enable the Transferee Company to consolidate all the business activities pertaining to the said Transferor Companies into one single entity i.e. the Transferee Company. Further, the management of the Transferee Company would be strengthened as the management of the Transferor Companies and the Transferee Company would be clubbed into the Transferee Company, which would thereby ensure effective management of the affairs of the Transferor Companies and Transferee Company subsequent to their amalgamation. The said amalgamation would also result in streamlining the group structure especially by combining all of them into one single entity and would provide several benefits such as easing the regulatory, statutory, and compliance requirements of all the companies and would also work for the advantage of the shareholders of the Companies as the said amalgamation would result in rationalizing the costs/expenses incurred

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- The amalgamation will contribute to furthering and fulfilling the objectives and business strategies of the companies thereby accelerating the growth, expansion, and development of the respective businesses through the Transferee Company. The amalgamation will thus enable further expansion of the Transferee Company and provide a strong and focused base to undertake the business more advantageously. Further, this arrangement would bring concentrated management focus, integration, streamlining of the management structure, and seamless implementation of policy changes and shall also help to enhance the efficiency and control of the Transferor Companies and Transferee Company.
- Further, the independent operations of the Transferor Companies and Transferee Company lead to the incurrence of significant costs, and duplication of administrative & establishment costs, and the amalgamation would enable economies of scale by attaining critical mass and achieving cost savings and better financial management of resources. The amalgamation will thus eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities, and also prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operations would be substantially cost-efficient. This Scheme would result in a simplified corporate structure of the Transferee Company and its businesses, thereby leading to more efficient utilization of capital and the creation of a consolidated base for the future growth of the Transferee Company.
- The Amalgamation of Transferor Companies and Transferee Company will create synergy benefits for the stakeholders of both companies and it shall optimize the valuation of the consolidated Transferee Company. The amalgamation would also increase operational efficiency and integrate business functions.
- The proposed arrangement will provide greater integration and flexibility to the Transferee Company and strengthen its position in the industry, in terms of the asset base, revenues, and service range.
- The other benefits of the proposed amalgamation include:
  - Optimum and efficient utilization of financial resources and rationalization of capital, resources, assets, and facilities;
  - Enhancement of competitive strengths including financial resources;
  - Obtaining synergy benefits;
  - Better management and focus on growing the businesses;
  - Reduction of overheads, administrative, managerial, and other expenditures; and;
  - Simplify the shareholding structure and reduce shareholding tiers.

4. **SCOPE OF SERVICES: -**

The Companies have appointed Corporate Professionals Valuation Services Private Limited to independently analyze and undertake the valuation of **Belco Special Steels Private Limited ("Transferor Company 1"/"BSSPL") & Parkash Multimetals Private Limited ("Transferor Company 2"/"PMPL") with Behari Lal Ispat Private Limited ("Transferee Company"/"BLIPL")**, companies involved in the proposed Scheme of Arrangement under Sections 230 to 232 and other applicable clauses of the Companies Act, 2013.

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5. SCOPE & LIMITATIONS: -

SCOPE OF WORK

- **Date of Appointment** – 01st February, 2023
- **Valuation Date** – 03rd February, 2023
- **Date of Report** – 06th February, 2023
- **Base of value** – Fair value
- **Valuation Currency** – INR

THE VALUATION EXERCISE WAS CARRIED OUT UNDER THE FOLLOWING LIMITATIONS:

To arrive at the share exchange ratio under the said Proposed Scheme of Arrangement, we have relied upon:

- Management Certified Balance Sheet as on 30th September, 2022 and Management Certified Statement of Profit and Loss for the 6 Months Period ended 30th September, 2022 of **Belco Special Steels Private Limited ("Transferor Company 1"/"BSSPL") & Parkash Multimetals Private Limited ("Transferor Company 2"/"PMPL") with Behari Lal Ispat Private Limited ("Transferee Company"/"BLIPL").**
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted herein, which might be relevant in the context of the transaction and which a wider scope might uncover.
- Draft Scheme of Arrangement as provided by the management.

EXTENT OF THE INVESTIGATION UNDERTAKEN

We would like to expressly state that though we have reviewed the financial data for the limited purpose of valuation assessment we have not performed an Audit and have relied upon the historical financials (Statement of Profit and Loss and Balance Sheet) as prepared and submitted to us by the management of the companies. The management has represented to us that it has taken due care in the preparation of such financial statements

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SECTION – II COMPANIES ASSESSMENT

1. Belco Special Steels Private Limited (hereinafter also referred to as 'BSSPL' or 'Transferor Company 1'), bearing CIN U74999PB2019PTC050154 was incorporated on 23rd October, 2019 under the provisions of the Companies Act, 2013 as a Private Limited Company with the name & style of Belco Special Steels Private Limited. The Registered office of the Transferor Company 1 is presently situated at Village Turan, Amloh Road, Opposite Simran Steel Ind, Mandi Gobindgarh Fatehgarh Sahib, Punjab – 147 301. The Transferor Company 1 is engaged in the business of Manufacturing of Alloy and Carbon Steels in various sections - Round, Flat, Hex and Square.

Management Certified Balance Sheet of Belco Special Steels Private Limited as on 30th September, 2022:

Particulars	Amount in INR Million
Equity Share Capital	169.40
Other Equity	60.82
Non-Current Liabilities	332.10
Current Liabilities	370.96
Equity & Liabilities	**933.28**
Non-Current Assets	310.51
Current Assets	622.77
Total Assets	**933.28**

Management Certified Statement of Profit and Loss of Belco Special Steels Private Limited for the 6 Months period ended 30th September, 2022:

Particulars	Amount in INR Million
Revenue from Operations	1,566.93
Other Income	22.20
Total Revenue	**1,589.14**
Operating Expenses	1,490.92
EBITDA	**98.21**
Depreciation & Amortization	18.47
EBIT	**79.74**
Finance Cost	3.45
Profit before Tax (PBT)	**76.29**

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2. Parkash Multimetals Private Limited (hereinafter also referred to as 'PMPL' or 'Transferor Company 2'), bearing CIN U27100PB2011PTC035331 was incorporated on 01st August, 2011 under the provisions of the Companies Act, 1956 as a Private Limited Company with the name & style of Parkash Multimetals Private Limited. The Registered office of the Transferor Company 2 is presently situated at 447 sector – 3 – C G. T. Road Mandi Gobindgarh Fatehgarh Sahib, Punjab – 147 301 Transferor Company 2 is engaged in the business of Trading of basic iron and steel.

Management Certified Balance Sheet of Parkash Multimetals Private Limited as on 30th September, 2022:

Particulars	Amount in INR Million
Share Capital	3.00
Reserves and Surplus	88.95
Non-Current Liabilities	-
Current Liabilities	0.39
Equity & Liabilities	**92.34**
Non-Current Assets	74.95
Current Assets	17.39
Total Assets	**92.34**

Management Certified Statement of Profit and Loss of Parkash Multimetals Private Limited for the 6 Months period ended 30th September, 2022:

Particulars	Amount in INR Million
Revenue from Operations	24.44
Other Income	4.34
Total Revenue	**28.79**
Operating Expenses	28.22
EBITDA	**0.57**
Depreciation & Amortization	0.23
EBIT	**0.33**
Finance Cost	0.06
Profit before Tax (PBT)	**0.28**

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3. Behari Lal Ispat Private Limited (hereinafter also referred to as 'BLIPL' or 'Transferee Company') bearing CIN U27109PB1995PTC016490 was incorporated on 23rd May, 1995 as a private limited company under the provisions of the Companies Act, 1956 with the name & style of Behari Lal Ispat Private Limited. The registered office of the Transferee Company is presently situated at Village – Salani Amloh Road Mandi Gobindgarh, Punjab – 147 301. Transferee Company is a manufacturer of high quality/business services such as Forging Rolls, Alloy and Non-Alloy Ingots and Castings etc

Management Certified Balance Sheet of Behari Lal Ispat Private Limited as on 30th September, 2022:

Particulars	Amount in INR Million
Share Capital	40.00
Reserves and Surplus	808.33
Non-Current Liabilities	62.35
Current Liabilities	274.96
Equity & Liabilities	1,185.64
Non-Current Assets	291.68
Current Assets	893.96
Total Assets	1,185.64

Management Certified Statement of Profit and Loss of Behari Lal Ispat Private Limited for the 6 Months period ended 30th September, 2022:

Particulars	Amount in INR Million
Revenue from Operations	1,544.81
Other Income	13.67
Total Revenue	1,558.48
Operating Expenses	1,400.78
EBITDA	157.70
Depreciation & Amortization	17.26
EBIT	140.43
Finance Cost	7.63
Profit before Tax (PBT)	132.81

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SECTION III - METHODS OF VALUATION ADOPTED

In the case of a valuation for Amalgamation, the emphasis is on arriving at the "relative" values of the shares of the merging companies to facilitate the determination of the "share exchange ratio". Hence, the purpose is not to arrive at absolute values of the shares of the companies.

Judicial Pronouncements:-

Hindustan lever Employees' Union v/s Hindustan lever Limited and others (1995) 83 Company cases 30 (SC)

The jurisdiction of the Court in sanctioning a claim of a merger is not to ascertain mathematical accuracy if the determination satisfied the arithmetical test. A company court does not exercise appellate jurisdiction. It exercises a jurisdiction founded on fairness. It is not required to interfere only because the figure arrived at by the valuer was not as good as it would have been if another method had been adopted. What is imperative is that such determination should not have been contrary to law and that it was not unfair to the shareholders of the company which was being merged.

The Hon'ble Supreme Court held "We do not think that the internal management, business activity, or institutional operation of public bodies can be subjected to inspection by the court. To do so is incompetent and improper and, therefore, out of bounds."

The **dominance of profits for the valuation of shares was emphasized in "McCathies case"** (Taxation, 69 CLR 1) where it was said that *"the real value of shares in a company will depend more on the profits which the company* ***has been making and should be capable of making****, having regard to the nature of its business, than upon the amount which the shares would realize on liquidation"*. This was also re-iterated by the Indian Courts in Commissioner of Wealth Tax v. **MahadeoJalan's case (S.C.)** (86 ITR 621) and Additional Commissioner of Gift Tax v. Kusumben D. Mahadevia (S.C.) (122 ITR 38).

In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment considering all the relevant factors. There will always be several factors, e.g., present, and prospective competition, the yield on comparable securities, and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share.

Based on the facts of the case, we have valued Belco Special Steels Private Limited ("Transferor Company 1"/"BSSPL"), Parkash Multimetals Private Limited ("Transferor Company 2"/"PMPL") & Behari Lal Ispat Private Limited ("Transferee Company"/"BLIPL") as per Adjusted Net Asset Value (NAV) Method & Comparable Companies Multiples (CCM) Method.

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SECTION – IV VALUATION ANALYSIS

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

Approach	Valuation Methodologies	Basis of Consideration
Asset	Adjusted Net Asset Value (NAV) Method	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 difference in the value of these assets and liabilities on a Book Value basis or Realizable Value basis or Replacement Cost basis is the business value. **In the case of Transferee Company, as the company is holding the surplus asset in the financials, the Adjusted Net Asset Value (NAV) Method has been adopted for the present valuation exercise for the company. In case of the Transferor companies, the companies are holding Surplus Assets/Investments that generate other income, hence we deemed it suitable to apply Adjusted Net Asset Value (NAV) Method.**
Market	Comparable Companies Multiples (CCM) Method	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. **In case of BSSPL & BLIPL, we applied this methodology as the listed peers of the Company were available. To arrive at the value of equity shares, we have considered the 'Market Capitalization to Sales Multiple' & 'EV/EBITDA Multiple' of the comparable companies. In case of PMPL, we applied this methodology as the listed peers of the Company were available. To arrive at the value of equity shares, we have considered the 'Price to Earnings Multiple' of the comparable companies.**
Income	Discounted Free Cash Flow (DFCF) Method	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 the Firm and discounting the same with the Weighted Average cost of capital (WACC). The DFCF methodology is considered to be 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 met. **In the instant case, the management has not provided the projections of the companies. Hence, we deemed it suitable to avoid this methodology for the purpose of the Valuation exercise of the company.**

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1. Belco Special Steels Private Limited (Transferor Company 1)

COMPARABLE COMPANIES MULTIPLES (CCM) METHOD

a) Market Capitalization to Sales Multiple

As per Market Capitalization to Sales Multiple

Particulars	Amount (INR Million)
Revenue from Operations for the 12 Months period ended 30.09.2022	1,625.02
Industry Multiple (Peers) as on 03.02.2023	0.52
Discount for Lack of Marketability (DLOM) @ 15%	0.08
Industry Multiple (Peers) after Discount	0.44
Equity Value as on 03.02.2023	**711.35**
Add: Cash as on 30.09.2022	0.31
Less: Deferred Tax Liabilities as on 30.09.2022	3.98
Adjusted Equity Value as on 03.02.2023	**707.68**

To arrive at the value of equity shares, we have calculated the 'Market Capitalization to Sales Multiple', wherein the Revenue from Operations of the Company for the Trailing Twelve Months (TTM) period from 01st October, 2021 to 30th September, 2022 is multiplied by the 'Daily Median Market Capitalization to Sales Multiple' of listed peer companies as on 03.02.2023.

b) EV/EBITDA Multiple

As per EV/EBITDA Multiple

Particulars	Amount (INR Million)
EBITDA for the 12 months period ended 30.09.2022	101.99
Industry Multiple (Peers) as on 03.02.2023	6.76
Discount for Lack of Marketability (DLOM) @ 15%	1.01
Industry Multiple (Peers) after Discount	5.74
Enterprise Value as on 03.02.2023	**585.59**
Add : Cash as on 30.09.2022	0.31
Less : Debts as on 30.09.2022	380.31
Less : Deferred Tax Liabilities as on 30.09.2022	3.98
Adjusted Equity Value as on 03.02.2023	**201.61**

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To arrive at the value of equity shares, we have calculated the 'EV/EBITDA Multiple', wherein the Profits after Tax of the Company for the Trailing Twelve Months (TTM) period from 01st October, 2021 to 30th September, 2022 is multiplied by the 'Daily Median EV/EBITDA Multiple' of listed peer companies as on 03.02.2023.

We have considered Comparable Companies as a follow-on the basis of the following parameters:

1. **Business Model:-** We have considered only those companies whose Industry classification and business model (in terms of the principal products/services) are similar to the company's business model. For Industry classification, we have relied upon the BSE and Capitaline databases.

2. **Turnover, Profit Margins, and Return on Capital Employed (ROCE):-** We have considered only those companies, whose risk and return characteristics fall within close range to that of the Company. The risk and return metrics have been evaluated in terms of the Turnover, Profit margins, and ROCE which segment the broad industry into a bifurcate turnover that is close to the Company's turnover.

3. **Trade Volume:-** Only those companies have been considered, whose shares are frequently traded at National Stock Exchange (NSE) or Bombay Stock Exchange (BSE) under the SEBI (ICDR) Regulations, 2018.

CCM SUMMARY

CCM Summary (Amount in INR Million)			
Methodology Applied	**Weight**	**Equity Value**	**Weighted Average Equity Value**
As per Market Capitalization to Sales Multiple	50%	707.68	353.84
As per EV/EBITDA Multiple	50%	201.61	100.81
Weighted Average Equity Value as on 03.02.2023			**454.65**
Less: Preference Share Capital as on 30.09.2022			164.00
Adjusted Equity Value as on 03.02.2023			**290.65**

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ADJUSTED NET ASSET VALUE (NAV) METHOD

Belco Special Steel Private Limited	
Particulars	All Amount INR Million
Equity Share Capital	5.40
Reserves and Surplus	60.82
Net Asset Value	66.22
Appreciation/(Diminution)	6.17*
Adjusted Net Worth	72.39

*The Fair Value of Land is considered as per Valuation Report dated 08th October, 2022 by Er. Daljit Raheja, as mentioned below:-

			Amount (INR Million)
Particular	Book Value	Fair Value	Appreciation/(Diminution)
Land	39.28	45.46	6.17

COMPUTATION OF FAIR VALUE

Fair Value of Belco Special Steel Private Limited				
				All Amount INR Millions
Approach Applied	Methodology Applied	Weight	Equity Value	Weighted Average Equity Value
Asset	Net Asset Value	20%	72.39	14.48
Market	Comparable Companies Multiples	80%	290.65	232.52
Weighted Average Equity Value as on 03.02.2023				247.00
Weighted Average Equity Value as on 03.02.2023 (After Cross Cancellation)				573.70
No. of Equity Shares				540,000
Value per Equity share (INR) as on 03.02.2023				1,062.41

Based on our analysis of the Company and subject to our comments and caveats as further detailed in this report, we have arrived at the fair value of equity of the Company & Value per equity share at INR 573.70 Million & INR 1,062.41/-.

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2. Parkash Multimetals Private Limited (Transferor Company 2)

COMPARABLE COMPANIES MULTIPLES (CCM) METHOD

Price to Earnings Multiple

As per Price to Earnings Multiple	
Particulars	**Amount (INR Million)**
Profit after tax for the 12 Months period ended 30.09.2022	3.01
Industry Multiple (Peers) as on 03.02.2023	105.79
Discount for Lack of Marketability (DLOM)	15.87
Industry Multiple (Peers) after Discount	89.92
Equity Value as on 03.02.2023	**270.24**

To arrive at the value of equity shares, we have calculated the 'Price to Earnings Multiple', wherein the Profit after Tax (PAT) of the Company for the Trailing Twelve Months (TTM) period from 01st October, 2021 to 30th September, 2022 is multiplied by the 'Daily Median Price to Earnings Multiple' of listed peer companies as on 03.02.2023.

We have considered Comparable Companies as a follow-on the basis of the following parameters:

1. **Business Model:-** We have considered only those companies whose Industry classification and business model (in terms of the principal products/services) are similar to the company's business model. For Industry classification, we have relied upon the BSE and Capitaline databases.

2. **Turnover, Profit Margins, and Return on Capital Employed (ROCE):-** We have considered only those companies, whose risk and return characteristics fall within close range to that of the Company. The risk and return metrics have been evaluated in terms of the Turnover, Profit margins, and ROCE which segment the broad industry into a bifurcate turnover that is close to the Company's turnover.

3. **Trade Volume:-** Only those companies have been considered, whose shares are frequently traded at National Stock Exchange (NSE) or Bombay Stock Exchange (BSE) under the SEBI (ICDR) Regulations, 2018.

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ADJUSTED NET ASSET VALUE (NAV) METHOD

Parkash Multimetals Private Limited	
Particulars	**All Amount INR Million**
Equity Share Capital	3.00
Reserves and Surplus	88.95
Net Asset Value	**91.95**
Appreciation/(Diminution) of investment	218.88*
Adjusted Net Worth	**310.83**

*The Fair Value of Investments is considered as mentioned below:-

Amount (INR Million)						
Particular	**No. of Share**	**Book Value**	**Book Value per share (INR)**	**Fair Value per share (INR)**	**Fair Value**	**Appreciation (Diminution)**
Equity Shares of BLC Metals Pvt. Ltd.	44,000	14.23	323.44	5,298.09**	233.12	218.88
Preference Shares of Belco Special Steels Pvt. Ltd.	6,000,000	60.00	10.00	10.00***	60.00	-
Total	**6,044,000**	**74.23**			**293.12**	**218.88**

**Kindly Refer to the Section-VI "Annexures Tab" for the fair value.
***Book Value of the Investment is considered the Fair Value.

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COMPUTATION OF FAIR VALUE

Fair Value of Parkash Multimetals Private Limited				
				All Amount INR Millions
Approach Applied	Methodology Applied	Weight	Equity Value	Weighted Average Equity Value
Asset	Net Asset Value	100%	310.83	310.83
Market	Comparable Companies Multiples	0%	270.24	-
Weighted Average Equity Value as on 03.02.2023				310.83
Weighted Average Equity Value as on 03.02.2023 (After Crossing Cancellation)				250.81
No. of Equity Shares				300,000
Value per Equity share (INR) as on 03.02.2023				836.02

Based on our analysis of the Company and subject to our comments and caveats as further detailed in this report, we have arrived at the fair value of equity of the Company & Value per equity share at INR 250.81 Million & INR 836.02/-

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3. Behari Lal Ispat Private Limited (Transferee Company)

COMPARABLE COMPANIES MULTIPLES (CCM) METHOD

a) Market Capitalization to Sales Multiple

As per Market Capitalization to Sales Multiple

Particulars	Amount (INR Million)
Revenue from Operations for the 12 Months period ended 30.09.2022	3,277.32
Industry Multiple (Peers) as on 03.02.2023	0.52
Discount for Lack of Marketability (DLOM) @ 15%	0.08
Industry Multiple (Peers) after Discount	0.44
Equity Value as on 03.02.2023	**1,434.65**
Add: Cash as on 30.09.2022	3.67
Less: Deferred Tax Liabilities as on 30.09.2022	4.70
Adjusted Equity Value as on 03.02.2023	**1,432.96**

To arrive at the value of equity shares, we have calculated the 'Market Capitalization to Sales Multiple', wherein the Revenue from Operations of the Company for the Trailing Twelve Months (TTM) period from 01st October, 2021 to 30th September, 2022 is multiplied by the 'Daily Median Market Capitalization to Sales Multiple' of listed peer companies as on 03.02.2023.

b) EV/EBITDA Multiple

As per EV/EBITDA Multiple

Particulars	Amount (INR Million)
EBITDA for the 12 Months period ended 30.09.2022	300.98
Industry Multiple (Peers) as on 03.02.2023	6.76
Discount for Lack of Marketability (DLOM) @ 15%	1.01
Industry Multiple (Peers) after Discount	5.74
Enterprise Value as on 03.02.2023	**1,728.14**
Add : Cash as on 30.09.2022	3.67
Less: Deferred Tax Liabilities as on 30.09.2022	5.35
Less: Debt as on 30.09.2022	125.68
Adjusted Equity Value as on 03.02.2023	**1,600.78**

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To arrive at the value of equity shares, we have calculated the 'EV/EBITDA Multiple', wherein the Profits after Tax of the Company for the Trailing Twelve Months (TTM) period from 01st October, 2021 to 30th September, 2022 is multiplied by the 'Daily Median EV/EBITDA Multiple' of listed peer companies as on 03.02.2023.

We have considered Comparable Companies as a follow-on the basis of the following parameters:

1. **Business Model**:- We have considered only those companies whose Industry classification and business model (in terms of the principal products/services) are similar to the company's business model. For Industry classification, we have relied upon the BSE and Capitaline databases.

2. **Turnover, Profit Margins, and Return on Capital Employed (ROCE)**:- We have considered only those companies, whose risk and return characteristics fall within close range to that of the Company. The risk and return metrics have been evaluated in terms of the Turnover, Profit margins, and ROCE which segment the broad industry into a bifurcate turnover that is close to the Company's turnover.

3. **Trade Volume**:- Only those companies have been considered, whose shares are frequently traded at National Stock Exchange (NSE) or Bombay Stock Exchange (BSE) under the SEBI (ICDR) Regulations, 2018.

CCM SUMMARY

CCM Summary (Amount in INR Million)			
Methodology Applied	**Weight**	**Equity Value**	**Weighted Average Equity Value**
As per Market Capitalization to Sales Multiple	50%	1,432.96	716.48
As per EV/EBITDA Multiple	50%	1,600.78	800.39
Weighted Average Equity Value as on 03.02.2023			**1,516.87**

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ADJUSTED NET ASSET VALUE (NAV) METHOD

Behari Lal Ispat Private Limited as on 03.02.2023	
Particulars	All Amount INR Million
Equity Share Capital	40.00
Reserves and Surplus	808.33
Net Asset Value	848.33
Appreciation/(Diminution)	11.70*
Adjusted Net Worth	860.02

*The Fair Value of Land is considered as per Valuation Report dated 10th October, 2022 by Er. Daljit Raheja, as mentioned below:-

			Amount (INR Million)
Particular	Book Value	Fair Value	Appreciation/(Diminution)
Land	10.95	22.65	11.70

COMPUTATION OF FAIR VALUE

Fair Value of Behari Lal Ispat Private Limited				
				All Amount INR Millions
Approach Applied	Methodology Applied	Weight	Equity Value	Weighted Average Equity Value
Asset	Net Asset Value	20%	860.02	172.00
Market	Comparable Companies Multiples	80%	1,516.87	1,213.49
Weighted Average Equity Value as on 03.02.2023				1,385.50
Weighted Average Equity Value (After Crossing Cancellation) as on 03.02.2023				1,118.28
No. of Equity Shares				4,000,000
Value per Equity share (INR) as on 03.02.2023				279.57

Based on our analysis of the Company and subject to our comments and caveats as further detailed in this report, I have arrived at the fair value of equity of the Company & Value per equity share at INR 1,118.28 Million & INR 279.57/-

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SECTION V – SHARE EXCHANGE RATIO

SHARE EXCHANGE RATIO FOR AMALGAMATION: -

BSE Circular No. LIST/COMP/02/2017-18 dated 29 May 2017 requires the valuation report for a Scheme of Arrangement to provide the certain requisite information in a specified format.

All Amount INR Million

Particulars		Behari Lal Ispat Private Limited (Transferee)			Belco Special Steel Private Limited (Transferor 1)			Parkash Multimetals Private Limited (Transferor 2)		
Valuation Approach	Methodology Applied	Weights	Equity Value	Weighted Average Equity Value	Weights	Equity Value	Weighted Average Equity Value	Weights	Equity Value	Weighted Average Equity Value
Asset	Adjusted Book Value	20%	860.02	172.00	20%	72.39	14.48	100%	310.83	310.83
Market	Comparable Companies Method	80%	1,516.87	1,213.49	80%	290.65	232.52	0%	270.24	-
Income	Discounted Cash Flow	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Weighted Average Equity Value				1,385.50			247.00			310.83
Weighted Average Equity Value (After Cross Cancellation)				1,118.28			573.70			250.81
No. of Equity Shares				4,000,000			540,000			300,000
Value per Equity share (INR)				279.57			1,062.41			836.02

Based on the above analysis, the share exchange ratio has been arrived at, and accordingly, the Transferee Company shall, without any further act or deed and without any further payment, issue and allot equity shares on a proportionate basis to each member of the Transferor Company whose names are recorded in the Register of Members/ List of Beneficial Owners for shares in the dematerialized form of the Transferor Company on the Record Date.

After considering the impact of cross-investment among all the Companies Involved in the Scheme

CALCULATION OF EXCHANGE RATIO

Company Name	Behari Lal Ispat Private Limited (Transferee)	Belco Special Steel Private Limited (Transferor 1)	Parkash Multimetals Private Limited (Transferor 2)
Equity Value (INR Million)	1,118.28	573.70	250.81
Equity Value Per Share (INR)	279.57	1,062.41	836.02
Exchange Ratio	1.00	3.80	2.99
Exchange Ratio For 100 Shares	100	380	299

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- "Behari Lal Ispat Private Limited" (Transferee Company) shall issue and allot 380 Equity Shares of Face Value of INR 10/- (INR) each to Equity Shareholders of "Belco Special Steel Private Limited" (Transferor Company 1) for every 100 Equity Shares of Face Value of INR 10/- (INR Ten) each held by them in the Transferor Company 1.

- "Behari Lal Ispat Private Limited" (Transferee Company) shall issue and allot 299 Equity Shares of Face Value of INR 10/- (INR) each to Equity Shareholders of "Parkash Multimetals Private Limited" (Transferor Company 2) for every 100 Equity Shares of Face Value of INR 10/- (INR Ten) each held by them in the Transferor Company 2.

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SECTION VI – ANNEXURES

The annexure includes the valuation exercise of the step-down companies which are held as an investment by Parkash Multimetals Private Limited: -

BLC Metals Private Limited

COMPARABLE COMPANIES MULTIPLES (CCM) METHOD

Price to Earnings Multiple

As per Price to Earnings Multiple	
Particulars	**Amount (INR Million)**
Profit after tax for the 12 months period ended 31.03.2022	33.33
Industry Multiple (Peers) as on 03.02.2023	105.79
Discount for Lack of Marketability (DLOM) @ 15%	15.87
Industry Multiple (Peers) after Discount	89.92
Equity Value as on 03.02.2023	**2,997.03**

To arrive at the value of equity shares, we have calculated the 'Price to Earnings Multiple', wherein the Profits after Tax of the Company for the Trailing Twelve Months (TTM) period from 01st April, 2021 to 31st March, 2022 is multiplied by the 'Daily Median Price to Earnings Multiple' of listed peer companies as on 03.02.2023.

NET ASSET VALUE (NAV) METHOD

BLC Metals Private Limited	
Particulars	**All Amount INR Million**
Equity Share Capital	4.63
Reserves and Surplus	274.98
Net Asset Value	**279.62**

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COMPUTATION OF FAIR VALUE

Fair Value of BLC Metals Private Limited				
				All Amount INR Millions
Approach Applied	Methodology Applied	Weight	Equity Value	Weighted Average Equity Value
Asset	Net Asset Value	20%	279.62	55.92
Market	Comparable Companies Multiples	80%	2,997.03	2,397.62
Weighted Average Equity Value as on 03.02.2023				2,453.55
No. of Equity Shares				463,100
Value per Equity share (INR) as on 03.02.2023				5,298.09

Based on our analysis of the Company and subject to our comments and caveats as further detailed in this report, we have arrived at the Value per equity share at INR 5,298.09/-

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SECTION VII – CAVEATS

- This Valuation Report has been issued on the specific request of the Company for determining the Share exchange ratio for the said proposed Scheme of Arrangement in accordance with the Companies Act, 2013 and the Rules thereof. This Report is prepared exclusively for the above-stated purpose and must not be copied, disclosed, circulated, or referred to in correspondence or discussion with any other party. Neither this report nor its content may be used for any other purpose without our prior written consent.
- No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in accounts. Therefore, no responsibility is assumed for matters of legal nature.
- In accordance with the customary approach adopted in the Valuation exercise, we have summarized the Share exchange ratio of equity shares of the company based on the information as was provided to us by the management of the Company both written, verbal, and other publicly available information. We do not assume any responsibility for the accuracy or reliability of such documents on which we have relied in forming our opinion.
- This Report does not investigate the business/commercial reasons behind the transaction nor the likely benefits arising out of the same. In addition, we express no opinion or recommendation, and the shareholders are expected to exercise their own discretion.
- We have no present or planned future interest in the Company and the fee for this Valuation analysis is not contingent upon the values reported herein. The Valuation Analysis contained herein is not intended to represent the value at any time other than the date that is specifically stated in this Report.
- The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- In no circumstances shall the liability of a valuer, its partners, directors, or employees, relating to the services provided in connection with the engagement set out in this Valuation report shall exceed the amount paid to such valuer in respect of the fees charged by it for these services.
- Our valuation report should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering the proposed transaction.

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