

VALUATION REPORT OF M/s. STEEL EXCHANGE INDIA LIMITED



Business Valuation



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**REGISTERED VALUER - SECURITIES OR
FINANACIAL ASSETS**

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SECTION I - VALUATION SUMMARY

Valuation Date	The relevant date for this valuation is 27-02-2026
Report Summarized	CA. Machar Rao Meenavalli, IBBI Registered Valuer for Asset Class Securities or Financial Asset issued the valuation report summarized herein, plus appendixes. This valuation report is subject to the statement of assumptions and limiting conditions contained in this report.
Subject of Valuation	Valuation of Equity Shares of M/S STEEL EXCHANGE INDIA LIMITED
Business Activity	The Company engaged in the manufacturing of steel products and allied activities
Purpose of Valuation	To determine the fair value and minimum issue price (floor price) of equity shares for the proposed issue of Securities(Share Warrants) in compliance with Section 247 of the Companies Act, 2013 read with Regulations 164 and 166A of SEBI (ICDR) Regulations, 2018, as applicable.
Premise of Value	It is Valued on Going-Concern basis.
Basis of Value	Fair Value
Valuation method	Methods as per SEBI (ICDR) Regulations, 2018
Valuation conclusion	The value of the per Share is Rs.8.86 [Rupees Eight and Eighty-Six Paisa Only].

SECTION II - APPOINTMENT FOR DETERMINATION OF VALUE

We refer to our appointment letter dated 24th February 2026 , issued to us from **M/S STEEL EXCHANGE INDIA LIMITED** (CIN: L74100TG1999PLC031191), a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at D.NO:1-65/K/60, Plot No:60 Abhis Hiranya, 1ST Floor, Kavuri Hills, Hyderabad, Telangana, India, 500081 has engaged CA. Machar Rao Meenavalli, Registered Valuer, (Securities or Financial Assets) (hereinafter referred to as "RV" or "we" or "us") for Valuation of "Equity Shares " of the company.

The scope of our services is for Valuation of "fair Value of Equity Shares" for the purpose of management evaluation

Based on the discussion with the management of M/S STEEL EXCHANGE INDIA LIMITED, we have considered the valuation cut-off date as 27-02-2026 ("Valuation Date" or "Valuation Cut-off Date").

THE SCOPE OF OUR WORK

Our scope of work is to determine the total value of the business of **M/S STEEL EXCHANGE INDIA LIMITED**. This assignment has been performed based on our independent evaluation about the earning capacity of the company considering the nature of business, Historical financial statements and Projected Financial Information of the Company and also the market data pertaining to economy, industry and company's business.

During the course of valuation engagement, an examination and analysis is required in respect of several aspects of the Company's activities such as its historical performance, economic and industry analysis, its competitive positioning in the industry, inherent strengths/weaknesses of the business and the opportunities/ threats presented by the environment, calculation and interpretation of results, the industry outlook, forecasts of the operating performance, estimates of the cost of capital, estimates of the present value of cash flows for forecast period and continuing value.

We understand that the results of our assignment will be used by the company only to quote the fair value of its shares. Therefore, it is not our intent or objective that the results of our work be used for any other purpose, other than the one as stated above. The Fair Value arrived at in this report, is defined as the price at which shares would change hands between a Company and a willing investor, neither being under any compulsion to buy or to sell, and both having reasonable knowledge of relevant facts

We have appraised a fully marketable, controlling ownership interest in the assets of the subject business. The appraisal was performed under the premise of value in continued use as a going concern business enterprise. In our opinion this premise of value represents the highest and best use of the subject business assets.

Business Enterprise Value:

The Business Enterprise Value includes furniture, fixtures and equipment, and all intangible assets including business goodwill. It excludes cash, or cash equivalents, accounts receivable, real estate, non-operating assets and all business liabilities. The valuation is subject to the information provided to us as well as the assumptions and financial data which appear in the report.

We have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of this report. We have appraised the subject business in accordance with the General Standards of Professional Appraisal Practice. This business appraisal follows the requirements of a valuation engagement.

SECTION III –ASSESSMENT OF THE COMPANY

Name of the Company	M/S STEEL EXCHANGE INDIA LIMITED.
Status of the Company	Listed
Date of Incorporation	24/02/1999
Registered Office	D.NO:1-65/K/60, Plot No:60 Abhis Hiranya, 1ST Floor, Kavuri Hills, Hyderabad, Telangana, India, 500081
Industry Segment	The Company engaged in the manufacturing of steel products and allied activities.

ABOUT COMPANY

M/S STEEL EXCHANGE INDIA LIMITED, got incorporated on 24/02/1999 And is engaged in the manufacturing of steel products and allied activities under the Companies Act, 2013, bearing CIN: L74100TG1999PLC031191, and registered with the Registrar of Companies, Hyderabad (Telangana).

The company is headquartered at: D.NO:1-65/K/60, Plot No:60 Abhis Hiranya, 1ST Floor, Kavuri Hills, Hyderabad, Telangana, India, 500081

The Company is primarily engaged in the manufacturing of steel products and allied activities at its Integrated Steel Plant located close to Visakhapatnam, Andhra Pradesh.

The promoters of the Vizag Profiles Group come from a background of trading in steel and allied products. In 1999 as part of diversification efforts, the Group ventured into the software sector by incorporating Pyxis Technology Solutions Limited (PTSL). PTSL focused on development of B2B specific online solutions. In December 1999, SEIL was incorporated as a 100% subsidiary of PTSL to start an online steel trading portal, steelexchangeindia.com.

In 2002, the promoters began the backward integration of their steel trading activities with the acquisition of Simhadri Steels Private Limited (SSPL), a sick rolling mill with an installed capacity of 45,000 tons per annum and turned it around.

In 2003, the 100% subsidiary and SSPL were merged with PTSL under the 'Scheme of Amalgamation' and the combined entity was renamed as Steel Exchange India Limited (SEIL).

In 2005, the firm set up a gas-based power plant and ingot manufacturing unit at Kothapeta in East Godavari District, Andhra Pradesh keeping in line with earlier plans for the backward integration with the steel trading activities.

In 2008, the firm became a strategic investor in the revival and rehabilitation of GSAL (India) Limited, a sick company referred to the BIFR. The unit is located in about 400 acres of land located close to Visakhapatnam, Andhra Pradesh. At the time, GSAL (India) Limited owned only a 220,000 MTPA capacity sponge iron unit. After the acquisition, as part of the rehabilitation plan, SEIL set up forward integration units i.e. a 250,000 MTPA capacity SMS billet unit and a 225,000 MTPA capacity rolling mill in 2010 for the captive consumption of sponge iron. In the process SEIL established an Integrated Steel Plant capable of manufacturing finished long products from iron ore.

SEIL floated an SPV, Simhadri Power Limited (SPL), to setup a co-generation power plant with an installed capacity of 60 MW in order to support its power requirement. The power plant was commissioned in 2012. To achieve operational synergy among the group firms and as a part of fiscal consolidation, SEIL and SPL were merged in 2013.

In 2025 the company has increased manufacturing capacities / manufacturing facilities of the firm situated at the Integrated Steel Plant (ISP) of the company close to Visakhapatnam. Currently the ISP has a 220000 MTPA Sponge Iron Unit, 3,62,000 MTPA Steel melt Shop/Billet Unit, 3,57,000 MTPA Rolling Mill and 60 MW Captive Power Plant.

SEIL's ISP has the distinction of being the largest private integrated steel plant in the two Telugu States, Andhra Pradesh & Telangana.

'SIMHADRI TMT' the brand under which the firm's rebars are marketed has a strong recall value among steel consumers. SEIL takes pride in the fact that we are one of the few manufacturers of CRS grade rebars in the country who supply to the Armed Forces of India and projects of National Importance.

Responding to the clarion call of the Prime Minister of India for an 'Atmanirbhar Bharat', SEIL is taking steps to diversify into the production of Specialty Steels by taking advantage of the Production Linked Incentives provided by the Government of India.

DETAILS OF DIRECTORS OF THE COMPANY

S. No	Full name	DIN	Designation	Date of appointment
1	Bandi Satish Kumar	00163676	Managing Director	01.10.2007
2	Bandi Suresh Kumar	00206473	Whole-time director	24.02.1999
3	Bandi Mohit Sai Kumar	07410118	Whole-time director	18.11.2023
4	Siva Sagar Rao Yendamuri	00210188	Independent Director	16.05.2022
5	Veera Brahma Rao Arekapudi	07540040	Independent Director	14.02.2023
6	Subbarao Venkata Munnang	06495576	Independent Director	18.12.2024
7	Bhagyam Ramani	00107097	Independent Director	12.07.2023

8	Raveendra Babu Mannem	BJTPM5881Q	Company Secretary	31.12.2017
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SHAREHOLDING PATTERN

S. No.	Category	No. of Shares held	% Of Holding
A	Promoter & Promoter Group		
1	Indian Promoters		
i.	Bavineni Jyothi Kiran	11279640	0.9
ii.	Veeramachaneni Venkata Krishna Rao	6437360	0.52
iii.	V Rajya Lakshmi	3409080	0.27
iv.	Veeramachaneni Srijan Babu	1148860	0.09
v.	Bandi Jaya Padmavathi	13256460	1.06
vi.	Satish Kumar Bandi	6459440	0.52
vii.	Suresh Kumar Bandi	41140520	3.3
viii.	Bavineni Suresh	24204010	1.94
ix.	Bavineni Lavanya	4911460	0.39
x.	Rajesh Bavineni	7753360	0.62
xi.	Bandi Ramesh Kumar	16014690	1.28
xii.	Sudha B	80000	0.01
xiii.	Bandi Suguna	4331500	0.35
xiv.	Bandi Arunakanti	2179000	0.17
xv.	Vizag Profiles Private Limited	244877520	19.63
xvi.	Umashiv Garments Private Limited	246112650	19.73
2	Foreign Promoters	-	-
	Sub-Total - A	633595550	50.8
S. No.	Category	No. of Shares held	% Of Holding
B	Public Shareholding		
1	Institutions		
a.	Mutual Funds/UTI	35370	-
b.	Venture Capital Funds	-	-
c.	Alternate Investment Funds	32197491	2.58

d.	Foreign Venture Capital Funds	-	-
e.	Foreign Portfolio Investors - Corporate	4980974	0.4
f.	Financial Institutions/Banks	140	-
g.	Insurance Companies	-	-
h.	Provident Funds/Pension Funds/any other	-	-
i.	Foreign Institutional Investors	-	-
j.	Qualified Foreign Investor	-	-
k.	Qualified Foreign Investor - Corporate	-	-
l.	Foreign Bodies Corporate	-	-
m.	Foreign Nationals	-	-
n.	NBFCs Registered with RBI	-	-
o.	Bank Foreign	370	-
	Sub-Total – B (1)	37214345	2.98
S. No	Category	No. of Shares	% Of Total
2	Central Government/State Government(s)	60	-
2.1	Shareholding by Companies or Bodies Corporate where Central/State Government is a promoter	30,93,420	0.25
	Sub-Total – B (2)	30,93,480	0.25
3	Non-Institutions		
a	Individual shareholders holding up to 2 lakh	26,44,38,713	21.2
b	Individual shareholders holding in excess of 2 lakh	10,03,75,672	8.05
c	NBFCs Registered with RBI	-	-
d	Employee Trusts	-	-
e	Overseas Depositories (holding DRs)	-	-
f	Any Other	-	-
g	Body Corporates	18,10,87,141	14.52
h	Clearing Members	690	-

i	Trust	38,10,230	0.31
j	Non-Resident Indians	69,17,849	0.55
k	Foreign Companies	-	-
l	HUF	1,32,96,559	1.07
m	LLP	33,90,313	0.27
	Sub-Total – B (3)	57,33,17,167	45.97
	Total Public Shareholding – B	61,36,24,992	49.2
C	Shares held by Custodians against DRs/FCCBs etc.	-	-
	GRAND TOTAL (A+B+C)	1,24,72,20,542	100

MANAGEMENT TEAM

Mr. Bandi Satish Kumar

Chairman & Managing Director, Non-Independent Executive Director

Mr. Bandi Satish Kumar is responsible for planning, strategic leadership and change management. He has 35+ years of industry experience and has worked in senior roles in white goods/engineering goods manufacturing, oil rigs and transport sectors. He has also handled field level projects in logistics, value chain management and ERP solutions for the engineering and oil sectors. He has extensive experience in project management and international business development. He holds a B. Tech in Mechanical Engineering from the National Institute of Technology, Kurukshetra and an MBA from the University of Queensland, Australia.

Mr. Bandi Kumar Suresh

Joint Managing Director, Non-Independent Executive Director

Mr. Bandi Suresh Kumar is responsible for Sales & Marketing, Raw Material Procurement, Financing and Administration. He has previously worked at the Sirpur Paper Mills Limited before venturing into steel trading. He has more than 20 years of experience in steel industry. He holds a B.E. in Mechanical Engineering from Amravati University, Maharashtra.

Mr. Mohit Sai Kumar Bandi

Whole-Time Director, Non-Independent Executive Director

Mr. Mohit Sai Kumar majorly deals with Raw Material Procurement and Sales & Marketing. He is the mastermind behind the firm's new & innovative marketing strategies. He holds a B.Tech in Metallurgical Engineering and a joint MBA in International Business from GITAM School of International Business & The University of Paris.

Mr. Yendamuri Siva Sagar Rao

Independent Non-Executive Director

Mr. Yendamuri Siva Sagar Rao is a well know veteran of the steel industry with an experience spanning almost 4 decades. He started his career at SAIL's Bokaro Plant and rose his way through the ranks to become the CMD of Vizag Steel Plant (RINL). As CMD of RINL he was responsible for expansion of the plant from a capacity of 3.6 MTPA to 6.3 MTPA. Post his retirement from RINL he served as JMD & CEO of JSW Steel Vijayanagar Works from 2007 to 2009. Mr. Rao is a member of many esteemed institutions & organizations of the Steel Sector. He has also been the recipient of multiple awards such as the Jawaharlal Nehru Award and the Rajiv Ratna National Award. Mr. Rao holds a B.E. Mechanical qualification from JNTU Kakinada, Andhra Pradesh.

Mr. Veera Brahma Rao Arekapudi

Independent Non-Executive Director

Appointed as Member (Technical), National Company Law Tribunal by Appointments Committee of the Cabinet (ACC) of Government of India. Currently posted to NCLT, Hyderabad Bench. Over 30 years of Experience at Senior Executive level in State Bank of India, India's largest Commercial Bank. Worked as CEO at Trust Exchange Company, Doha (Qatar) for more than four years Having Exposure in running a Bank as Director of Utkal Gramya Bank, Orissa (India) and worked as Director of Orissa State Warehousing Corporation and Excellent exposure in Administration of Corporate Centre of SBI and in charge of Bank's owned real estate of more than Rs.30,000 crores, Efficient Project Management skills.

Mrs. Bhagyam Ramani

Independent Non-Executive Director

She started her career with GIC as a Direct Recruit Officer in 1976, working her way through various departments. During her term with GIC Re, she has served on various committees, she was a Trustee on the PF committee of the Tariff Advisory Board, member at the Education Board of Insurance Institute of India, working group on Investment Committee of IRDA, Investment Committee of Agricultural Insurance Company Ltd. and GIC Re and Audit Committee of L&T, NSE, IDBI Trusteeship Ltd., and Agricultural Insurance Company Ltd. to name a few. She represented GIC Re on the boards of Larsen & Toubro Ltd., National Stock Exchange of India, IDBI Trusteeship Services Ltd., Milestone Capital Advisors Ltd., and Agricultural Insurance Company Ltd. She is currently a visiting faculty at the National Insurance Academy, Pune.

Mr. Ram Mohan Nagoji

Nominee Director

Mr. Ram Mohan brings a wealth of experience and a distinguished background in the field of Finance and Accounting. As a Chartered Accountant from ICAI with over 32 years of experience, Mr. Ram Mohan has cultivated expertise across various domains of Finance & Accounts, including Corporate Accounting, Taxation, Internal Audit & Control, Profit Monitoring, Enterprise Risk Management, and Finance Shared Services, among others. Throughout his illustrious career, he has held significant roles at renowned organizations such as Dynamatic Technologies Limited, GMR Infrastructure Ltd & Amara Raja Batteries Limited. Presently, he serves as the Senior Vice President-Finance at Vishwa Samudra Holdings Pvt Ltd

Mr. Subbarao Venkata Munnang

Independent Non-Executive Director

Mr. Subbarao Venkata Munnang is 61 years old residing at Bangalore. He has done his B.Tech (Metallurgy) from NIT Warangal, DIM (Management) from IGNOU, PG Diploma (Marketing) from Annamalai University and MBA (Marketing) from JRN RV University. He was the Chairman-cum-Managing Director of KIOCL Limited, (Schedule A listed PSU Company under Ministry of Steel, Government of India) Bangalore and retired on 30th June, 2021. He has also been associated with NMDC Limited, JSPL Limited, as an advisor for global procurement of bulk minerals, mining, palletisation, arbitration, recruitment etc. He has attended as a speaker in

various National and International Seminars and published Technical Papers on Iron & Steel in several Indian Journals. He has received Best CEO award from world HRD Congress, Udyog Rattan Award from Institute of Economic Studies, distinguished Alumni Award from NIT, Warangal. Best CMD Corporate Management Innovative Excellence Award from GEOMINETECH, outstanding contribution to the Indian Public Sector Industry from Indian Chamber of Commerce. He also played a key role in increasing % of sponge iron (HBI, DRI) in charge mix in EAF, IF, COREX at the initial stages of establishment of DRI Industry in India.

BRIEF PROFILE OF KMP

Mr. Raveendra Babu M

Company secretary and Compliance Officer

Mr. Raveendra Babu M is an accomplished Company Secretary with over 10 years of experience in listed companies, specializing in corporate governance, regulatory compliance, and secretarial practices in accordance with SEBI regulations, the Companies Act, and LODR requirements. He has extensive expertise in managing board and committee meetings, ensuring timely statutory filings, maintaining effective investor relations, and overseeing corporate actions such as Preferential Allotment of Equity shares and rights issues. Mr. Raveendra Babu M has a strong track record of compliance and is highly skilled in liaising with regulatory bodies including SEBI, ROC, NSE, and BSE, contributing significantly to the company's legal and strategic functions.

PURPOSE OF VALUATION

The purpose of this valuation is to determine the fair value and minimum issue price (floor price) of the equity shares of the Company for the proposed issue of securities, in compliance with Section 247 of the Companies Act, 2013 read with applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, including Regulations 164, 165 and 166A, as applicable and for the same the management of the company appointed Registered Valuer to issue the Valuation Report ("the report") for determination of the fair valuation of equity shares of the company as per the internationally accepted valuation principles, as on 27th February 2026 (Relevant Date).

This report has been issued in accordance with section 247 of Companies Act 2013 and Registered Valuer understands that the purpose of this report is to determine the fair value of equity shares of the Company.

The company is looking to assess its fair value of equity shares in accordance with Regulations 164 and/or 165 (as applicable) of the SEBI (Issue of Capital & Disclosure Requirements) (Amendment) Regulations, 2018 ("ICDR") using valuation methodology as provided under the regulation for the Preferential Allotment of Shares.

Since Regulation 164 deals with frequently traded shares and corresponding regulation 165 deals with infrequently traded shares, we have assessed them together based on the circumstances given in this case.

The relevant extract of the regulation 164 and 165 are as under:

As per the requirements of regulation 164 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations 2018, a certificate for the fair value of the equity shares to be taken from an independent valuer and submit the same to the stock exchange where the shares are listed for the shares which are frequently traded.

The Pricing of Frequently Traded Shares:

Regulation 164 (1) 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:

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

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

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

(2) If the equity shares of the issuer have been listed on a recognised stock exchange for a period of less than 90 trading days as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than the higher of the following:

the price at which equity shares were issued by the issuer in its initial public offer or the value per share arrived at in a scheme of compromise, arrangement and amalgamation under sections 230 to 234 the Companies Act, 2013, as applicable, pursuant to which the equity shares of the issuer were listed, as the case may be; or

the average of the volume weighted average prices of the related equity shares quoted on the recognised stock exchange during the period the equity shares have been listed preceding the relevant date; or

the average of the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date

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

(3) Where the price of the equity shares is determined in terms of sub-regulation (2), such price shall be recomputed by the issuer on completion of 90 trading days from the date of listing on a recognised stock exchange with reference to the 90 trading days volume weighted average prices of the related equity shares quoted on the recognised stock exchange during these 90 trading days and if such recomputed price is higher than the price paid on allotment, the difference shall be paid by the allottees to the issuer.

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

(4) a) A preferential issue of specified securities to qualified institutional buyers, not exceeding five in number, shall be made at a price not less than the 10 trading days volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date.

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

b) No allotment shall be made, either directly or indirectly, to any qualified institutional buyer who is a promoter or any person related to the promoters of the issuer.

Provided that a qualified institutional buyer who does not hold any shares in the issuer and who has acquired rights in the capacity of a lender shall not be deemed to be a person related to promoters.

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

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

Explanation: For the purpose of this regulation, 'stock exchange' means any of the recognised stock exchange(s) in which the 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.

Pricing of Infrequently Traded Shares:

Regulation 165. Where the shares of an issuer are not frequently traded, the price determined by the issuer shall take into account the valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies:

Provided that the issuer shall submit a certificate stating that the issuer is in compliance of this regulation, obtained from an independent registered valuer to the stock exchange where the equity shares of the issuer are listed.

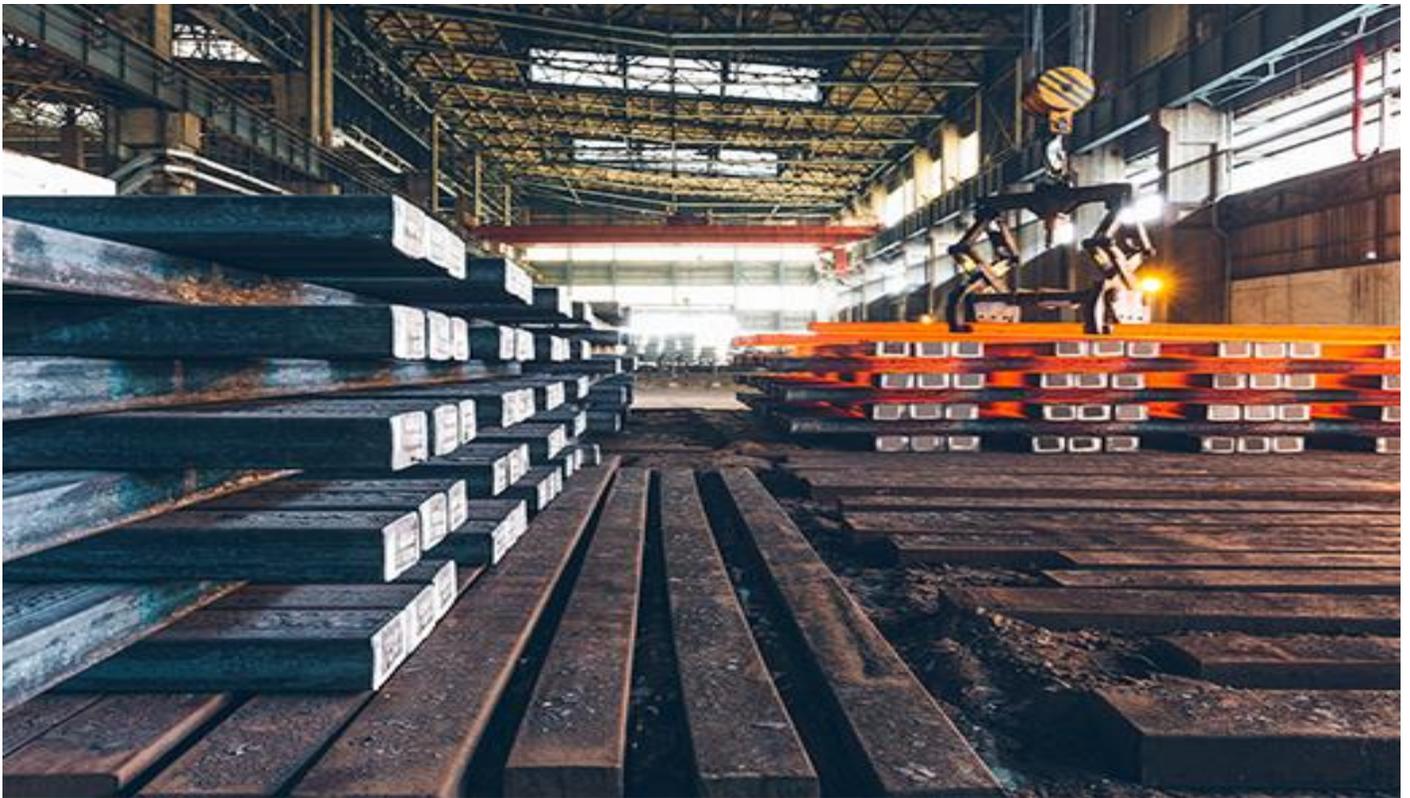
This valuation report is being issued interalia with reference to Regulation 166A of SEBI (ICDR) (Amendment) Regulations 2018 as the proposed allotment will result in allotment of more than five percent (5%) of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert. However, it does not result to change in control of more than five percent (5%) of the post issue fully diluted share capital of the issuer.

The purpose of this report is to express an opinion on the fair value of the equity shares of the Company as of 03rd March,2026 to comply with the valuation requirements under the Companies Act, 2013 and the regulations issued by the SEBI with the respect to issuance of securities.

OUTLOOK AND CHALLENGES

Introduction

One of the primary forces behind industrialization has been the use of metals. Steel has traditionally occupied a top spot among metals. Steel production and consumption are frequently seen as measures of a country's economic development because it is both a raw material and an intermediary product. Therefore, it would not be an exaggeration to argue that the steel sector has always been at the forefront of industrial progress and that it is the foundation of any economy. The Indian steel industry is classified into three categories - major producers, main producers, and secondary producers.



India is the world's second-largest producer of crude steel, with an output of 151.14 MT of crude steel and finished steel production of 145.30 MT in FY25.

India's domestic steel demand is estimated to grow by 9-10% in 2025 as per ICRA.

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

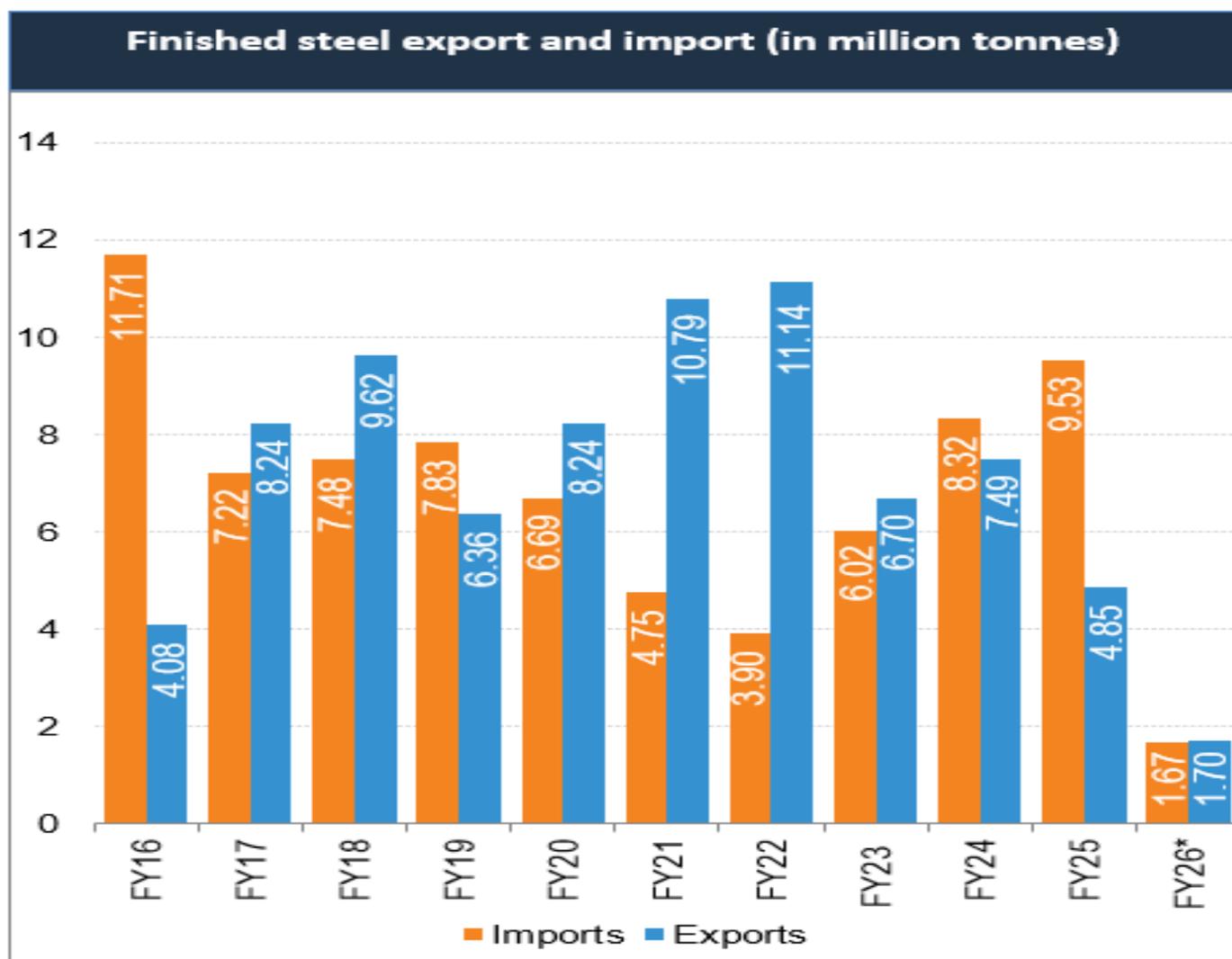
Market Size

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.

In FY26 (April-October 2025), the consumption of finished steel stood at 92.50 MT.

In FY26 (April-October 2025), crude steel production in India stood at 96.08 MT.

In FY26 (April-October 2025), finished steel production stood at 91.98 MT.



Source: Ministry of Steel, *April-July 2025

Share of Secondary steel plants including MSMEs in crude steel capacity in FY25 stood at 47%. India's steel production capacity increased to 200.33 MT in FY25, and the figure is anticipated to rise to 300 MT by FY30.

As of April 2025, India has huge iron ore reserves and can produce 700 MT per year and has the potential to be the second largest producer of iron ore globally.

In FY26 (April-July 2025), the exports and imports of steel stood at 1.7 MT and 1.67 MT, respectively.

In FY25, the exports and imports of steel stood at 4.85 MT and 9.53 MT, respectively.

Top five exported products in FY26 (April-July 2025) were: GP/GC Sheets/Coil, HR Coil/Strip, Pipes, Bars & Rods, CR Coil/Sheets.

As of July 30, 2025, India's green steel demand is forecasted to climb from negligible levels today to 4.49 million tonnes (MT) by FY30, driven by the construction sector,

Investments/ Developments

The steel industry and its associated mining and metallurgy sectors have seen major investments and developments in the recent past.

Between April 2000-June 2025, Indian metallurgical industries attracted FDI inflows of Rs. 1,60,000 crore (US\$ 18.67 billion).

Some of the major investments in the Indian steel industry are as follows:

On March 28, 2025, AM/NS India has secured 890 hectares of land in Rajayyapeta, Anakapalli district, Andhra Pradesh for a new integrated steel mill with planned capacity of about 7 MTPA of crude steel, expanding beyond its Hazira operations to meet rising domestic demand.

On July 7, 2025, Tata Steel signed a Memorandum of Understanding with Australia's InQuik Group to bring modular bridge construction technology to India, using prefabricated steel formwork filled with concrete on site to enable faster, cost-effective, climate resilient and scalable bridge infrastructure, especially useful in remote regions.

As of August 2025, JSW Steel and Japan's JFE Steel are planning to jointly invest Rs. 5,845 crore (US\$ 682 million) to expand capacity for cold-rolled grain-oriented electrical steel (CRGO) to 3,50,000 tonnes per annum by FY28 by scaling up the Nashik plant from 50,000 to 2,50,000

TPA and increasing the Vijayanagar unit's capacity to 1,00,000 TPA.

On August 18, 2025, JSW Steel and South Korea's POSCO signed a non-binding Heads of Agreement to explore setting up a 6 MTPA integrated steel plant in India via a 50:50 joint venture with Odisha among the key locations under consideration. Feasibility studies, resource availability and investment terms yet to be finalised.

Under the second round of the Production Linked Incentive scheme (PLI) for specialty steel, 25 companies committed Rs. 17,000 crore (US\$ 1.98 billion) to produce high-end steel domestically, aiming to reduce imports and boost self-reliance. The scheme targets five key steel product categories with applications across various industries like automobiles and transformers.

India and Japan held the third Steel Dialogue on Feb 4, 2025, in New Delhi, discussing economic trends, steel trade, and industry developments. India highlighted policy initiatives, green steel efforts, and investment opportunities for Japan.

In February 2025, during the Bengal Global Business Summit, about 50% of the Rs. 26,000 crore (US\$ 3.02 billion) investment proposals received by Jharkhand government in Kolkata pertain to the steel sector.

In February 2025, JSW Group announced a Rs. 1,00,000 crore (US\$ 11.60 billion) investment to set up a 25 MT steel plant in Maharashtra's Gadchiroli district over seven to eight years. The project, expected to be the world's largest and most eco-friendly, will drive economic growth and job creation in Vidarbha.

In February 2024, The JSW Group is set to build a steel plant in Jagatsinghpur, Odisha, with an investment of US\$ 7.8 billion (Rs. 65,000 crore). The plant will have a production capacity of 13.2 million tons of steel per year and is expected to create 30,000 jobs.

In February 2024, JSW Steel plans to establish a joint venture with Japan's JFE Steel Corporation in a 50:50 partnership to invest US\$ 661.9 million (Rs. 5,500 crore) in setting up a plant in Karnataka.

In January 2024, according to Mr. Lakshmi Mittal, Gujarat will host the world's largest steel manufacturing site by 2029 at the Vibrant Gujarat Summit.

Government Initiatives

Some of the other recent Government initiatives in this sector are as follows:

In November 2025, India's Ministry of Steel launched the third round of the PLI Scheme for Specialty Steel (PLI 1.2) to attract new investment in advanced steel products with incentives of 4% to 15% on incremental sales and broaden high-end steel capacity to support domestic manufacturing and global competitiveness.

Indian government plans to reduce imports by 50% in FY26 to become net exporter of steel in the near future. The Directorate General of Trade Remedies (DGTR) has recommended a 12% provisional safeguard to protect domestic players from surge in imports and potentially increasing their profitability. This development could potentially lead to a decrease in imports and increase market competitiveness.

Up to December 2024, RINL dispatched about 1,400 MT of steel to Northeast projects, including National Highways Authority of India (NHAI) and National Highways and Infrastructure Development Corporation Limited (NHIDCL). Plans are in progress to set up a two-tier steel distribution network in Guwahati.

Union Minister Mr. H. D. Kumaraswamy launched Steel Import Monitoring System 2.0 (SIMS 2.0) on July 25, 2024. SIMS 2.0 improves data transparency, quality control, and integration with government portals to support steel sector growth and better import management.

The Union Ministry of Steel launched PLI Scheme 1.1 on January 6, 2025, with a Rs. 6,322 crore (US\$ 733.40 million) outlay to boost specialty steel production and attract investments. Covering five key product categories, the scheme eases norms to reduce imports, enhance domestic manufacturing, and improve energy efficiency, with applications open until January 2025.

In February 2024, the government has implemented various measures to promote self-reliance in the steel industry.

In July 2021, the Union Cabinet approved the production-linked incentive (PLI) scheme for specialty steel. The scheme is expected to attract investment worth ~Rs. 400 billion (US\$ 5.37 billion) and expand specialty steel capacity by 25 million tonnes (MT), to 42 MT in FY27, from 18 MT in FY21.

Under the Union Budget 2023-24, the government allocated Rs. 70.15 crore (US\$ 8.6 million) to the Ministry of Steel.

In addition, an investment of Rs. 75,000 crore (US\$ 9.15 billion) (including Rs. 15,000 crore (US\$ 1.83 billion) from private sources) has been allocated for 100 critical transport infrastructure projects for last and first mile connectivity for various sectors such as ports, coal, and steel.

The Union Cabinet, Government of India approved the National Steel Policy (NSP) 2017, as it intends to create a globally competitive steel industry in India. NSP 2017 envisage 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030-31.

The Ministry of Steel is facilitating the setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs. 200 crore (US\$ 30 million).

The Government of India raised import duty on most steel items twice, each time by 2.5% and imposed measures including anti-dumping and safeguard duties on iron and steel items.

Road Ahead

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.

The National Steel Policy, 2017 envisage 300 million tonnes of production capacity by FY31. The per-capita consumption of steel stood at 100 kgs in FY26 (April-August 2025) and the National Steel Policy aims to increase it to 160 kgs by FY31. While, in FY23, per capita consumption of steel in rural India was estimated to be between 21.3 kg per annum.



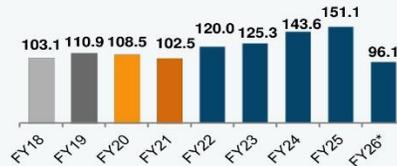
Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

STEEL

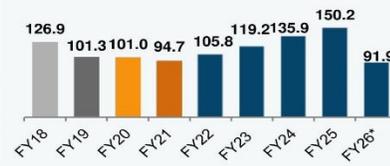


MARKET SIZE

Total Crude Steel Production (million tonnes)



Consumption of finished steel (million tonnes)



Note: * - Until October 2025



SECTOR COMPOSITION



KEY TRENDS

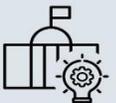
Per-capita Consumption of Steel (in Kgs)



Finished Steel Export (million tonnes)



Note: F - Forecasted, * - Till August 2025



GOVERNMENT INITIATIVES



Steel Research and Technology Mission of India (SRTMI)



Production-Linked Incentive (PLI) Scheme



National Steel Policy 2017



ADVANTAGE INDIA

- **Robust demand:** In FY26 (April-October 2025), finished steel production stood at 91.98 MT. India's domestic steel demand is estimated to grow by 9-10% in FY25 as per ICRA.
- **Competitive advantage:** As of April 2025, India has huge iron ore reserves and can produce 700 MT per year and has the potential to be the second largest producer of iron ore globally. Easy availability of low-cost manpower and presence of abundant iron ore reserves make India competitive in the global set up. India is home to fifth-highest reserves of iron ore in the world.
- **Policy support:** In February 2024, the government has implemented various measures to promote self-reliance in the steel industry. Union Budget 2025-26 allocated Rs. 3,362 crore (US\$ 390.00 million) for the Ministry of Steel.
- **Increasing investments:** On July 31, 2025, Steel Authority of India Limited (SAIL) has approved a Rs. 7,500 crore (US\$ 875 million) capex for FY26, marking a 25% increase over the previous year, to expand capacity across its integrated plants, aiming to scale up to 35 MT per annum by 2030. To achieve steel capacity build-up of 300 MT per annum by 2030, India would need to invest US\$ 156.08 billion by 2030-31.

PEST ANALYSIS

PEST analysis of any industry investigates the important factors that affect the industry and influence the companies operating in the sector. PEST stands for Political, Economic, Social and Technological analysis. The PEST Analysis is a tool to analyze the forces that drive the industry and how those factors can influence the industry.

Political Factors

- Budget allocation
- Public-Private Partnership

Economic Factors

Growing Economy: Indian economy has registered a growth of around 7 per cent for last five years. The government major concern is to fight against the slowdown of the economy growth rate, and has accepted to increase the spending in software.

Social Factors

There is no doubt that the society is continually changing. The tastes and fashions are a great example of this change. One of the most significant differences is the growing popularity of social media.

Social and economic factors include factors such as income, education, employment, community safety and social support. The choices that are available in a community are impacted by social and economic factors. These choices include our abilities to afford medical care and housing and to manage stress.

ECONSTRUCTION AND FORECASTS

Accurate estimation of business value depends upon the subject business financial performance. While historical financials are important, business value relies upon the ability of the business to continue producing desired economic benefits for its owners. Many closely held companies are managed to minimize taxable income.

To determine the business value accurately, the company's historic financial statements, such as its Income Statements and Balance Sheets, generally require certain adjustments. The summary of the most recent annual historic Income Statements and the appropriate adjustments are summarized in the table.

SECTION IV– VALUATION BASIS & PREMISE OF VALUE

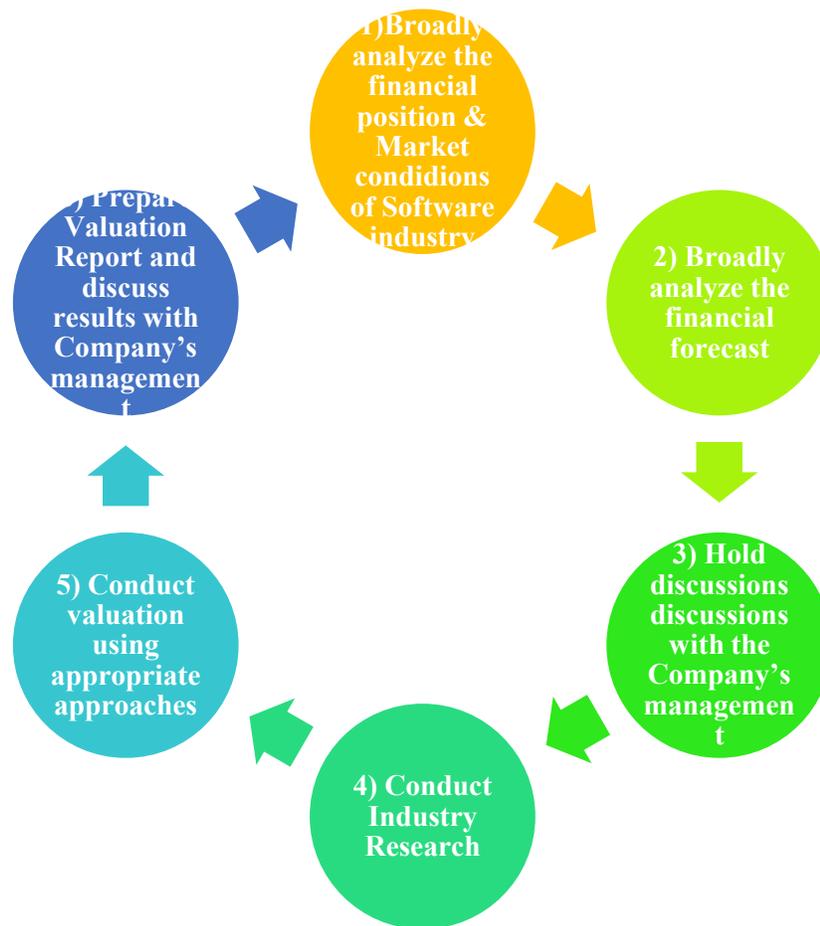
VALUATION BASIS

The standard of value used for determination of value is the Fair Value. For this purpose, the fair value as defined for accounting purposes is considered. Indian Valuation Standard 102, Fair value measurement defines fair value as ***"Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date"***.

PREMISE OF VALUE

The Company is valued on a "value in use" or going-concern premise. This premise assumes that the Company is going concern value is the value of a business enterprise that is expected to continue to operate in the future.

SECTION V - VALUATION APPROACH



There are several commonly used and accepted methods for determining the value of the Business of a Company, which one can apply in the present valuation exercise, to the extent relevant and applicable, Such as:

Cost Approach

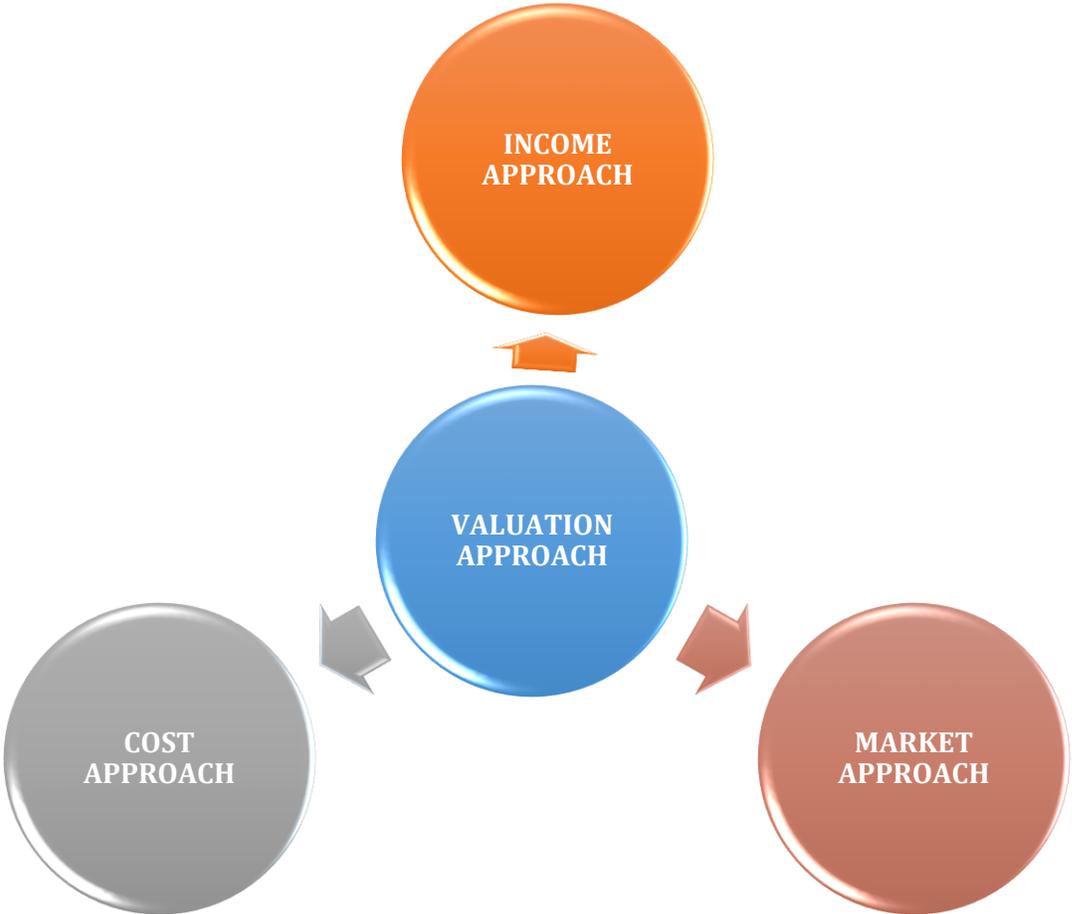
- Replacement Cost Method
- Reproduction Cost Method
- Summation Method

Market Approach

- Comparable Companies Multiples Method (CCM)
- Comparable Transactions Multiples Method (CTM)

Income Approach

- Discounted Cash Flow Method (DCF)



SECTION VI - VALUATION METHODOLOGY

METHODS	RELEVANCE
Comparable Companies Multiples Method (CCM)	<ul style="list-style-type: none"> ❖ Applying derived valuation multiples of comparable listed companies to the maintainable earnings of the subject company. ❖ Difficulty in finding listed exactly comparable companies – causes subjectivity ❖ Generally past profits would be a reliable indicator for determining maintainable profits. The COMPANY is planning to increase demand in near future. Considering the same, one will have to entirely rely on the forecasts to determine the maintainable profits. In such circumstances, we have considered it appropriate to apply DCF as a primary method of valuation as it takes in to account the principle of time value of money and the management approved forecast, Hence, <i>we have not applied this method.</i>
Comparable Transactions Multiples method (CTM)	<ul style="list-style-type: none"> ❖ Applying derived transaction multiples of comparable transactions to the maintainable earnings of the company business. ❖ We have performed a search for suitable comparable transactions for valuing the equity shares of the COMPANY under this method. Based on our search we could not find the recent transaction with relevant size and nature; Hence, we could not apply this method.

INCOME APPROACH - DISCOUNTED CASH FLOW METHOD (DCF)

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalized) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts

The following are some of the instances where a *Valuer* may apply the income approach:

- (a) Where the asset does not have any market comparable or comparable transaction;
- (b) Where the asset has fewer relevant market comparable; or
- (c) Where ***the asset is an income producing asset for which the future cash flows are available and can reasonably be projected***

The income approach *should* be applied and afforded *significant weight* under the following circumstances:

(a) The income-producing ability of the *asset* is the critical element affecting value from a *participant* perspective, and/or

(b) ***Reasonable projections of the amount and timing of future income are available for the subject asset***, but there are few, if any, relevant market comparables.

The management has provided us the projected financial statements for future years. We have considered that; it is to be prudent and reasonable to adopt Discounted Cash Flow (DCF) Method under Income Approach for ascertaining the indicative value of the business as the asset.

The valuation has been carried out based on the future financial projections for 5 years as provided by the company. Although while arriving at the final equity value per share the same has been given 20% weight because DCF relies heavily on the accuracy and reliability of the cash flow projections, which can be uncertain and subjective.

MARKET APPROACH

Under this approach the trade price from the active market is to be considered for valuation. As per ICAI Valuation Standard - 103, the market where the trading volume is the highest when such shares are traded in more than one active market is to be considered. As the equity shares of the company are listed on BSE and NSE both. We have considered period of 10 days prior to the valuation date for determining the volume weighted average market price.

Since the no. of shares are traded on NSE is more than BSE during last 10 days, we have taken the NSE trading data and calculated the fair value.

As the Company's equity shares are listed the market and are frequently traded, thereby ensuring availability of observable traded price amongst willing buyer and willing sellers in the principal market (in this case NSE), we have used this method of valuation and allocated 60% of weightage to it.

ASSET BASED APPROACH

Under this approach, the book value / replaceable value / realizable value of the underlying assets of the company is determined to arrive at the value of the business, depending on the facts and circumstances applicable to a company.

Usually under the asset based approach, the methods that maybe applied are Net Book Value Method, Net Replaceable Value and Net Realizable Value.

This method has been used for the calculation of NAV based on the limited review financials as on 31st Dec 2025. Although while arriving at the final equity value per share the same has been given 20% weight, because historical performance may not showcase the actual value of the company.

SECTION VII - METHOD OF VALUATION ADOPTED

The valuation exercise is normally performed on the basis of the widely accepted valuation methods, taking into account information available, market data, market place acceptance and growth in market are considered to be the good indicators of the Company's likely future operating earnings.

We have applied following weights on the equity value arrived by the below methods to get the fair value of the equity shares of the company:

S.No	Parameters	Weight
1.	Income Method (DCF Method)	20%
2.	Market Price Method	60%
3.	NAV Method	20%

For the purpose of the valuation

- We have reviewed the following documents:
 - ✓ Financial Statements including provisional.
 - ✓ Projected financial information of the company and evaluated assumptions of the Projections and their reasonability.
- Information, explanation and documents provided by the Management personnel and executives.
- Performed analysis on the relevant segment in which the company operates.

Discounted cash flow method:

The DCF 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 valuation under the DCF method depends upon the projections of the future cash flows and the selection of the appropriate discount factor.

The DCF methodology is considered to be the most appropriate basis for determining the future earning capability of a business.

Calculation of value under the DCF method involves estimation of future cash flows from the total projects undertaken by the company till their completion and discounting those cash flows using appropriate discounting factor.

$$\text{Value of the Business} = \sum_{t=1}^{t=n} \frac{\text{Expected cash flow}}{(1+r)^t} + \frac{\text{Terminal value}}{(1+r)^n}$$

ESTIMATION OF FREE CASH FLOWS

As indicated above, the future economic benefit, on which financial analysts and business values most frequently focus, is "Net free cash flow", which is defined as follows:

	Net income	XXXX
<i>Add:</i>	Non-cash charges	XXXX
<i>Less:</i>	Non – operating Income	XXXX
<i>Less:</i>	Expenditure incurred on / for capital projects / capital purposes	XXXX
<i>Add/Less:</i>	Changes in working capital	XXXX
<i>Add/Less:</i>	Changes in the balance of Long-term debt	XXXX
	Net cash inflow / (outflow) available	XXXX

In the light of the above, we developed an indication of the value based on a forecast of the entities net cash flows. This forecast is made to reflect the probable net cash flows for the next five years.

ESTIMATION OF CONTINUATION VALUE

Under the going concern premise the cash flows are expected to be derived by the business company beyond explicit period and will grow at constant rate forever. Based on the this premise the terminal (continuation) value of the business can be estimated

Loans from Holding company and loan from director has been considered as quasi capital and the same has not deducted for valuation of enterprise. As the Cash balance on valuation date is in line with requirement of business needs and operations as explained by the management, the same has not been considered.

GROWTH RATE (G) FOR TERMINAL PERIOD

While estimating the terminal value, the estimated growth rate of the business shall be reduced from the cost of capital (K_e). This is required because of the fact that the future growth will offset the risk involved the cash flows. We have considered a moderate growth rate of 5% for terminal period.

SECTION VIII - VALUATION OF BUSINESS

We have performed the Valuation of business of **M/S STEEL EXCHANGE INDIA LIMITED** by adopting the following procedure

- Obtained the Financials of the Company.
- Performed analysis of the reasonability of the projected financial statement for ensuring the reliability of its earning capacity.
- After validating the revenue and cost projections as stated above, we have carried out the valuation of the equity share under various methods including the Weighted Average of Discounted Cash Flow (DCF) Method, the Market Value Method, and the Net Asset Value (NAV) Methods subject to regulation 164 read with regulation 166(A) of SEBI(ICDR) Regulations, 2018.

- On the basis of above analysis, the fair value / minimum issue price (floor price) of the Company's equity shares for the purpose of issue of securities is INR **8.86 (Rupees Eight and Eighty-Six Paise Only)** per equity share of face value INR 1/- each. The detailed computation are provided in Annexures I, II and III to this Report.

m. machar rao



(CA. Machar Rao Meenavalli)

Registered Valuer – Securities or Financial Assets

Reg. No: IBBI/RV/06/2019/11580

Place: Hyderabad

Date: 03-03-2026.

SECTION IX – DISCLAIMER

This Valuation Report has been issued on the specific request. In the course of forming our opinion we have relied upon the financials and other documents, which have been provided to us by the managements of the Company. We do not assume any responsibility for the accuracy or reliability of such documents on which we have relied up on in forming our opinion.

Although every effort has been made by us to verify and corroborate each document and to ensure that no inaccurate or misleading data, information or statement appears in this document, we wish to make it clear that the information and data appearing herein are the responsibility of the contributors. Accordingly, we do not accept any responsibility what so ever for the consequences of any such inaccurate or misleading information or data, or statement. We are not liable for any direct, indirect, incidental, consequential or punitive damages arising out of information through anyone’s access to this document or use of the information and statements contained herein.

The valuation of the business is based on various assumptions relating to the operations of its businesses. Any change in these assumptions could have an impact on its valuation. We have not made an appraisal or independent valuation of any of the assets or liabilities of the Company and have not conducted an audit or due diligence. We have no present or prospective/contemplated financial or other interest in the business or property that is the subject of this report, and I have no personal financial or other interest or bias with respect to the property or the parties involved. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

We specifically disclaim any and all liability arising from any of the contents of this Report of ours, including but not limited to, reliance placed by any person on any content of this report.

m. machar Rao



(CA. Machar Rao Meenavalli)

Registered Valuer - Securities or Financial Assets

Reg. No: IBBI/RV/06/2019/11580

Place: Hyderabad

Date: 03-03-2026

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

The primary assumptions and limiting conditions pertaining to the value estimate conclusion(s) stated in the detailed Valuation report are summarized below. Other assumptions are cited elsewhere in the report.

- 1) The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation i.e., 27-02-2026
- 2) The valuation report date is 03-03-2026.
- 3) The valuation of the business is based on various assumptions made by Company relating to the operations of its businesses. Any change in these assumptions could have an impact on its valuation.
- 4) Our compensation for completing this assignment is fee-based and is not contingent upon the development or reporting of a predetermined or direction in those favors the cause of the client, the outcome of the valuation, the amount of the opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 5) We have performed a valuation engagement and present our detailed report in conformity with the SEBI (ICDR) Regulations, "Valuation Standards Board" (VSB) issued by the Institute of Chartered Accountants of India (ICAI) and also as per International Valuation Standards. VSB sets out that the objective of a valuation engagement is "to express an unambiguous opinion as to the of a business, business ownership interest, security or intangible asset which opinion is supported by all procedures that the appraiser deems to be relevant to the valuation." Also according to the Standard in a valuation engagement the valuer can apply valuation approaches or methods deemed in the analyst's professional judgment to be appropriate under the circumstances. In a valuation engagement the conclusion is expressed as either a single amount or a range.

- 6) We have not made an appraisal or independent valuation of any of the assets or liabilities of the Company and have not conducted an audit or due diligence.
- 7) Financial statements and other related information provided by or their representatives, in the course of this engagement, have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. We have not audited, reviewed, or compiled the financial information provided to us and accordingly, we express no audit opinion or any other form of assurance on this information.
- 8) We have considered the provisional / Projections of financials submitted by management, there may be unforeseen impact on future operations of this business, which may impact our valuation.
- 9) Public information and industry and statistical information have been obtained from sources we believe to be reliable. However, we make no representation as to the accuracy or completeness of such information and have performed no procedures to corroborate the information.
- 10) We do not provide assurance on the achievability of the results forecasted by Company because events and circumstances frequently do not occur as expected, differences between actual and expected results may be material, and achievement of the forecasted results is dependent on actions, plans, and strategies of management.
- 11) The conclusion of value arrived at in the valuation report is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.
- 12) The valuation report and the conclusion of value arrived at therein are for the exclusive use of our client for the sole and specific purposes as noted therein. They may not be used for any other purpose or by any other party for any purpose. Furthermore, the valuation report and conclusion of value are not intended by the author and should not be construed by the reader to be investment advice in any manner what so ever.

The conclusion of value represents the considered opinion of us based on information furnished to us by the company.

- 13) Future services regarding the subject matter of this report, including but not limited to testimony or attendance in court, shall not be required of, Chartered Accountants unless previous arrangements have been made in writing.
- 14) The prospective financial information approved by management has been used in our work; we have not examined or compiled the prospective financial information and therefore do not express an audit opinion or any other form of assurance on the prospective financial information or the related assumptions. Events and circumstances frequently do not occur as expected and there will usually be differences between prospective financial information and actual results, and those differences may be material.
- 15) We have conducted interviews with the current managements of company concerning the past, present, and prospective operating results of the Company in the process of validation of information and assumptions made in respect of the financial information provided to us.
- 16) Except as noted, we have relied on the representations of the owners, management and other third parties concerning the value and useful condition of all equipment, real estate, investments used in the business, and any other assets including intangibles or liabilities, except as specifically stated to the contrary in this report. We have not attempted to confirm whether all assets of the business are free and clear of liens and encumbrances or that the company has good title to all assets.
- 17) The approaches and methodologies used in our work did not comprise an examination in accordance with generally accepted accounting principles, the objective of which is an expression of an opinion regarding the fair presentation of financial statements or other financial information, whether historical or prospective, presented in accordance with generally accepted accounting principles. We express no opinion and accept no responsibility for the accuracy and completeness of the financial information or other data provided to us by others. We assume that the financial and other information provided to

us is accurate and complete, and we have relied on this information in performing our valuation.

- 18) The valuation may not be used in conjunction with any other consideration or study. The value conclusions stated in the valuation report are based on the program of utilization described in the report and may not be separated into parts. The report was prepared solely for the purpose, function, and party so identified in the report.
- 19) Unless otherwise stated in the report, the valuation of the business has not considered or incorporated the potential economic gain or loss resulting from contingent assets, liabilities, or events existing as of the valuation date.
- 20) During the course of the valuation, we have considered information provided by Company's managements and other parties. We believe these sources to be reliable, but no further responsibility is assumed for their accuracy.
- 21) Any projections of future events described in this report represent the general expectancy concerning such events as on the valuation date. These future events may or may not occur as anticipated, and actual operating results may vary from those described in our report.
- 22) We have no responsibility or obligation to update this report for events or circumstances occurring subsequent to the date of this report.
- 23) Our valuation judgment, shown herein, pertains only to the subject business the stated value Approach (fair market value), at the stated valuation date, and only for the stated valuation purpose.
- 24) The various estimates of values presented in this report apply to the valuation report only and may not be used out of the context presented herein.
- 25) Our report will not be used for financing or included in a private placement or other public documents and may not be relied upon by any third parties.
- 26) We have not conducted any examination in respect of technical feasibility of the projects and intellectual products owned by the Company.

- 27) The report assumes all required licenses, certificates of occupancy, consents, or legislative or administrative authority from any local, state, or national government or private company or organization have been or can be obtained or reviewed for any use on which the opinion contained in the report is based.
- 28) I (We) have no financial interest or contemplated financial interest in the companies that are the subject of this report.

m. machar Rao



(CA. Machar Rao Meenavalli)

Registered Valuer – Securities or Financial Assets

Reg. No: IBBI/RV/06/2019/11580

Place: Hyderabad

Date: 03-03-2026.

Annexure- I: DCF Method of Valuation - Calculation of Discounted Cash Flow

Particulars (INR in Crores)		2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
EBITDA		130.27	167.92	164.08	162.53	156.83	160.54
Less:							
Depreciation		30.08	29.90	27.12	26.80	27.00	27.20
Tax		4.43	19.63	13.54	16.30	13.90	16.93
PAT		30.98	45.30	76.75	98.62	92.93	109.88
Add:							
depreciation		30.08	29.90	27.12	26.80	27.00	27.20
Investments		-	-	-	-	-	-
Increase/(decrease) in share capital		-	-	-	-	-	-
(increase)/decrease in Fixed asset purchased		(20.00)	4.05	5.92	6.38	2.50	(5.00)
Increase/(decrease) in Borrowings		191.49	(191.49)	-	-	-	-
(Increase)/decrease in current assets		(2.12)	(129.77)	(182.52)	(79.29)	(127.70)	(128.51)
Increase/(decrease) in current Liabilities		(5.26)	123.51	(185.28)	(54.30)	1.68	1.65
Free cash flow		225.17	(118.50)	(258.01)	(1.80)	(3.59)	5.23
Ke	13.86%	0.8783	0.7713	0.6774	0.5950	0.5225	0.4589
Discounted cash flows		197.76	(91.41)	(174.78)	(1.07)	(1.88)	2.40
PV of discounted cash flows	(68.98)						
PAT as on 2030-31	109.88						
Terminal growth rate	5%						
PAT for perpetuity	115.38						
Working capital	6.92						
Capital Expenditure	8.08						
Net cashflow for Perpetuity	100.38						
Capitalised value of Perpetuity	1132.71						
Discounting factor	0.4589						
Present value of perpetuity	519.82						
Enterprise value	450.84						
Add: Cash	13.05						
Equity Value	464						
No. of equity shares paid up	1,24,72,20,542						
Value per Share	3.72						
Value per share after 10% discount for being unlisted	3.30						

Annexure- II: Market Price Method

Volume weighted average price (VWAP) of the equity shares of **M/s.Steel Exchange India Limited** quoted on the NSE during the last 10 trading days preceding the Relevant Date:

DAY	DATE	VWAP	VOLUME
1	26-Feb -26	8.17	3059757
2	25-Feb-26	7.81	1103139
3	24-Feb-26	7.72	740610
4	23-Feb-26	7.76	867376
5	20-Feb-26	7.7	751854
6	19-Feb-26	7.77	637090
7	18-Feb-26	7.83	980710
8	17-Feb-26	7.9	340946
9	16-Feb-26	7.92	422258
10	13-Feb-26	7.9	872390

Calculation of Pricing

Period	VWAP (INR)
10 Trading Days	7.92

Annexure- III: NAV Method

STEEL EXCHANGE INDIA LIMITED	
VALUATION AS PER NET ASSET VALUE METHOD	
Particulars	Amount (In INR Crores)
Non Current Assets	
Fixed Assets	
Plant, Property and Equipment	993
Intangible Assets	
Capital Work in Progress	4
Intangibles under Development	
Long Term loans and advances	-
Deferred tax Assets	30
Other noncurrent investments	42
Total (A)	1,069
Current Assets	
Inventories	357
Trade Receivables	236
Cash & Cash Equivalents	19
Short term loans & advances	-
Other Financial Assets	74
Other Current Assets	22
Total (B)	708
Total Assets C = (A+B)	1,777
Less: Current Liabilities	
Short Term borrowings	75
Trade Payables	182

Other Financials Liabilities	23
Other Current Liabilities	44
Provisions	-
Total (D)	325
Less: Non-Current Liabilities	
Long-Term Borrowings	281
Other Financial Liabilities	19
Other Non-Current Liabilities	3
Provisions	-
Total (E)	303
Total Liabilities (F=D+E)	628
Net Assets (G=C-F)	1,150
Less: Minority Interest	-
Net Assets Attributable to equity shareholders(G)	1,150
No. of Equity Shares	125
NAV Per Share	9.22

Valuation Conclusion and Computation of The Fair Value of the Company:

In accordance with the applicable provisions of the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, including Regulation 166A, and the applicable IBBI Valuation Standards, we have considered multiple valuation approaches to determine the Fair Value of the equity shares of the Company.

1. Market Approach (Market Price Method)

The Market Price Method reflects the prevailing traded price of the equity shares on the recognized stock exchange and represents observable market data based on actual transactions between willing buyers and willing sellers. Given that the Company is listed and its shares are actively traded, this method captures current market sentiment, liquidity considerations, and publicly available information.

Accordingly, a weight of 60% has been assigned to the Market Price Method.

2. Income Approach (Discounted Cash Flow Method)

Under the Income Approach, the value of the Company is derived based on the present value of projected future cash flows discounted at an appropriate rate reflecting the time value of money and risk factors.

However, this method is significantly dependent upon management projections and forward-looking assumptions, which involve inherent uncertainties and are subject to business, economic, and regulatory risks. Considering the estimation sensitivity and reliance on projected performance, a weight of 20% has been assigned to this approach.

3. Asset Approach (Net Asset Value Method)

The Net Asset Value (NAV) Method is based on the book value of the Company's underlying assets and liabilities as per the financial statements, subject to appropriate adjustments, if any.

While this method provides a measure of underlying asset backing, it may not fully capture the Company's earning capacity, intangible assets, growth potential, or market positioning. Accordingly, a weight of 20% has been assigned to this method

The final Equity Value Per Share is calculated as follows:

Equity Share Based on Weighted Average of Methods

S. No.	Valuation Method	Value Per Equity Share	Weights	Value Per Equity Share
1	DCF Valuation	3.72	20%	0.74
2	Market Price	7.92	60%	4.75
3	NAV	9.22	20%	1.84
	Fair Value per Equity Share			7.33

In light of the above and on consideration of all relevant factors and circumstances as discussed and outlined here in above in this report, we recommend the following fair value of the equity shares for the company for the proposed issue of securities, as per the provisions of SEBI (ICDR) Regulations, 2018:

S. No.	Particulars	Value Per Share
1	The 90 trading days' volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date	8.86
2	The 10 trading days' volume weighted average price of the related equity shares quoted on a recognised stock exchange preceding the relevant date	7.92
3	The valuation has been arrived at based on the Weighted Average Value (WAV) of all three methods (DCF, MV & NAV) (Refer Annexures – I, II & III)	7.33
	Floor price for issue of Securities (Higher of 1, 2, and 3 above)	8.86

Conclusion:

Accordingly, in compliance with Regulation 164(1) read with Regulation 166A of the SEBI (ICDR) Regulations, 2018, the floor price for the proposed issue of Securities shall be the higher of the prices determined above, i.e., INR 8.86 per equity share.

Calculation of minimum issue price as per prescribed under Chapter V of SEBI ICDR Regulations

As per the SEBI (ICDR) Regulations, 2018 (amended time to time), the pricing rules for frequently traded and infrequently traded equity shares have been clearly defined. Based on the trading data available, we observed that the Company's equity shares recorded a trading turnover of approximately 48.68% (i.e.60,71,65,517 shares out of 124,72,20,542 total equity shares) during the 240 trading days preceding the valuation date.

Accordingly, since the trading turnover exceeds 10% of the total number of outstanding equity shares, the Company's shares are classified as frequently traded shares under the SEBI (ICDR) Regulations. Hence, the pricing methodology prescribed under Regulation 164 for frequently traded shares has been applied for determining the issue price.

Trading Days	No. of Shares
240 Trading Days	60,71,65,517
No. of Equity Shares	124,72,20,542
% of Equity Shares	48.68%

Volume weighted average price (VWAP) - 90 Trading Days preceding Relevant Date (NSE):

DAY	DATE	VWAP	VOLUME	DAY	DATE	VWAP	VOLUME
1	26-Feb-26	8.17	3059757	46	23-Dec-25	9.28	10038934
2	25-Feb-26	7.81	1103139	47	22-Dec-25	8.32	2956787
3	24-Feb-26	7.72	740610	48	19-Dec-25	7.86	1195757
4	23-Feb-26	7.76	867376	49	18-Dec-25	7.88	1260612
5	20-Feb-26	7.7	751854	50	17-Dec-25	8.03	1104723
6	19-Feb-26	7.77	637090	51	16-Dec-25	8.07	580302
7	18-Feb-26	7.83	980710	52	15-Dec-25	8.16	678751
8	17-Feb-26	7.9	340946	53	12-Dec-25	8.16	893809
9	16-Feb-26	7.92	422258	54	11-Dec-25	8.09	1247418
10	13-Feb-26	7.9	872390	55	10-Dec-25	8.27	1020882
11	12-Feb-26	8.03	496720	56	09-Dec-25	8.25	772846
12	11-Feb-26	8.11	523408	57	08-Dec-25	8.39	905003
13	10-Feb-26	8.13	695247	58	05-Dec-25	8.53	1100702
14	09-Feb-26	8.08	932947	59	04-Dec-25	8.63	607230
15	06-Feb-26	7.96	431388	60	03-Dec-25	8.7	521757
16	05-Feb-26	8.02	588807	61	02-Dec-25	8.81	540730
17	04-Feb-26	8.07	750093	62	01-Dec-25	8.86	621149
18	03-Feb-26	8.07	775950	63	28-Nov-25	8.8	371255
19	02-Feb-26	7.94	440346	64	27-Nov-25	8.81	725909
20	01-Feb-26	8.09	764463	65	26-Nov-25	8.75	584146
21	30-Jan-26	8.03	663520	66	25-Nov-25	8.75	925993
22	29-Jan-26	7.96	1226494	67	24-Nov-25	8.88	1917201
23	28-Jan-26	7.83	1105690	68	21-Nov-25	8.79	1120360
24	27-Jan-26	7.8	1193823	69	20-Nov-25	9.02	835855
25	23-Jan-26	7.99	917215	70	19-Nov-25	8.79	1265357
26	22-Jan-26	8.13	687082	71	18-Nov-25	8.75	1468338

27	21-Jan-26	8.07	963262	72	17-Nov-25	8.89	1672554
28	20-Jan-26	8.21	979081	73	14-Nov-25	9.02	875151
29	19-Jan-26	8.47	516680	74	13-Nov-25	9.09	1886737
30	16-Jan-26	8.64	629425	75	12-Nov-25	9.04	3408356
31	14-Jan-26	8.67	381460	76	11-Nov-25	8.93	1623084
32	13-Jan-26	8.77	686309	77	10-Nov-25	9.04	1544122
33	12-Jan-26	8.57	834744	78	07-Nov-25	9.08	2155989
34	09-Jan-26	8.79	799641	79	06-Nov-25	9.27	1513019
35	08-Jan-26	8.97	910618	80	04-Nov-25	9.4	2095964
36	07-Jan-26	9.03	563461	81	03-Nov-25	9.59	2247935
37	06-Jan-26	9.04	1062240	82	31-Oct-25	9.76	999407
38	05-Jan-26	9.22	1091610	83	30-Oct-25	9.88	940857
39	02-Jan-26	9.43	1421696	84	29-Oct-25	9.93	1253576
40	01-Jan-26	9.6	949199	85	28-Oct-25	9.88	1141908
41	31-Dec-25	9.54	2219648	86	27-Oct-25	9.94	1479470
42	30-Dec-25	9.16	1971795	87	24-Oct-25	10	1228644
43	29-Dec-25	9.63	1975196	88	23-Oct-25	10.05	1673837
44	26-Dec-25	9.65	2150069	89	21-Oct-25	10.2	611093
45	24-Dec-25	9.53	3858111	90	20-Oct-25	10	1103149

Volume weighted average price (VWAP) - 10 Trading Days preceding Relevant Date (NSE):

DAY	DATE	VWAP	VOLUME
1	26-Feb -26	8.17	3059757
2	25-Feb-26	7.81	1103139
3	24-Feb-26	7.72	740610
4	23-Feb-26	7.76	867376
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6	19-Feb-26	7.77	637090
7	18-Feb-26	7.83	980710
8	17-Feb-26	7.9	340946
9	16-Feb-26	7.92	422258
10	13-Feb-26	7.9	872390

Period	VWAP (INR)
90 Trading Days	8.86
10 Trading Days	7.92