MMJB & Associates LLP

Company Secretaries

803-804, 8th Floor, Ecstasy, Citi of Joy, JSD Road, Mulund West, Mumbai 400080, (T) 022-21678100
LLPIN: AAR-9997

MMJC

To,
Board of Directors
Jainam Ferro Alloys (I) Limited,
Plot No. 103 to 113 & 130 to 136/A & 137,
Sector-C Urla Industrial Area, Raipur,
Chattisgarh, India, 492003

To,
The General Manager,
Listing Operation,
National Stock Exchange of India Limited,
Address: "Exchange Plaza", 5th Floor, Plot No. C/1, G Block, BKC, Bandra (East), Mumbai - 400051.

Sub: Application for "In-principle approval" prior to issue and allotment of 11,50,000 Equity Warrants on preferential basis under Regulation 28(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Dear Sir/ Madam,

We, M/s. MMJB & Associates LLP, Practicing Company Secretaries, have verified the relevant records and documents of Jainam Ferro Alloys (I) Limited, (the '**Company**') with respect to the proposed preferential issue by the Company as per Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**") and certify that:

a) The proposed allottee as stated below, has/ have not sold any equity shares of the Company during the 90 trading days preceding the relevant date (i.e., January 24, 2025):

S. No.	Name of Proposed Allottees	Category (Promoter/ Non - Promoter)	Status of Proposed Allottees	Securities Proposed to be allotted	No. of securities proposed to be allotted
1	Wallfort Financial Services Private Limited	Non- Promoter	Body Corporate	Equity Shares warrants	11,50,000

b) The proposed issue is being made in accordance with the requirements of Chapter V of ICDR Regulations, section 42 and 62 of the Companies Act 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other requirements of the Companies Act, 2013.

c) The proposed allottee as stated below have pre-preferential shareholding and the same is in dematerialized form. Further, there is no sale/ pledge of pre-preferential holding between the relevant date and allotment of equity share warrants. The details of allottee-wise pre-preferential shareholding and lock-in thereon is as given hereunder:

Sr. No.	Name of the Allottee	Securities proposed to be allotted	Pre-Preferential Holding	Whether pre-preferential shareholding in physical/ demat	Lock-in Start date	Tentative Lock-in end date	Pledged with	Pledge end date
1	Wallfort Financial Services Private Limited	Equity warrants	50,000	Demat	January 28 2025	August 04, 2025	NA	NA

d) The Company is listed only on National Stock Exchange of India Limited ("NSE") and accordingly highest trading volume of the equity shares of the Company during the preceding 90 trading days to the relevant date, as recorded on the NSE has been considered.

e) The relevant date for the purpose of said preferential issue is **January 24, 2025**.

f) The minimum issue price for the proposed preferential issue of the Company, based on the pricing formula prescribed under Regulation 164 of Chapter V of ICDR Regulations has been worked out at ₹ 216.48 /- per Equity Share Warrants.

g) The pricing methodology adopted for the proposed preferential issue along with detailed working of the same forms part of the valuation report issued by the Independent Registered Valuer, Mr. Nitin Goyal having IBBI Regn. No.: IBBI/RV/05/2020/13613, which marked and annexed as **Annexure A**.

h) The proposed preferential issue is being made in compliance with the provisions of Memorandum of Association (MoA) and Article of Association (AoA) of the Company.

i) The AoA of the Company does not provide for a method of determination which results in a floor price higher than that determined under ICDR Regulations.

For **MMJB & Associates LLP**
Practicing Company Secretaries

SAURABH SANJAY AGARWAL

Digitally signed by SAURABH SANJAY AGARWAL
Date: 2025.02.15 19:15:15 +05'30'

Saurabh Agarwal
Designated Partner
FCS No: 9290
CP No. 20907
UDIN: F009290F003945387

Date: February 15, 2025
Place: Mumbai

Enclosure: Valuation Report

NITIN GOYAL

IBBI Registered Valuer (Securities & Financial Assets)

Contact: +91-8770132482; Email- admin@canitingoyal.com

Address: 205, Samta Shopping Arcade, Samta Colony, Raipur (C.G.)- 492001

STRICTLY PRIVATE AND CONFIDENTIAL

Date: 15-Feb-2025

To,
The Board of Directors
JAINAM FERRO ALLOYS (I) LIMITED
CIN: L27100CT2014PLC001311

Registered office:
PLOT NO. 103 TO 113 & 130 TO 136/A & 137
SECTOR-C URLA INDUSTRIAL AREA,
RAIPUR, (C.G.)- 492003

Sub: Submission of Valuation Report determining Fair Value of Fully Convertible Equity Warrants ("Warrants") to arrive at the minimum price for the preferential issue as per Preferential Issue Regulations in Chapter V of SEBI (ICDR) Regulations, 2018 (updated)

Dear Sir,

We refer to our appointment by the management of M/s JAINAM FERRO ALLOYS (I) LIMITED for the purpose of preferential allotment of Fully Convertible Equity Warrants by the Company, the valuation has been carried out in accordance with Section 42 & Section 62(1)(c), of the Companies Act 2013 read with Rule 13 of Companies (Share Capital and Debenture) Rules, 2014 and Regulation 164 & 166A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 as amended.

Based on the scope and limitations of work, sources of information and valuation methodology of the report and explanations therein, we recommend fair value of the Fully Convertible Equity Warrants of M/s JAINAM FERRO ALLOYS (I) LIMITED at Rs 216.48 per equity share as on the relevant date i.e. 24th January 2025.

Further, it must be noted that we issued our valuation report on 28th Jan 2025 with UDIN-25432043BMGSOW8772. Subsequently, it was submitted to the National Stock Exchange ("NSE") for their in-principal approval. Following their directive, we are required to revisit our report considering Asset Approach and Income Approach.

In response to the directive from NSE, we have reassessed our working. This document serves as an addendum to our previously issued report dated 28th Jan 2025.

Thanking you,
Yours Faithfully,

NITIN GOYAL
R. No. IBBI/RV
05/2020/13613
REGISTERED VALUER

CA Nitin Goyal
Registered Valuer
Securities & Financial Assets

IBBI Reg. No.- IBBI/RV/05/2020/13613
ICMAI RVO Membership No.- ICMAI RVO/S&FA/00228
Place: Raipur
Date: 15/02/2025
ICAI UDIN- 25432043BMGSPB4007

NITIN GOYAL

IBBI Registered Valuer (Securities & Financial Assets)

Contact: +91-8770132482; Email- admin@canitingoyal.com

Address: 205, Samta Shopping Arcade, Samta Colony, Raipur (C.G.)- 492001

STRICTLY PRIVATE AND CONFIDENTIAL

Date: 15-Feb-2025

To,
The Board of Directors
JAINAM FERRO ALLOYS (I) LIMITED
CIN: L27100CT2014PLC001311

Registered office:
PLOT NO. 103 TO 113 & 130 TO 136/A & 137,
SECTOR-C, URLA INDUSTRIAL AREA,
RAIPUR, (C.G.)- 492003

Sub: Valuation of Convertible Equity Warrants of JAINAM FERRO ALLOYS (I) LIMITED ("JFAIL") to arrive at the minimum price for the preferential issue as per Preferential Issue Regulations in Chapter V of SEBI (ICDR) Regulations, 2018 (updated)

Dear Sirs,
I, Nitin Goyal (hereinafter referred to as "Valuer", "Registered Valuer"), have been appointed to determine the fair value of the instrument mentioned in the subject for the purpose mentioned in Para 1 below. I am pleased to present herewith my report on the same.

1. PURPOSE OF VALUATION & APPOINTING AUTHORITY

1.1. As per the discussion held with the management, we understand that the Company wishes to do preferential allotment of Fully Convertible Equity Warrants ("Warrants") and hence, the management of the Company wish to determine fair value of Fully Convertible Equity Warrants, to comply with the requirements laid down under Section 42 & Section 62(1)(c), of the Companies Act 2013 read with Rule 13 of Companies (Share Capital and Debenture) Rules, 2014 and Regulation 164 & 166A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 (as amended).

1.2. It is in this connection that I have been requested by the Company to carry out fair valuation of its Fully Convertible Equity Warrants to arrive at the minimum price for the preferential issue as per Preferential Issue Regulations in Chapter V of SEBI (ICDR) Regulations, 2018 (the "Services").

1.3. I have been appointed by the board of directors vide BOD resolution dated 28/01/2025 by the company.

2. NATURE & SOURCES OF INFORMATION

For the purpose of undertaking this valuation exercise, the documents and/or information published or provided by management have been relied upon. I have fully relied on the information provided by the company and do not vouch for the accuracy of the information provided to me by the management of the Company.

I have relied on the following sources of information:

NITIN GOYAL
R. No. IBBI/RV 05/2020/13613
REGISTERED VALUER

1. Background documents and information of the company
2. Memorandum and Articles of Association
3. Brief about the industry
4. Audited Financial Statement of the Company for the Financial Year 2023-24, 2022-23 & 2021-22.
5. Management Certified Provisional Financial Statement of the Company as at 30th Sept 2024
6. Other relevant details such as its history, present activities and other information (including verbal) as required from time to time
7. Information available in public domain and databases such as Moneycontrol.com and National Stock Exchange etc.

I have also received the necessary explanations, information and representations, which I believe was relevant to the present valuation exercise from the management/representatives of the company.

3. CAVEATS, LIMITATIONS & DISCLAIMERS

3.1. Restriction on use of Valuation Report

My report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. My 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 and the Regulations. I do not take any responsibility for the unauthorized use of this report. The Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared.

3.2. Responsibility of Registered Valuer

I owe responsibility to only to the authority/client that has appointed me under the terms of the engagement letter. I 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 I 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.

3.3. Accuracy of Information

While my work has involved an analysis of financial information and accounting records, my engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, I express no audit opinion or any other form of assurance on this information and also I assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of you and the client. My report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

3.4. Achievability of the forecast results

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

NITIN GOYAL
R. No. IBBI/RV
05/2020/13513
REGISTERED VALUER

provided by the company and not generated by the RV. I have only carried out reasonable inspection, enquiry and computation to check it.

3.5. 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.

3.6. 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, I consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.

3.7. No Responsibility to the Actual Price of the subject asset if sold or transferred/ exchanged

The actual market price achieved may be higher or lower than my estimate of value (or value range of value) depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, my valuation conclusion will not necessarily be the price at which actual transaction will take place/any agreement proceeds. The final transaction price is something on which the parties themselves have to agree. I also emphasize that my opinion is not the only factor that should be considered by the parties in agreeing the transaction price.

3.8. Reliance on the representations of the client, its management and other third parties

The client and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. I have relied upon the representations of the owners/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. I 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.

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

I have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, I 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 I have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

3.10. Compliance with relevant laws

The report assumes that the start-up company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the start-up companies/business/assets will be managed in a competent and responsible manner.

NITIN GOYAL R. No. IBBI/RV 05/2020/13613 REGISTERED VALUER

Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us.

3.11. **Multiple factors affecting the Valuation Report:**
The valuation report is tempered by the exercise of judicious discretion by the RV and judgment taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.

3.12. **Future services including but not limited to Testimony or attendance in courts/ tribunals/ authorities for the opinion of value in the Valuation Report**
I am fully aware that based on the opinion of value expressed in this report, I 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 my evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my tendering evidence before such authority shall be under the applicable laws. In no case, my liability shall exceed the professional fees charged for this assignment. In adverse circumstances whatsoever, the company shall indemnify the RV.

3.13. **No obligation to update, revise or reaffirm of Report for events occurring after date of Report**
An analysis of such nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this Report.

3.14. **Conclusions - Based on the assumptions, forecasts and other information**
In the course of the valuation, I was provided with both written and verbal information. I have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. My conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company.

3.15. **Declaration in respect of independence of client and no current/expected interest in the company**
I am independent of the client/company and have no current or expected interest in the Company or its assets. The fee paid for my services in no way influenced the results of my analysis.

4. PREMISE OF VALUE

The premise of value for the present assignment is going concern premise, which is the most common premise of value; it presumes the continued use of the assets, and that the company would continue to operate as a business.

5. IMPOTANT DATES

Date of Valuation (i.e. the Relevant Date): 24-Jan-2025

NITIN GOYAL
R. No. IBBI/RV 05/2020/13613
REGISTERED VALUER

Date of appointment: 28-Jan-2025
Date of report: 15-Feb-2025

6. EIC ANALYSIS (ECONOMY, INDUSTRY AND COMPANY ANALYSIS)

Economy Analysis

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 293.90 lakh crores (US$ 3.52 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.1% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24.

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy.

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India.

Source: https://www.ibef.org/

Industry Analysis

Iron & Steel Industry:
India is the world's second-largest producer of crude steel, with an output of 125.32 MT of crude steel and finished steel production of 121.29 MT in FY23. India's steel production is estimated to grow 4-7% to 123-127 MT in FY24.

The growth in the Indian steel sector has been driven by the domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

The Indian steel industry is modern, with state-of-the-art steel mills. It has always strived for

NITIN GOYAL R. No. IBBI/RV 05/2020/13613 REGISTERED VALUER

continuous modernisation of older plants and up-gradation to higher energy efficiency levels.

In the past 10–12 years, India's steel sector has expanded significantly. Production has increased by 75% since 2008, while domestic steel demand has increased by almost 80%. The capacity for producing steel has grown concurrently, and the rise has been largely organic.

The steel industry and its associated mining and metallurgy sectors have seen major investments and developments in the recent past. According to the data released by the Department for Promotion of Industry and Internal Trade (DPIIT), between April 2000-September 2023, Indian metallurgical industries attracted FDI inflows of US$ 17.40 billion.

The steel industry has emerged as a major focus area given the dependence of a diverse range of sectors on its output as India works to become a manufacturing powerhouse through policy initiatives like Make in India. With the industry accounting for about 2% of the nation's GDP, India ranks as the world's second-largest producer of steel and is poised to overtake China as the world's second-largest consumer of steel. Both the industry and the nation's export manufacturing capacity have the potential to help India regain its favourable steel trade balance.

Source: https://www.ibef.org/

Company Analysis

1. JAINAM FERRO ALLOYS (I) LIMITED is a Non-govt company, incorporated on 06/03/2014. It's a public listed company and is classified as company limited by shares. The Company is listed in National Stock Exchange- SME Segment.
2. The Company is registered in Chhattisgarh Registrar Office. The company's registered address is "PLOT NO. 103 TO 113 & 130 TO 136/A & 137, SECTOR-C URLAINDUSTRIAL AREA, Raipur, RAIPUR, Chhattisgarh, India, 492003".
3. Domiciled in India in the state of Chhattisgarh and incorporated under the Companies Act, 2013, the company is engaged in Manufacturing of Alloys Ferro, metallic and non-metallic in Iron & Steel Industry.
4. The Company is an ACTIVE compliant company and has filed its last audited financial statement with ROC till 31/03/2024.

Source: MCA Master Data of the Company, Audited Financial Statement of the Company.

CAPITAL STRUCTURE & DIRECTORS/SIGNATORIES OF THE COMPANY

(i) **Existing Share Capital**

A. The authorized share capital of the company as on date of valuation is Rs. 13,50,00,000.

B. The issued, subscribed and paid-up capital of the company as on date of valuation is as Rs. 10,56,12,000.

NITIN GOYAL
R. No. IBBI/RV
05/2020/13613
REGISTERED VALUER

(ii) **Directors/Signatories**

Directors/Signatories of the Company as on report date are as follows:-

Directors/Signatory Details				
DIN/PAN	**Name**	**Designation**	**Begin date**	**End date**
06797522	ARCHIT PARAKH	Managing Director	06/03/2014	-
06797516	ARPIT PARAKH	Whole-time Director	06/03/2014	-
08165874	NAMITA BAI PARAKH	Non-Executive Director	26/06/2018	-
09082141	GYAN DAS MANIKPURI	Non-Executive Director	26/02/2021	-
01729344	ROHIT PARAKH	Independent Director	01/08/2022	-
09529899	KESHAV SHARMA	Independent Director	26/05/2022	-

8. VALUATION METHODOLOGIES & APPROACHES:

8.1. Internationally accepted valuation standards, 2017 as required by Rule 8 (1) of Companies (Registered Valuer and Valuation) Rules, 2017 has been used as guidance in preparation of this report. The standard of value being used in the analysis is 'Fair Value' which is often defined 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.

8.2. It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond my control. In performing my analysis, I have made limited economic and industry analysis, which may be subject to different interpretation. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.

8.3. The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. My choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and my reasonable judgment, in an independent and bona fide manner based on my previous experience of assignments of a similar nature.

8.4. There are three generally accepted approaches to valuation:

A. Cost approach
B. Market approach
C. Income approach

A. Cost Approach

The Net Asset Value is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data reflect how much the business is worth to someone who may buy it

NITIN GOYAL R. No. IBBI/RV 05/2020/13613 REGISTERED VALUER

as a going concern. This valuation approach also used in case where the firm is to be liquidated i.e. it does not meet the "going concern" or where the assets base dominates earnings capability or if it is investment holding company and significant value is derived from its investment holdings.

The Net Asset Value/Book value method under the Cost Approach considers the Assets and Liabilities, including intangible Assets and Contingent Liabilities. The Net Assets, after reducing the dues to the Preference Shareholders, if any, represent the equity value of a company. This method is applicable when the company derives its value from fair value of underlying assets instead of its own cash flows. Under adjusted book value method, the valuation is adjusted to reflect fair market value.

The application of any particular method of valuation depends on the purpose for which the valuation exercise is performed, considering the relevance of each method under the circumstances of the case and other factors as determined appropriate.

In the circumstances and keeping in mind that the Company is a listed company, listed in National Stock Exchange (NSE)- SME Segment, the value arrived at under this method is of little relevance through NAV approach.

B. Market Approach

Under the Market approach, the valuation is based on the market value of the company in case of listed companies and comparable companies trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

a. Market Price ("MP") Method

Under the "Market" Approach, the market price of an equity share as quoted on a recognized stock exchange is normally considered as the fair value of the equity share of that company where such quotations are arising from the shares being regularly and freely traded.

As the Company is listed on the stock exchange, the pricing guideline of Regulation 164 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR) have been relied upon for valuing the equity share of the Company under the Market Price Method.

ICDR Regulations 2018 provides following guidelines for pricing of the Preferential Issue of frequently traded shares:

NITIN GOYAL * R. No. IBBI/RV 05/2020/13613 * REGISTERED VALUER

Contact: +91-8770132482; Email- admin@canitingoyal.com
Address: 205, Samta Shopping Arcade, Samta Colony, Raipur (C.G.)- 492001

If the equity shares 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 of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

(i) the 90 trading days' volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or

(ii) the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

Explanation:

(i) For the purpose of this regulation, 'stock exchange' means any of the recognised stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.

(ii) "Relevant date " in case of preferential issue of equity shares means, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.

b. Comparable Companies Multiples ("CCM") Method

The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies. This valuation is based on principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

I have performed a search for suitable comparable companies for valuing under the CCM method. However, my research did not indicate any suitable comparable company. Hence, I have not been able to apply this methodology in the present case.

c. Comparable Transactions Multiples ("CTM") Method

Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are Enterprise Value/EBITDA multiple, Enterprise Value/Revenue multiple.

This valuation is based on the principle of transactions taking place in the market between informed buyers and informed sellers, incorporating all factors relevant to

NITIN GOYAL ★ R. No. IBBI/RV 05/2020/13613 ★ REGISTERED VALUER

Contact: +91-8770132482; Email- admin@canitingoyal.com
Address: 205, Samta Shopping Arcade, Samta Colony, Raipur (C.G.)- 492001

valuation. While using transaction multiples, adjustment needs to be made for difference in circumstances, business volume/margins etc. in order to arrive at the enterprise value for the company.

I have performed a search for suitable comparable transactions for valuing under the CTM method. However, my research did not indicate comparable transaction in respect of which complete details of the deal structure, profitability, etc. are available in public domain. Hence, I have not been able to apply this methodology in the present case.

C. Income Approach

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability.

a. Price Earnings Capitalisation Method ("PECM")

The basic of this approach is to find the normalized earning capacity of the business and to capitalise it on the basis of appropriate rate considering the business fundamentals of business cycle, safety, return and time. In this method, future maintainable profit of the company is calculated. Alternately, an appropriate multiple can be used with the normalized earnings to arrive at fair estimation of business value (Market Price per Share "MPS").

The important task is to determine two factors:

i. normalized Profit After Tax (PAT) and
ii. rate of capitalization or multiple for capitalization

The average annual maintainable PAT should be representative and is generally determined based on average past earnings, or future projected earnings where the past earnings are not representative of the future earning potential of the business.

The capitalization rate is taken based at P/E Multiple (MPS/EPS) of the industry or the rate of return expected by the equity shareholders of the company.

b. Discounted Cash Flow (DCF) Method

The Discounted Cash, Flow (DCF) Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

Under the DCF Method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both, the owners and creditors of the business. The free

NITIN GOYAL * R. No. IBBI/RV 05/2020/13613 * REGISTERED VALUER

cash flows in the explicit period and those in perpetuity are discounted by the Weighted Average Cost of Capital (WACC). The WACC based on an optimal vis-a-vis actual capital structure, is an appropriate rate of discount to calculate the present value of the future cash flows as it considers equity-debt risk by incorporating debt-equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business future operations.

The Enterprise Value (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further adjusted for the borrowings, cash, non-operating assets/liabilities (e.g. fair value of investments in subsidiaries/associates/mutual funds, value of surplus assets, any contingent liability, etc.) and preference shareholders liability, if any, to arrive at value to the owners of the business.

Based on the representations, from the Management, we understand that the projections/business forecasts of the Company would be price sensitive information, and as such, not made available to us.

Further, when shares of the Company are frequently traded, the market prices of the share of the Company captures the future cash flows expected to be earned by the Company. Considering all the above factors we have not used DCF method to value equity warrants of the Company.

9. VALUATION WORKINGS

The fair value of Fully Convertible Equity Warrants of the company would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under different methods, for the purposes of recommending the fair value of Fully Convertible Equity Warrants it is necessary to arrive at a single value for the Equity Shares of the Companies. For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach.

We have independently applied approaches / methods discussed above, as considered appropriate and arrived at the fair value per Fully Convertible Equity Warrants of the Company based on the approaches explained herein and various qualitative factors relevant to the companies and the business dynamics and growth potential of the businesses, having regard to information base, management representation and perceptions, key underlying assumptions and limitations.

NITIN GOYAL * R. No. IBBI/RV 05/2020/13613 * REGISTERED VALUER

(a) Valuation Working in accordance with Market Price Method ("Market Approach"):

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

(i) the 90 trading days' volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or

(ii) the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date

The 90 trading days' volume weighted average price (VWAP) of the equity shares of JAINAM FERRO ALLOYS (I) LIMITED, quoted on the NSE preceding 24th Jan 2025, (Relevant Date) is calculated at Rs. 188.71 Per share. The detailed working for the same is given in **Annexure-A**

Further, the 10 trading days' volume weighted average price (VWAP) of the equity shares JAINAM FERRO ALLOYS (I) LIMITED, quoted on the NSE preceding 24th Jan 2025, (Relevant Date) is calculated at Rs. 216.48 Per share. The detailed working for the same is given in **Annexure-B**

(b) Valuation Working in accordance with Net Assets Value Method ("Asset Approach"):

The asset-based valuation technique is based on the value of underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. 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. However, this methodology recognizes historical cost of net assets only without recognizing its present earnings, comparative financial performance of its peers and their enterprise values etc. Therefore, in general Net Asset Value only reflects the minimum proxy value of the company

Under this method, the net value of the company has been worked out by deducting total liabilities from the total assets of the company based on the assets and liabilities of the company as per Provisional Financial Statement as at 30th September 2024 to arrive at the overall value of the company. The net value of the company is then divided by the total number of equity shares to arrive at the value of the equity shares of the company.

Accordingly, the fair value of equity shares as per Net Assets Value Method ("Asset Approach") is calculated at Rs. 116.75 per share. The detailed working for the same is given in **Annexure-C.**

(c) Valuation Working in accordance with Price Earnings Capitalisation Method ("PECM") ("Income Approach"):

We have considered the reported Profits after tax for the FY 2022-23, FY 2023-24 and FY 2024-25 (annualised based on provisional financial statement up to 30.09.2024) and assigned appropriate weights to each year after normalising the profits.

NITIN GOYAL R. No. IBBI/RV 05/2020/13613 REGISTERED VALUER

NITIN GOYAL
IBBI Registered Valuer (Securities & Financial Assets)
Contact: +91-8770132482; Email- admin@canitingoyal.com
Address: 205, Samta Shopping Arcade, Samta Colony, Raipur (C.G.)- 492001

In determining the equity value of the firm, the capitalisation factor taken is the PE (MPS/EPS) multiple of the sector.

Accordingly, the fair value of equity shares as per Price Earnings Capitalisation Method ("Income Approach") is calculated at Rs. 119.53 per share. The detailed working for the same is given in **Annexure-D.**

Regulation 166A of SEBI (ICDR) Regulations:

Any preferential issue, which may result in a change in control or allotment of more than five per cent 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:

Provided further that if any proposed preferential issue is likely to result in a change in control of the issuer, the valuation report from the registered valuer shall also cover guidance on control premium, which shall be computed over and above the price determined in terms of the first proviso.

10. VALUATION SUMMARY & CONCLUSION

We have carried out the valuation exercise after taking into consideration all the factors and methods mentioned hereinabove. The calculations have been performed as per the methods discussed above and the results have been summarized as below:

Sr. No.	Valuation Approach	Valuation Method	Weights	Value Per Share (Rs.)
1	Asset Approach	Net Assets Value Method	0%	116.75
2	Market Approach	Market Price Method	100%	216.48
3	Income Approach	Price Earnings Capitalisation Method	0%	119.53
As per SEBI (ICDR) the floor price of per equity warrant is				**216.48**

In terms of the First Proviso to the Sub-regulation 1 of Regulation 166A read with Sub-regulation of (1) of Regulation 164 of the SEBI (ICDR) Regulations, since the value of equity shares of the Company under the Asset and Income approach is lower than the value of equity shares of the Company as per the ICDR Regulations (captured in market approach), we have given due cognizance to the base price derived

NITIN GOYAL ★ R. No. IBBI/RV 05/2020/13613 ★ REGISTERED VALUER using the formula given in the ICDR regulations to assign appropriate weights to the values computed under each method.

Regarding the 100% Weight assigned to Market Price Method (Market Approach):

For valuation of a listed entity where there are regular transactions in its Equity Shares with adequate volume, market price of the Equity Shares has been considered as important benchmark for arriving the fair value of Equity Shares. Since the market price is based on transaction between unrelated buyer and seller in an orderly manner (i.e. based on transactions at exchanges) and since the value under the Market Price Method (as per the Regulation 164(1) - ICDR Regulations) is the maximum, we have given 100% weight to the value computed using the Market Price Method under Market Approach.

Regarding the 0% Weight assigned to NAV Method (Asset Approach):

NAV Method is mainly used in the cases where the business is to be liquidated, i.e., it does not meet the going concern criteria or in cases where the assets base dominates earnings capability. Valuation of Equity Shares of the Company has been done based on going concern basis. Further, book value of assets of the Company may not truly reflect the earning potentials of the Company. However, this methodology recognizes historical cost of net assets only without recognizing its present earnings, comparative financial performance of its peers and their enterprise values etc. Therefore, we have assigned zero weight to NAV Method for arriving at the fair value of Equity Shares of the Company.

Regarding the 0% Weight assigned to Price Earnings Capitalisation Method (Income Approach):

In the circumstances and keeping in mind that the Company is a listed company, listed in National Stock Exchange (NSE)- SME Segment and in terms of the First Proviso to the Sub-regulation 1 of Regulation 166A read with Sub-regulation of (1) of Regulation 164 of the SEBI (ICDR) Regulations, since the value of equity shares of the Company under the Income approach is lower than the value of equity shares of the Company as per the ICDR Regulations (captured in market approach), and the market prices of the share of the Company captures the future cash flows/ incomes expected to be earned by the Company, the value arrived at under Price Earnings Capitalisation Method (Income Approach) is of little relevance. Therefore, we have assigned zero weight to Price Earnings Capitalisation Method (Income Approach) for arriving the fair value of Equity Shares of the Company.

CONCLUSION:

In light of the above referred valuation working and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove in this report, **we recommend fair value of Fully Convertible Equity Warrants of M/S JAINAM FERRO ALLOYS (I) LIMITED at Rs. 216.48 per equity warrant for the purpose of preferential issue of Fully Convertible Equity Warrants.**

NITIN GOYAL R. No. IBBI/RV 05/2020/13613 REGISTERED VALUER

11. OTHER INFORMATION/DISCLOSURES:

11.1. The valuer is neither a related party of the company nor holds any interest or conflict with the company.

11.2. The valuation report is issued under the provisions of Companies Act, 2013 read with SEBI ICDR Regulations and thus, to be used only for the said act & regulations.

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

NITIN GOYAL
R. No. IBBI/RV
05/2020/13613
REGISTERED VALUER

Nitin Goyal
Registered valuer

Raipur
15-Feb-2025

IBBI Reg. No. IBBI/RV/05/2020/13613
ICMAI RVO Membership No.- ICMAI RVO/S&FA/00228
ICAI CA Membership No.- 432043

ICAI UDIN - 25432043BMGSPB4007

Statement showing 90 trading days' volume weighted average price (VWAP) of the equity shares of M/s JAINAM FERRO ALLOYS (I) LIMITED
As quoted on NSE preceding 24th Jan 2025 (Relevant Date)

Date	No. of Shares	Volume of Shares
(a)	(b)	(c)
23-Jan-25	-	-
22-Jan-25	1,000	2,04,000
21-Jan-25	-	-
20-Jan-25	-	-
17-Jan-25	2,000	4,16,100
16-Jan-25	3,000	6,36,600
15-Jan-25	1,000	2,15,500
14-Jan-25	3,000	6,54,050
13-Jan-25	3,000	6,67,200
10-Jan-25	2,000	4,53,800
09-Jan-25	4,000	9,27,400
08-Jan-25	3,000	7,09,400
07-Jan-25	7,000	16,88,300
06-Jan-25	14,000	32,08,200
03-Jan-25	16,000	36,53,250
02-Jan-25	13,000	29,00,550
01-Jan-25	16,000	34,51,250
31-Dec-24	19,000	38,90,250
30-Dec-24	29,000	59,81,700
27-Dec-24	17,000	34,71,400
26-Dec-24	15,000	30,67,600
24-Dec-24	3,000	6,29,200
23-Dec-24	-	-
20-Dec-24	-	-
19-Dec-24	1,000	2,00,000
18-Dec-24	10,000	20,21,150
17-Dec-24	5,000	10,41,150
16-Dec-24	8,000	17,25,700
13-Dec-24	9,000	20,12,250
12-Dec-24	6,000	13,31,700
11-Dec-24	16,000	35,23,950
10-Dec-24	20,000	47,21,150
09-Dec-24	40,000	88,82,700
06-Dec-24	1,27,000	2,55,57,700
05-Dec-24	13,000	23,74,200
04-Dec-24	25,000	43,64,350
03-Dec-24	20,000	33,55,450
02-Dec-24	14,000	21,94,650
29-Nov-24	3,000	4,67,250
28-Nov-24	3,000	4,65,050
27-Nov-24	7,000	10,87,950
26-Nov-24	-	-
25-Nov-24	6,000	10,18,200
22-Nov-24	-	-

NITIN GOYAL
R. No. IBBI/RV
05/2020/13613
REGISTERED VALUER

21-Nov-24	1,000	1,51,000
19-Nov-24	4,000	6,11,550
18-Nov-24	3,000	4,23,700
14-Nov-24	-	-
13-Nov-24	1,000	1,50,000
12-Nov-24	18,000	26,78,250
11-Nov-24	6,000	9,50,000
08-Nov-24	3,000	4,35,600
07-Nov-24	2,000	3,11,000
06-Nov-24	7,000	11,72,800
05-Nov-24	1,000	1,50,000
04-Nov-24	2,000	3,00,950
01-Nov-24	1,000	1,41,500
31-Oct-24	-	-
30-Oct-24	1,000	1,47,650
29-Oct-24	2,000	3,25,750
28-Oct-24	2,000	2,89,900
25-Oct-24	1,000	1,41,050
24-Oct-24	-	-
23-Oct-24	2,000	2,91,000
22-Oct-24	7,000	12,15,700
21-Oct-24	-	-
18-Oct-24	3,000	5,26,350
17-Oct-24	1,000	1,64,950
16-Oct-24	-	-
15-Oct-24	2,000	3,23,050
14-Oct-24	2,000	3,31,000
11-Oct-24	5,000	8,33,000
10-Oct-24	9,000	15,22,450
09-Oct-24	4,000	6,47,700
08-Oct-24	1,000	1,56,000
07-Oct-24	9,000	14,11,100
04-Oct-24	13,000	20,94,300
03-Oct-24	7,000	11,45,250
01-Oct-24	5,000	7,72,150
30-Sep-24	20,000	31,97,350
27-Sep-24	77,000	1,26,43,100
26-Sep-24	2,000	3,00,000
25-Sep-24	11,000	16,09,800
24-Sep-24	-	-
23-Sep-24	4,000	5,84,350
20-Sep-24	-	-
19-Sep-24	8,000	12,11,400
18-Sep-24	14,000	21,81,050
17-Sep-24	4,000	6,15,150
16-Sep-24	6,000	9,19,200
Total	**7,75,000**	**14,62,46,400**
90 trading days' Volume Weighted Average Price preceding Relevant Date, i.e., 24.01.2025 [c] / [b]		**188.71**

NITIN GOYAL
R. No. IBBI/RV 05/2020/13613
REGISTERED VALUER

Annexure-B

Statement showing 10 trading days' volume weighted average price (VWAP) of the equity shares of M/s JAINAM FERRO ALLOYS (I) LIMITED As quoted on NSE preceding 24th Jan 2025 (Relevant Date)

Date	No. of Shares	Volume of Shares
(a)	(b)	(c)
23-Jan-25	-	-
22-Jan-25	1,000	2,04,000
21-Jan-25	-	-
20-Jan-25	-	-
17-Jan-25	2,000	4,16,100
16-Jan-25	3,000	6,36,600
15-Jan-25	1,000	2,15,500
14-Jan-25	3,000	6,54,050
13-Jan-25	3,000	6,67,200
10-Jan-25	2,000	4,53,800
Total	**15,000**	**32,47,250**
10 trading days' Volume Weighted Average Price preceding Relevant Date, i.e., 24.01.2025 [c] / [b]		**216.48**

NITIN GOYAL
R. No. IBBI/RV
05/2020/13613
REGISTERED VALUER

Annexure-C

M/s JAINAM FERRO ALLOYS (I) LIMITED	
Valuation of Shares	
Based on Provisional Financial Statement as on 30.09.2024	
Valuation as per Book Value Method (Assets Approach)	
Particular	**Amount (Rs. In Lakhs)**
Book Value of Assets	
Non-Current Assets	
Property, Plant and Equipment- Tangible Assets	1,806.47
Investments	3,961.42
Loans & Advances	1,714.78
Other Non-Current Assets	71.29
Current Assets	
Inventories	2,135.12
Trade Receivables	1,674.36
Cash and Cash equivalents	460.85
Bank Balances	2,951.98
Loans and advances	150.71
Other Current Assets	980.55
Total Value of Assets	**15,907.52**
Less: Total Value of Liabilities	
Non-Current Liabilities	
Long Term Borrowings	-
Long Term Provisions	26.30
Deferred Tax Liabilities	334.21
Current Liabilities	
Short-term borrowings	-
Trade payables	2,507.32
Other current liabilities	241.57
Short-term provisions	3.68
Other financial liabilities	323.80
Current Tax liabilities (Net)	139.99
Total Value of Liabilities	**3,576.87**
Net Assets Value (in Lakhs) (i.e. Total Value of Assets less Total Value of Liabilities)	**12,330.65**
No. of Eq. Shares (In Nos.)	1,05,61,200
Value per equity shares (Amount in Rs.)	**116.75**

NITIN GOYAL
R. No. IBBI/RV 05/2020/13613
REGISTERED VALUER

Annexure-D

M/s JAINAM FERRO ALLOYS (I) LIMITED

Valuation of Shares

Valuation as per Price Earnings Capitalisation Method (Income Approach)

Particular	FY 2022-23 Rs. In Lakhs)	FY 2023-24 Rs. In Lakhs)	FY 2024-25 (Annualised) Rs. In Lakhs)
Reported PBT	3,139.07	828.70	2,181.88
Less: Non-operating Income	-	-	-
Adjusted PBT	3,139.07	828.70	2,181.88
Other Non-Current Assets			71.29

Particular	Adjusted PBT	Weight	Product
FY 2022-23	3,139.07	1	3,139.07
FY 2023-24	828.70	2	1,657.40
FY 2024-25	2,181.88	3	6,545.64
		6	11,342.11

Particular	Amount (Rs. In Lakhs)
Maintainable PBT	1,890.35
Less: Taxes	475.76
Maintainable PAT	1,414.59
PE Multiple (Sector) (Source: Moneycontrol)	9.16
Capitalized Value	**12,957.63**
Less: Net Debts	-
Less: Deferred Tax Liabilities	334.21
Equity Value	**12,623.42**
No. of Eq. Shares (In Nos.)	1,05,61,200
Value per equity shares (Amount in Rs.)	**119.53**

NITIN GOYAL
R. No. IBBI/RV
05/2020/13613
REGISTERED VALUER