

SHARE EXCHANGE RATIO REPORT

FOR AMALGAMATION OF MACKEIL ISPAT & FORGING LTD.

WITH

CHANDI STEEL INDUSTRIES LTD.

AS ON 31-03-2025



Conducted By

Resolute Valuers & Consultants Private Limited

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Date of Report: 18th December, 2025

ABBREVIATIONS

Abbreviation	Full Form
CR	Current Ratio
CSIL	Chandi Steel Industries Ltd.
DCF	Discounted Cash Flow
DIN	Director Identification Number
DOI	Date of Incorporation
EBIT	Earnings Before Interest & Tax
EBIDTA	Earnings Before Interest, Depreciation & Amortization and Tax
ECR	External Credit Rating
FCFE	Free Cash Flow to Equity
FCFF	Free Cash Flow to Firm
FY	Financial Year
GOI	Government of India
GST	Goods and Service Tax
LTD	Long Term Debt
MIFL	Mackeill Ispat & Forging Ltd
NAV	Net Asset Value
NCLT	National Company Law Tribunal
PAT	Profit After Tax
PBT	Profit Before Tax
ROI	Rate of Interest
SLM	Straight Line Method
ST	Short Term
TNW	Tangible Net Worth
TOL	Total Outside Liability
UAD	Unabsorbed Depreciation
WACC	Weighted Average Cost of Capital



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Chapter 1: EXECUTIVE SUMMARY

1. IMPORTANT NOTICE & ABOUT THE ASSIGNMENT

This Report provides for the fair valuation of the equity shares of Chandi Steel Industries Ltd (“CSIL” or “**the Transferee Company**”), Mackeil Ispat & Forging Ltd (“MIFL” or “**the Transferor Company**”) and recommendation of fair share exchange ratio for the proposed amalgamation of MIFL with CSIL (“CSIL” & “MIFL” shall be collectively referred to as “**the Companies**”).

This Report contains proprietary and strictly confidential information, which has been prepared by Resolute Valuers & Consultants Private Limited (RVCPL) under a specific mandate received from CSIL vide mandate letter dated 4th December 2025.

2. BACKGROUND

We, Resolute Valuers & Consultants Private Limited (“RVCPL”), have been given to understand that CSIL & MIFL is contemplating a corporate restructuring wherein MIFL is proposing to amalgamate itself into and with CSIL. (“CSIL” & “MIFL” shall be collectively referred to as “**the Companies**”).

Pursuant to Proposed Amalgamation, CSIL shall issue its equity shares of face value of INR 10 each to the equity shareholders of MIFL holding equity shares of MIFL of Face value of INR 10 each.

We, RVCPL, under a mandate letter dated 4th December, 2025, has been appointed for the fair valuation of the equity shares of CSIL, MIFL and recommendation of fair equity share exchange ratio for the Proposed Amalgamation as on 31st March 2025 (“**Valuation Date**”) and are pleased to forward herewith our valuation report for the same.

Our analysis is based on the financial projections, historical financial data, documents and information provided to us by the Management of CSIL and MIFL as well as information available in public domain.



3. VALUATION SUMMARY

The basis of the amalgamation of MIFL with CSIL would have to be determined after taking into consideration all the factors and methods mentioned herein. Though different values have been arrived at under each of the above methods, for the purposes of recommending the fair share exchange ratio of equity shares it is necessary to arrive at a final value for each of the Companies' shares. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of the Companies, but at their relative values to facilitate the determination of the fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approaches / method.

The fair exchange ratio has been arrived at on the basis of a relative equity valuation of the Companies based on the various approaches / methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations

Summary of the **valuation** of CSIL & MIFL determined under different valuation methodologies is as under:

Method	CSIL			MIFL		
	Weight	Equity Value	Value / share	Weight	Equity Value	Value /share
Income Approach DCF Method	50%	Rs 374.30 Cr	118.43	100%	Rs 11.11 Cr	88.91
Market Approach CCM Method	50%	Rs 356.94 Cr	112.94	-	-	-
Relative Value	100%		115.68	100%		88.91
Exchange Ratio						0.77

On the basis of the foregoing, in our opinion, value of each equity shares of CSIL & MIFL as on 31st March 2025 is **INR 115.68** and **INR 88.91** respectively.

Hence, in light of the above we recommend **Share Exchange Ratio of 77:100**. Therefore, based on our recommendation equity shareholders of MIFL shall receive 77 equity shares of INR 10 each of CSIL for every 100 equity shares of MIFL of INR 10 each.

The share exchange ratio has been determined based on the valuation as at 31st March 2025. We have been provided with the audited financial statements of CSIL & MIFL for 6 months ended 30th September 2025. Management has represented that there have been no material changes in the assets, liabilities or business operations of CSIL & MIFL from 30th September 2025 up to the date of this Valuation Report. Based on the audited financial statements of CSIL & MIFL for H1 FY 2025-26 and aforesaid management representations, no material changes or deviation in the share exchange ratio determined as at 31st March 2025 is expected as on 30th September 2025 or up to the date of this Valuation Report.



4. SOURCE OF INFORMATION

- For the purpose of this valuation exercise, we have received & relied upon the following sources of information:
 - ✓ Audited Annual Accounts of CSIL and MIFL for FY 2023-24 and FY 2024-25;
 - ✓ Management Certified Financial Projection of CSIL & MIFL from FY 2025-26 to FY 2029-30 with all relevant financial assumptions, as made available to us;
 - ✓ Shareholding Pattern of the Companies as on 31st March 2025 and revised shareholding pattern of CSIL post delisting;
 - ✓ Audited Financial Statements of CSIL and MIFL for 6 months ended 30th Sept 2025.
 - ✓ Management Certified Scheme of Amalgamation for the proposed restructuring;
 - ✓ Brief Overview of the Companies and their past & current operations;
 - ✓ Management Representation Letters dated 6th December 2025 containing various data, documents and information relating to the Companies, which is relevant for the present valuation;
 - ✓ Other information provided, as well as discussions held with, the Management and other key personnel of the Companies regarding past, current & future business operations;
 - ✓ Published & secondary sources of data, whether or not made available by the Companies; & such other necessary information as considered relevant.

- In addition to reviewing the information provided, we held various discussions with the management and other key personnel of the Companies from time to time regarding their past, current, and future business operations. We also obtained the necessary explanations and clarifications related to the data provided, whether orally, in writing, or in digital form.

- For this exercise, we analyzed general market data, including economic, governmental, environmental, and industry-related factors that may influence the equity valuation of CSIL and MIFL.

- Furthermore, we relied on published and secondary sources of information, whether or not supplied directly by the Companies. We have not independently verified the accuracy or timeliness of such information.

- The management of CSIL and MIFL was given the opportunity to review the draft Report to confirm the accuracy of the facts and statements contained herein.





Chapter 3: COMPANY OVERVIEW

5. COMPANY OVERVIEW

CHANDI STEEL INDUSTRIES LIMITED:

OVERVIEW

Chandi Steel Industries Limited (CSIL) having registered office at 3, Bentinck Street, PS Hare Street NA Kolkata WB 700001 India. Incorporated on 9th September 1978, CSIL is now the emerging as one of global leader for manufacturing of Cathode Collector Bar, Anode Bar, Copper Inserted Cathode Bar Assembly, Anode Stub and Grinding Media Rod for the aluminium, mineral and mining industry. CSIL got delisted from Calcutta Stock Exchange w.e.f. 3rd December 2025.

The Plant has extensive machining facilities backed with fully equipped modern equipment and in-house testing facilities which have been created confidence and ability for manufacturing various sophisticated grades of steel conforming to national and international standards.

CSIL is a leading manufacturer of forging and engineering quality alloy and non-alloy steel Rounds, Flats and Squares and has the exclusive ability to manufacture various sophisticated grades of steel conforming to national and international standards.

FACILITIES

Heavy Rounds and Flats in various Carbon, Mild and Alloy Steel grades are manufactured in its factory situated in Liluah, Howrah, West Bengal.

The plant consists of Steel rolling Mills having an installed capacity of 60,000 TPA, Billet preheating furnace of capacity 10 TPH backed with producer gas plant a modern energy and advance technology which provides better quality heating of billets.

The plant is equipped with extensive machining facilities which includes CNC Machine, DHD Machine WMW palno miller, Drill machine Shaper, Lathe, Hydraulic straightening, Milling, Plano miller etc.

The facility is supported by well-equipped and modern tool room, Standard room, Metallurgical lab, Designing and process facilities and modern testing equipment which have been created confidence and ability for manufacturing various sophisticated grades of steel conforming to national & international standards.



KEY PRODUCTS

CSIL's some of the key products are herein detailed below:

1. Cathode Bar (Copper Cored/Split)

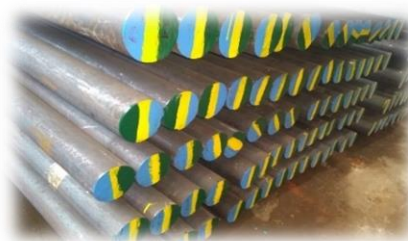
The Hall-Heroult process, the industrial method for the smelting of primary aluminum, involves passing a large electric current through a molten mixture of cryolite, alumina and aluminum fluoride to obtain liquid aluminum metal. An electric current, at an amperage of up to 600 kA, is passed through the bath.



Once passed through the bath, the electrical current flows into the molten aluminum and is then collected by the bottom of the pot, usually called "cathode".

2. Grinding Media Rod

CSIL produces a wide range of Grinding Media Rods from the superior quality of raw materials produced in their plant located at Liluah, Howrah, West Bengal. The Grinding Rods can be customized according to customers specific requirements. CSIL's Grinding Rods are mainly used for metallurgical, mineral and mining plant.



The Grinding rod manufacture is developed by using a unique process resulting with hardness profiles that have a high surface hardness and a lower hardness core. The higher hardness reduces the mill consumption significantly.

DIRECTORS/SIGNATORIES

#	DIN/PAN	Name	Designation	Category	Date of Appointment
1	*****9662D	Tushar Kanti Sarkar	CFO	-	24/05/2016
2	06449312	Susanta Sarkar	Whole-time director	Professional	19/11/2012
3	07603642	Sumit Kumar Rakshit	Director	Independent	01/09/2016
4	07022106	Harsh Jajodia	Whole-time director	Promoter	01/07/2022
5	*****8231C	Seema Chowdhury	Company Secretary	-	17/12/2014
6	10760154	Sudeb Saha	Director	Independent	03/09/2024
7	07158355	Swati Agarwal	Director	Independent	01/08/2024



CAPITAL STRUCTURE as on 31st March 2025

Particulars	Amount in ₹
Authorized capital	
3,70,00,000 Equity Shares of 10/- each	37,00,00,000
Issued, Subscribed & Paid-up Capital	
3,16,05,000 Equity Shares of 10/- each	31,60,50,000

SHAREHOLDING PATTERN as on 31st March 2025

Category	No of Shares held	% age
Promoter & Promoter Group (A)	2,16,77,562	68.59%
- Sangeeta Jajodia	45,44,651	14.38%
- Gaurav Jajodia	39,99,292	12.65%
- Aashish Jajodia	37,99,328	12.02%
- Kanchan Jajodia	30,72,183	9.72%
- Rajiv Jajodia	26,38,493	8.35%
- Devendra Prasad Jajodia	23,37,248	7.40%
- Shashi Devi Jajodia	12,82,890	4.06%
- Jai Salasar Balaji Industries Pvt. Ltd	2077	0.01%
- Shri Keshrinandan Trade Pvt. Ltd	1400	0.00%
Public (B)	99,27,438	31.41%
TOTAL (A+B)	3,16,05,000	100%

We understand that CSIL got delisted from Calcutta Stock Exchange w.e.f. 3rd December 2025 and shareholding pattern of CSIL post delisting is as under:

SHAREHOLDING PATTERN as on 3rd December 2025

Category	No of Shares held	% age
Promoter & Promoter Group (A)	3,05,11,414	96.54%
- Sangeeta Jajodia	45,44,651	14.38%
- Aditya Jajodia	44,16,926	13.98%
- Gaurav Jajodia	39,99,292	12.65%
- Shashi Devi Jajodia	36,20,138	11.45%
- Kanchan Jajodia	30,72,183	9.72%
- Aashish Jajodia	37,99,328	12.02%
- Rajiv Jajodia	26,38,493	8.38%
- Vedang Jajodia	22,08,463	6.99%
- Varun Jajodia	21,98,463	6.96%
- Jai Salasar Balaji Industries Pvt. Ltd	2077	0.01%
- Shri Keshrinandan Trade Pvt. Ltd	1400	0.00%
Public (B)	10,93,586	3.46%
TOTAL (A+B)	3,16,05,000	100%

PAST FINANCIAL PERFORMANCE OF CSIL

₹ in Cr

Particulars	FY20	FY21	FY22	FY23	FY 24	FY25
Op. Revenue	239.04	229.86	431.81	494.26	568.47	542.22
<i>YoY Growth</i>	-1.04%	-3.84%	87.86%	14.46%	15.01%	-4.62%
Op. EBITDA	18.05	13.87	35.43	59.56	86.82	52.61
<i>Op. EBIDTA margin</i>	7.55%	6.03%	8.20%	12.05%	15.27%	9.70%
Total EBIDTA	20.20	14.31	35.96	61.93	89.35	55.98
<i>Total EBIDTA margin</i>	8.37%	6.21%	8.32%	12.47%	15.72%	10.32%
PBT	11.67	6.71	26.75	53.83	79.36	44.84
PAT	8.82	5.11	19.93	40.04	59.23	32.81

Comments on Past Financials

Turnover

CSIL achieved a peak operating revenue of ~Rs. 568 Cr in FY 24 & ~Rs. 542 Cr in FY 25. CSIL revenue has seen a significant increase in revenue on account of increase in demand and production of CSIL and increase in steel prices in FY 24. The sales dipped by ~5% in FY 25 due to lower demand.

EBITDA

CSIL has achieved a highest ever operating EBIDTA of ~Rs. 87 Cr in 2023-24 and an EBITDA margin of 15.25%. The Op. EBITDA dipped to Rs. 53 Cr and an EBITDA margin of 9.70% in FY 25 due to lower demand and spike in raw material costs. CSIL is confident of achieving the similar margins in the projected period on account of increased production quantity and continued demand for non-alloy products manufactured and marketed by CSIL.

PAT

CSIL is a profit-making entity with significant increase in PAT.

Net Worth

CSIL is a profit-making entity with positive book Net worth of Rs. 177 Cr as on 31st March 2025.

Borrowings

CSIL has reduced its debt from Rs. 56 Crs as on 31st March 2019 to Rs. 21 Crs as on 31st March 2023 to Rs. 2 Cr as on 31st March 2025. CSIL is net zero debt company as on 31st March 2025.



MACKEIL ISPAT & FORGING LIMITED:

OVERVIEW

Mackeil Ispat & Forging Limited (“**MIFL**”) (CIN: U27109WB2005PLC104575) having registered office at Siddha Weston, 2nd Floor, Room No. 203, 9 Weston Street Kolkata WB 700013 India, is a subsidiary of OCL Iron and Steel Ltd, with 80.75% shareholding as on 31st March 2025.

Incorporated on 4th August 2005, the manufacturing unit of MIFL was commissioned in the year 2008-09 and COD achieved in 2009. Due to various factors, the erstwhile promoters could not run the unit and suffered a huge loss during the financial year 2016-17, 2017-18 and 2018-19 which continues in the year 2019-20 also. As a result, it could not serve its debt obligation and other financial commitments. For recovery of dues, the case was referred to NCLT for Corporate Insolvency Resolution Process by the then Lenders.

As per the provision of IBC, the Committee of Creditor has approved the Resolution Plan of M/s Samriddhi Metals Private Limited (“**SMPL**”), Part of Kolkata Based SM Group with 100% voting for acquisition of MIFL by SMPL. Further, approval of Hon’ble NCLT was also received vide its order dated 21st September 2021.

Erstwhile holding company M/s Samriddhi Metals Pvt Ltd. has been amalgamated with OCL Iron and Steels Ltd, vide NCLT order dated 31-01-2024.

MIFL is presently engaged in the manufacture of Forged Items.

Presently, the plant is operating at 15-18% capacity.

FACILITIES

The company is having installed capacity of 36,000 MT/year with following facility:

- Most Modern Machining Facility.
- Comprehensive Heat Treatment Facility.
- Sophisticated Metallurgical Laboratory & Inspection Facilities.



The plant is situated on 20.40 acres of free hold land located at Bamunara Industrial Estate, Durgapur, Paschim Burdwan West Bengal – 713212.

MIFL has one of the biggest Open Die Forging Units in the country and Biggest in Eastern India.



KEY PRODUCTS

Key Product profile of MIFL is herein listed below:



Flange Shaft For Oil & Gas



Single Eccentric Crank Shaft



Turbine Drive Unit



High Pressure Valve Body



Tube Sheet OD-maximum



Forged nozzle



Nozzle for Oil & Gas



High Pressure Valve Body



High Pressure Valve Body



Christmas Tree valve Body



Ring OD-3200 mm maximum/ID



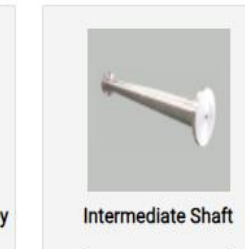
Gear Blank OD-3200 mm maximum/ID



Weld neck Flange OD-3200 mm maximum/ID



Main Shaft for Wind Energy



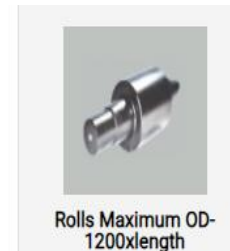
Intermediate Shaft



Rudder Stock



Propeller Shaft



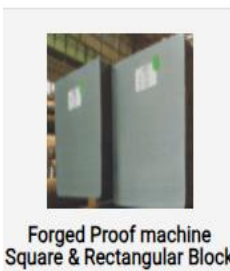
Rolls Maximum OD-1200xlength



Forged Proof machine Stepped Shaft



Forged Proof machine Shaft



Forged Proof machine Square & Rectangular Block



Oil & Gas



Trunion for nuclear power plant



Gear & Pinion Shaft



Nozzle for Oil & Gas



DIRECTORS/SIGNATORIES

Sr. No	DIN/PAN	Name	Designation	Category	Date of Appointment
1	01845017	Bipin Agarwal	Director	-	21/09/2021
2	02991308	Indranil Ghosh	Director	Professional	21/09/2021
3	06586643	Anshul Chamaria	Director	Promoter	11/04/2022
4	06546108	Deep Chand Lamba	Director	Professional	21/09/2021
5	10926179	Ankit Kumar Sharma	Director	Independent	10/04/2025
6	10943607	Subham Tantia	Director	Independent	10/04/2025
7	10877681	Debkumar Som	Whole-time director	Professional	19/12/2024

CAPITAL STRUCTURE as on 31st March 2025

Particulars	Amount in ₹
Authorized capital	
2,00,00,000 Equity Shares of 10/- each	20,00,00,000
Issued, Subscribed & Paid-up Capital	
12,50,000 Equity Shares of 10/- each	1,25,00,000

SHAREHOLDING PATTERN as on 31st March 2025

Category	Nos	No of Shares held	% age
Promoter & Promoter Group			
- OCL Iron and Steel Limited	1	10,09,400	80.75%
- Anshul Chamaria	1	2,40,000	19.19%
- Vibhor Das Mundhra	1	100	0.01%
- Sarvottam Das Mundhra	1	100	0.01%
- Naina Mundhra	1	100	0.01%
- Vibhor Leasing & Credit Pvt. Ltd.	1	100	0.01%
- Shree N M Traders & Investments Pvt. Ltd.	1	100	0.01%
- Vibhor Constructions Pvt. Ltd.	1	100	0.01%
TOTAL	8	12,50,000	100%



PAST FINANCIAL PERFORMANCE OF MIFL

₹ in Cr

Particulars	FY20	FY21	FY22	FY23	FY 24	FY25
Op. Revenue	8.84	1.78	4.57	61.58	76.68	51.65
<i>YoY Growth</i>	-23%	-80%	157%	1247%	24.52%	-32.64%
Op. EBITDA	-2.67	-2.19	-6.24	-8.39	-0.99	-5.62
<i>Op. EBIDTA margin</i>	-30.18%	-122.9%	-136.5%	-13.63%	-1.29%	-10.88%
Total EBIDTA	-2.47	-2.04	-6.08	-8.05	0.07	-4.83
<i>Total EBIDTA % age</i>	-27.32%	-106.34%	-132.89%	-13.48%	0.09%	-9.35%
PBT	-19.06	-15.23	-11.64	-20.87	(11.61)	(15.49)
PAT	-21.05	-16.76	-11.64	-20.87	(11.61)	(15.49)

Comments on Past Financials

Turnover

MIFL was acquired by Samriddhi Metals Pvt under a Corporate Insolvency Resolution Process of IBC, and hence MIFL experienced a turnaround in FY 21-22 achieved an operating revenue of ~Rs. 62 Crs in FY 22-23 with 20% capacity utilization. Revenue Peaked in FY 24 with a revenue of Rs 76 Cr, however the same dipped to Rs. 52 Cr in FY 25 owing to lower order book value.

EBITDA

MIFL has been experiencing negative EBITDA since last 6 years. After acquisition, in 2021-22 the company has posted a net loss of Rs.11.63 crore. In 2022-23, the company also incurred losses of Rs.20.87 crore. After almost break-even performance in FY 24, MIFL again reported a negative Op. EBITDA of -11% in FY 25

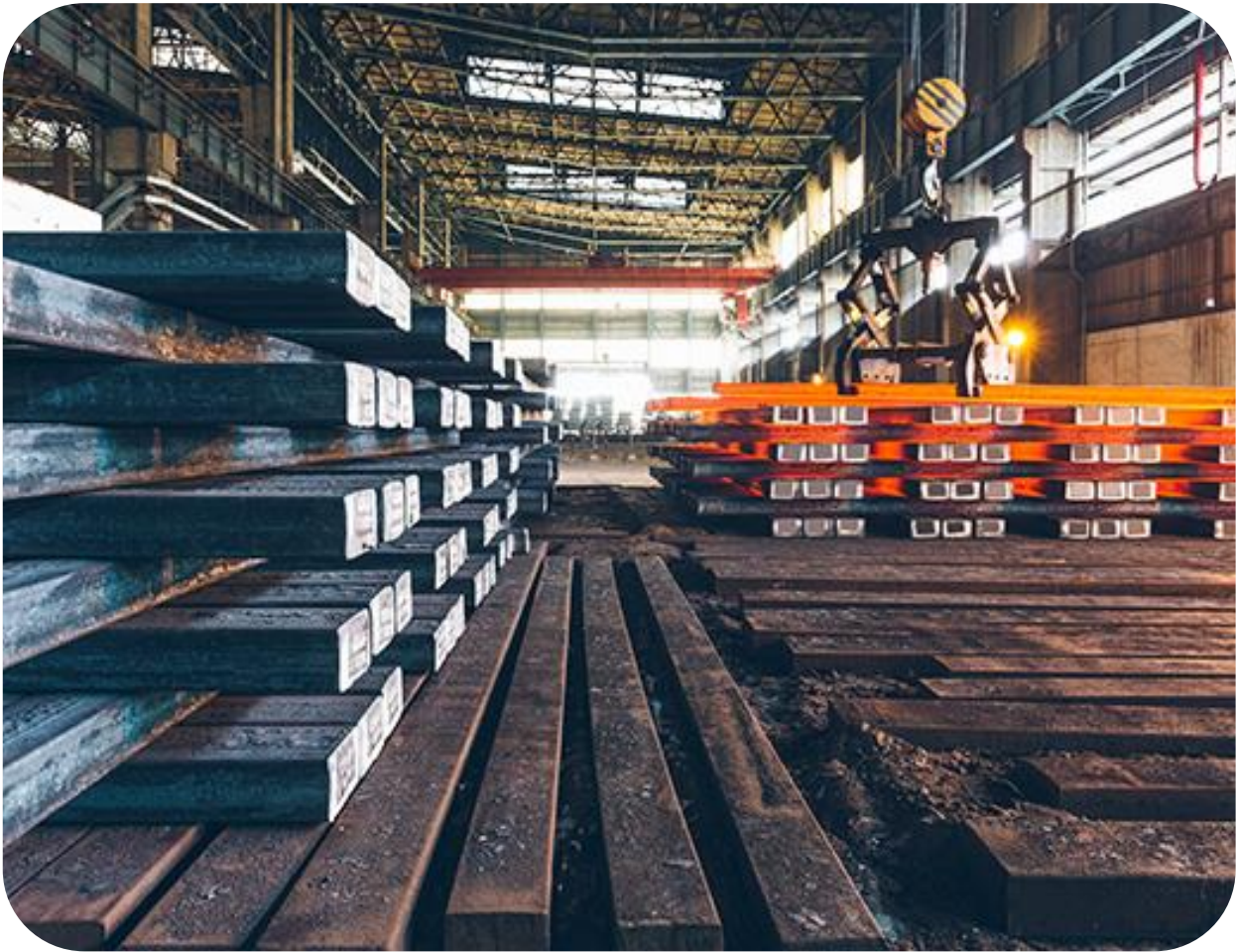
Net Worth

MIFL is a loss-making entity with negative book Net worth of Rs. 19.99 Cr as on 31st March 2025.

Borrowings

As on 31 March 2025, MIFL has an unsecured loan of ₹51.90 crore from its holding company and ₹3.50 crore from other body corporates.





INDUSTRY SCENARIO – STEEL INDUSTRY

6. INDIAN STEEL INDUSTRY OVERVIEW

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-July 2025), the consumption of finished steel stood at 51.45 MT.

In FY25, the consumption of finished steel stood at 150.23 MT.

In FY26 (April-July 2025), finished steel production stood at 51.46 MT.

In FY26 (April-July 2025), crude steel production in India stood at 54.19 MT.

Share of Secondary steel plants including MSMEs in crude steel capacity in FY25 stood at 47%.

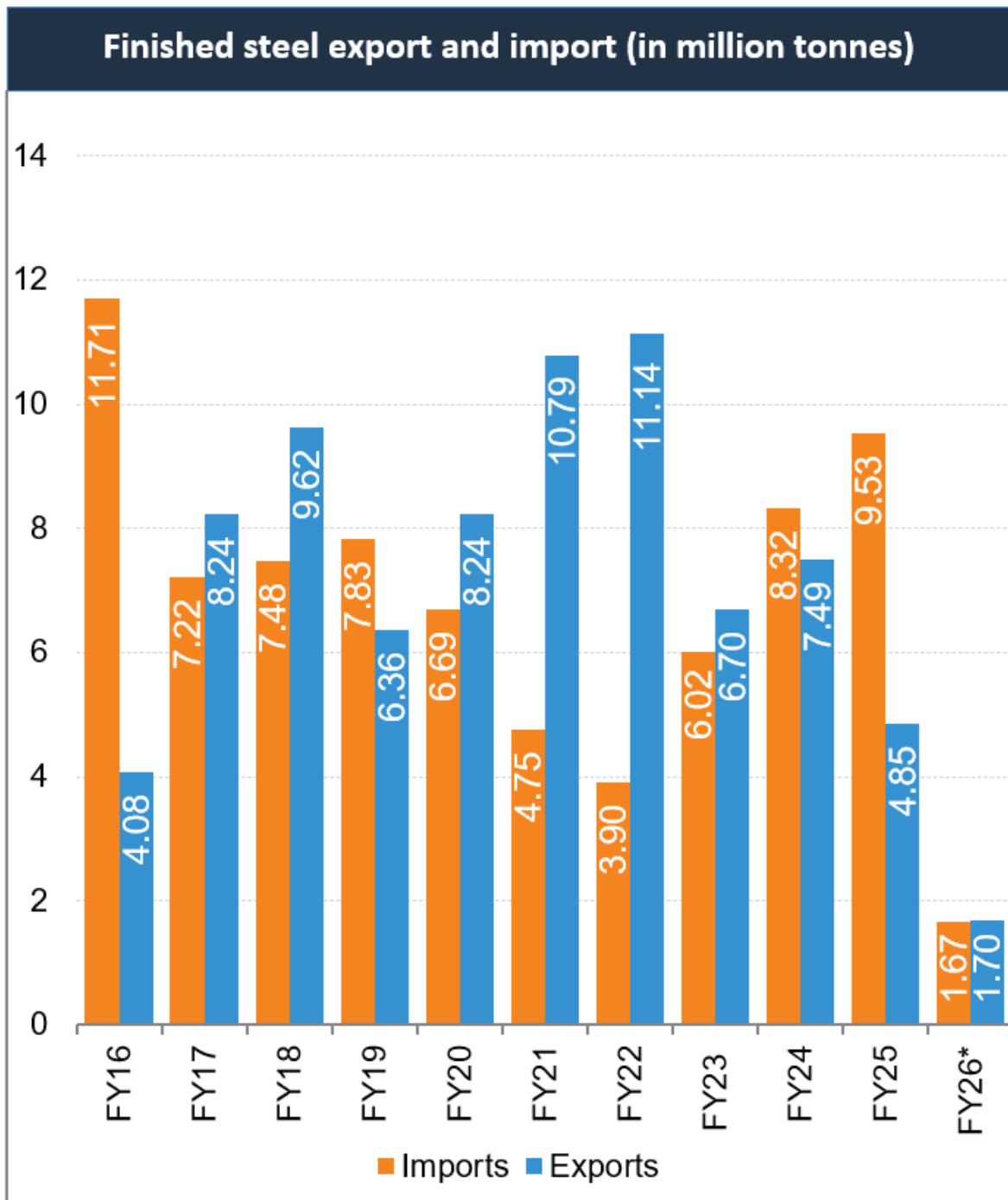
India's steel production capacity increased to 200.33 MT in FY25, and the figure is anticipated to rise to 300 MT by FY30.

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.



Source: Ministry of Steel, *April-July 2025

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, infrastructure and automobiles with projections rising to 24 MT by FY35, 73 MT by FY40 and peaking at 179 MT by FY50.



ADVANTAGE INDIA

ROBUST DEMAND

- In FY26 (April-July 2025), finished steel production stood at 51.46 MT.
- India's domestic steel demand is estimated to grow by 9-10% in 2025 as per ICRA.



INCREASING INVESTMENTS

- 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.
- On July 31, 2025, 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.



POLICY SUPPORT

- In February 2024, The government has implemented various measures to promote self-reliance in the steel industry.
- Under the Union Budget 2023-24, the government allocated Rs. 70.15 crore (US\$ 8.6 million) to the Ministry of Steel.



COMPETITIVE ADVANTAGE

- In FY26 (April-July 2025), crude steel production in India stood at 54.19 MT.
- Easy availability of low-cost manpower and presence of abundant iron ore reserves make India competitive in the global set up.
- 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.



Category	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25*
Pig Iron	5.42	4.88	6.26	5.86	7.36	8.299
Sponge Iron	37.10	34.38	39.20	43.62	51.56	50.81**
Total Finished Steel	102.62	96.20	113.60	123.20	139.15	145.31

Source: Joint Plant Committee; *Provisional, **For April-February 2025

During last five years, India was a net exporter of total finished steel in all the years barring only 2023-24 and 2024-25 when it turned net importer.

Item	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25*
Export	8355	10784	13494	6716	7487	4858
Imports	6768	4752	4669	6021	8320	9532
Net Exports/Imports	1588	6031	8824	695	833	4674

Source: JPC, *provisional

<https://steel.gov.in/sites/default/files/2025-05/Overview%20of%20Steel%20sector%20March%202025%5B1%5D.pdf>

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.



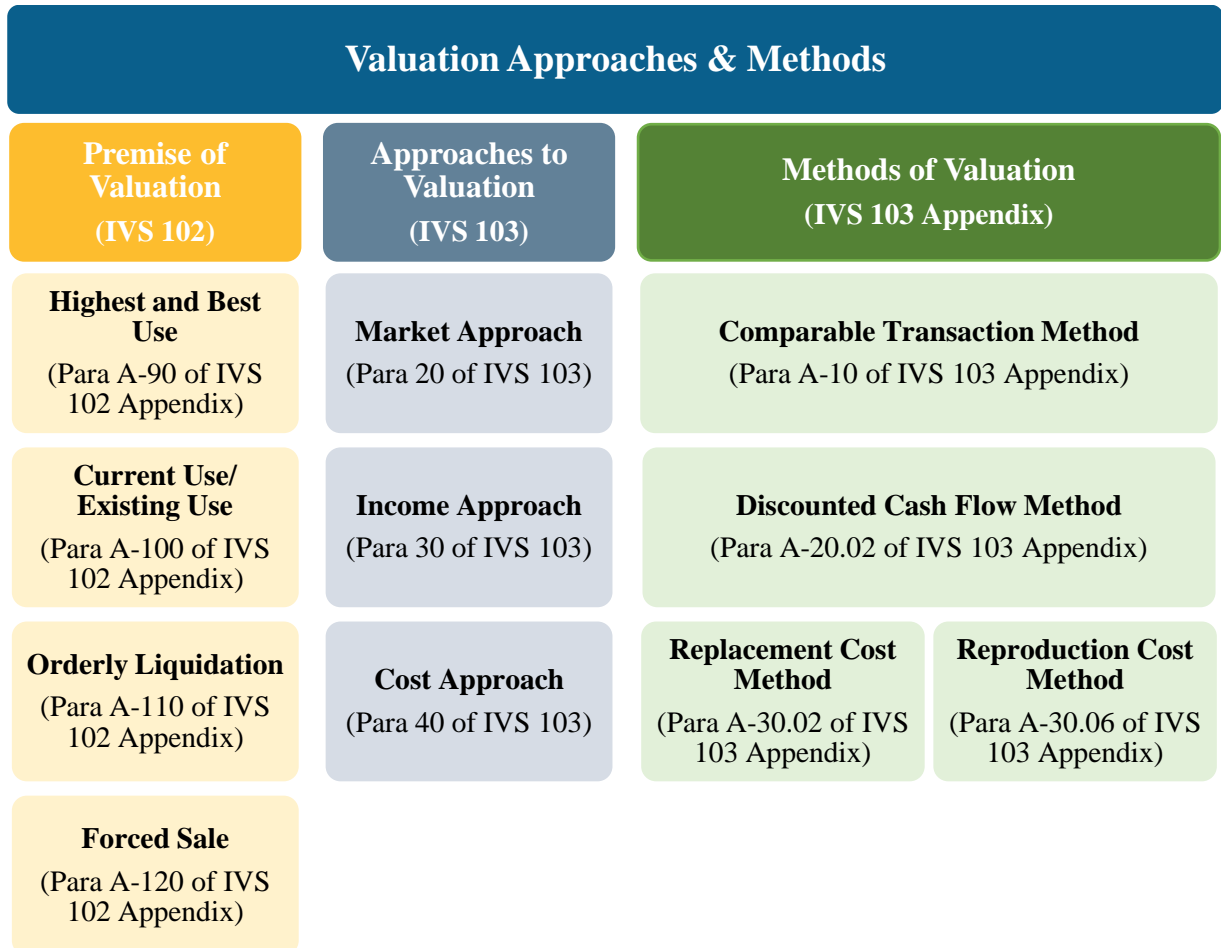


Chapter 7: VALUATION

7. APPROACH TO VALUATION

Valuation exercise has been performed as per the provisions of IVS 103 of International Valuation Standard (IVS), effective from 31st January' 2025. The Valuation Report has been prepared as per provisions of IVS 106 of International Valuation Standard (IVS), effective from 31st January' 2025.

In accordance with Appendix A10 of IVS 104 - Data and Inputs, we have appropriately considered the impact of significant ESG factors, if any, in determining the value of the land (i.e., the asset).



8. VALUATION BASE

The Valuation base means the indication of the type of value being used in an engagement. The basis of value is closely related to the purpose of a given valuation exercise. Different valuation bases may lead to different conclusions of value. Therefore, it is important to identify the bases of value pertinent to the current valuation engagement.

Types of Valuation Bases:

Fair Value

Ind AS-113 on Fair Value Measurement defines 'Fair Value' as "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 measurement date."

Fair value is usually synonymous to fair market value except in certain circumstances where characteristics of an asset translate into a special asset value for the party(ies) involved.

Participant Specific Value

"Participant specific value" is the estimated value of an asset or liability considering specific advantages or disadvantages of either of the owner or identified acquirer or identified participants. Participant specific value may be measured for an existing owner or for an identified acquirer or for a transaction between two identified parties and consider factors which are specific to such party(ies) and which may not be applicable to market participants in general.

Liquidation Value

"Liquidation value is the amount that will be realised on sale of an asset or a group of assets when an actual/hypothetical termination of the business is contemplated/ assumed.

Liquidation value can be carried out under the premise of an orderly transaction with a typical marketing period or under the premise of forced transaction with a shortened marketing period. If the Entity/ Firm does not have the potential to revive itself and is not a going concern, then Liquidation value is to be used.

The liquidation value of a firm can be determined by aggregating the value that the assets of the firm would command if sold at market prices, net of transactions and legal costs. The value of equity can be obtained by subtracting the value of the outstanding debt from such asset value.

Conclusion

Considering the purpose of valuation, we have considered Fair Value as the Valuation base for this valuation exercise.



9. VALUATION PREMISE

Under the IVS 102 “Bases of Value” defines the premises on which the reported values will be based. It is necessary that these bases shall be appropriate and as per the purpose of the valuation as it may influence the valuer's selection of methods, inputs and assumptions, and ultimate opinion of value.

Under Para 10.03 of the IVS 102, A premise of value or assumed use describes the circumstances of how an asset and/or liability is used. Different bases of value may require a particular premise of value or allow the consideration of multiple premises of value.

The most common premises of value used in IVS are:

<p>Highest and Best Use (Para A-90 of IVS 102 Appendix)</p>	<ul style="list-style-type: none"> As per para A-90.01 "Highest and best use is the use, from a participant perspective, that would produce the highest value for an asset." Under Para A-90.03 The highest and best use must be physically possible (where applicable), financially feasible, legally allowed and result in the highest value. If different from the current use, the costs to convert an asset to its highest and best use would impact the value. A90.06 The determination of the highest and best use involves consideration of the following: <ul style="list-style-type: none"> a) Physically Possible b) Legally Permissible, and c) Financially Feasible ent Use/ Existing Use
<p>Current Use/ Existing Use (Para A-100 of IVS 102 Appendix)</p>	<ul style="list-style-type: none"> As per Para A-100.01 Current use/existing use is the current way an asset, liability, or group of assets and/or liabilities is used. The current use may be, but is not necessarily, also the highest and best use. The Current Use may be, but is not necessarily, also the Highest and Best Use
<p>Orderly Liquidation (Para A-110 of IVS 102 Appendix)</p>	<ul style="list-style-type: none"> A110.01 An orderly liquidation describes the value of a group of assets that could be realised in a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where-is basis. A110.02 The reasonable period of time to find a purchaser (or purchasers) may vary by asset type and market conditions
<p>Forced Sale (Para A-120 of IVS 102 Appendix)</p>	<ul style="list-style-type: none"> A120.03 A forced sale typically reflects the price that a specified property is likely to bring under all of the following conditions: <ul style="list-style-type: none"> (a) consummation of a sale within a short time period, (b) the asset is subjected to market conditions prevailing as of the valuation date or assumed timescale within which the transaction is to be completed, (c) both the buyer and the seller are acting prudently and knowledgeably, (d) the seller is under compulsion to sell, (e) the buyer would receive only benefits that are available to others and would derive no material benefit(s) from the transaction not available to other market participants, (f) both parties are acting in what they consider their best interests, and (g) a normal marketing effort is not possible due to the brief exposure time.

Conclusion

We have considered “**Current & Existing Use**” as the Valuation Premise.



10. VALUATION APPROACH & METHODOLOGY

Business Valuation of an Enterprise or its Equity Shares is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be even prepared to pay goodwill/ value for ready production facilities which saves gestation period. This exercise may be carried out based on the generally accepted methodologies, the relative emphasis of each often varying with the factors such as;

- ✓ Specific nature of the business
- ✓ Listing and liquidity of the Equity
- ✓ Economic life cycle in which the industry or the company Is operating and
- ✓ Extent to which rind comparable company information is available
- ✓ Sale of Investment/ Equity to the existing shareholder of Investee Company.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and commonly in vogue.

International Valuation Standard 2024 provides for following approaches to Valuation:



Cost Approach

The Cost Approach values the underlying assets of the business to determine the business value. This valuation method carries more weight with respect to holding companies than operating companies. Also, asset value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

Net Asset Value Method.

The NAV Method under Cost Approach considers the assets and liabilities, including intangible assets and contingent liabilities at their respective fair values. The Net Assets, after reducing the dues to the preference shareholders, if any, represent the value of a company. The NAV Method is appropriate in a case wherein the main strength of the business lies in its asset backing rather than its capacity or potential to earn profits. This valuation approach is also used in case where the firm is to be liquidated i.e., it does not meet the “going concern” criteria.

In the present case, CSIL & MIFL being operating companies deriving value from its underlying cashflows, hence we have not considered NAV method for this fair valuation exercise.

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

Discounted Cash Flow ("DCF") Method

Under DCF Method value of a company can be assessed using the Free Cash Flow to Firm Method ("FCFF") or Free Cash Flow to Equity Method ("FCFE"). 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 to equity shareholders represent the cash available for distribution to them after payment made to the creditors and lenders of the business. Under the FCFE approach, the free cash flows attributable to equity shareholders in the explicit forecast period and those in perpetuity are discounted by the Cost of Equity ("Ke") to arrive at Equity Value. The Ke is based on the Capital Asset Pricing Model ("CAPM"). Under the FCFF approach, the free cash flows attributable to the firm in the explicit forecast period and those in perpetuity are discounted by the Weighted Average Cost of Capital ("WACC") to arrive at Enterprise Value.

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 explicit forecast period.

The discounting factor (rate of discounting the future cash flows, i.e., Ke or WACC) reflects not only the time value of money, but also the risk associated with the business' future operations, including the applicable tax implications. Under the FCFE approach, the equity value is aggregate of the present value of explicit forecast period, terminal period cash flows so derived and fair value of surplus assets/contingent liabilities, if any. Under the FCFF approach, the Enterprise Value arrived as an aggregate of the present value of explicit forecast period and terminal period cash flows is adjusted for the net outstanding debt and fair value of surplus assets/contingent liabilities, if any to arrive at equity value.

CSIL & MIFL are the operating companies and derive value from their operations. Since DCF captures the future prospects of the Companies, DCF method has been used.



Market Approach

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

Market Price Method

Under this method, the market price of an equity shares of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

This method is not applicable because the companies are not listed on a recognized stock exchange, meaning there is no publicly available and regularly traded market price for its shares.

Comparable Companies Multiples (“CCM”) Method

The value is determined on the basis of multiples derived from valuations of comparable companies, as manifested in the stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation including inherent intangible assets and contingent liabilities, which is reflected in stock prices. Accordingly impacts of the same are not factored in separately. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Few such multiples are Price to Book Value (P / BV) Multiple, Price to Sales (P/S) Multiple, Price to Earnings (P/E) multiple etc.

On account of availability of comparable companies of CSIL, we have considered CCM method for present valuation exercise of CSIL.

Since, MIFL is not operating at optimum production levels, hence we have not come across any comparable companies of MIFL. Therefore, we have not considered CCM method for the fair valuation of equity shares of MIFL.

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 need to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are Enterprise Value (“EV”) / Earnings before Interest, Taxes, Depreciation & Amortization (“EBITDA”) multiple, EV / Revenue multiple and EV / AUM, etc.

This method cannot be used if there is a lack of recent, relevant, and publicly disclosed M&A transactions involving similar companies from which to derive meaningful valuation multiples.

11. EQUITY VALUATION OF CSIL

Valuation under Discounted Cash-Flow Method

Equity Value has been arrived under Discounted Cash Flow (DCF) Method by discounting the estimated future free cash flow available with the equity shareholders by Cost of Equity (K_e). Following are the main factors for arriving at the Equity Value of the Company under DCF method.



Basis of Projected Free Cash Flow

- For the purpose of arriving at the valuation, the Estimations have been done based on the financial projections as provided by the company, application of our understanding about the potentiality based on existing available manufacturing facility as well as market opportunity and historical performance.
- To arrive at Free Cash Flow with the equity shareholder, the projected EBIDTA is adjusted with change in working capital, change in borrowings, interest payment, tax & CAPEX.

Cash Flow period

For the purpose of valuation, we have considered estimated free cash flow from FY 26 FY to FY 30 and for the rest period application of terminal value has been done assuming operation of the company will be continued as a 'Going Concern Basis.'

Cost of Equity (K_e)

Below is the formula for the cost of equity:

$$K_e = R_f + \beta \times (R_m - R_f) + \text{Alpha}$$

Where:

R_f = Risk-free return (typically the 10-year Govt bond yield)

B = Equity beta (levered)

R_m = 10-year CAGR return of the market

Alpha = Company Specific Risk Premium



DCF computation of CSIL is herein given below:

Rs. in Cr

	FY 26	FY 27	FY 28	FY 29	FY 30
Revenue from Operations (A)	540	569	606	611	611
YoY Growth		5.43%	6.52%	0.75%	0.09%
Cost of Raw Material	414	436	465	469	469
Consumable stores	8	9	9	9	9
Power & Fuel Cost	15	16	18	18	18
Employee Benefit Expenses	15	16	16	16	17
Other Manufacturing Cost	10	10	10	10	10
Other Admin & Selling Overhead	25	26	27	27	27
Total Expenses (B)	487	512	545	549	550
EBIDTA (A-B)	53	57	61	62	62
<i>EBITDA Margin</i>	<i>9.77%</i>	<i>10.07%</i>	<i>10.14%</i>	<i>10.07%</i>	<i>10.07%</i>
Less: Change in Working Capital	(3)	(6)	(6)	(0)	(0)
Less: TAX@25.17%	(13)	(14)	(15)	(15)	(15)
Less: Capex	(4)	(4)	-	-	-
Free Cash Flow to Equity	33	34	40	46	47
Cost of Equity	14.61%	14.61%	14.61%	14.61%	14.61%
Cash Accrual Factor	0.50	1.50	2.50	3.50	4.50
Discounting Factor	0.93	0.82	0.71	0.62	0.54
Present Value of FCFE	31	28	29	29	25
Calculation of Terminal Value					
Growth Rate assumed	2.00%				
Terminal Value of FCFE	377				
Present Value of Terminal Value	204				
Add: Present Value of FCFE	141				
Add: Cash & Cash Equivalent	29				
Less: Fair Value of Contingent Liability	0				
Equity Value	374				
Total No of Equity Share	3.16				
Fair Value per Equity Share	118				



Note 1: Computation of Cost of Equity

Particulars	%	Remarks
Rf	6.58%	10-year Government Bond yield rate as on 31st March 2025
Rm	12.05%	The CAGR for Nifty 50 Index for the last 10 years adjusted with dividend yield as of 31/03/2025
Rm-Rf	5.47%	
beta	1.24	Beta of NSE Nifty Metal Index in relation to Nifty 50 index since inception NSE Nifty Metal Index
Ke	13.36%	
Addl. Risk Factor	1.25%	We have considered it appropriate to consider an additional risk premium of 1.25% over the cost of equity considering the historical EBITDA margins
Revised Ke	14.61%	

Note 2: Tax Payment:

We have considered a tax payment of @25.17% being the tax rate applicable on CSIL. Further to arrive at the taxable income, we have reduced the tax depreciation and amortisation and added the book depreciation and amortisation with the book profit before tax.

Note 3: Cash & Cash Equivalents as on 31st March 2025:

#	Particulars	Rs. in Cr
1	Current Account Balances	1.11
2	Cash in Hand	1.62
3	Deposits with original maturity for more than 12 months	28.91
	Cash & Cash Equivalents as on 31st March 2025	31.64
	Less: Margin Money (As informed by the Company)	2.44
	Free Cash & Cash Equivalents as on 31st March 2025	29.20

Note 4: Increase in steel & metal prices

We understand that prices of steel and metals are volatile in nature and are market driven based on demand and supply. Further, CSIL passes on the increase in cost of raw material, consumable stores & fuel cost to its customers. Hence we have considered a constant rate for steel products sold by CSIL; and metals, consumable stores & fuel to be bought in by CSIL in the projected period. However, we have considered increase in employee cost & other expense @3% p.a in the projected period.

Note 5: Calculation of Terminal Value

Terminal Value: [(F1 X (1+G)) / (Cost of Equity-G)]; Here, F1 = Rs. 47 Crs

G = Terminal Growth rate = 2.00%, Discount Rate (ke) = 14.61%;

Terminal Value = Rs. 377 Crs [Rs. 47 Crs * (1+2.00%) / (14.61%-2.00%)]

Present value of Terminal value = **Rs. 204 Crs** (Rs. 377 Crs * 0.54)

Note 6: Contingent Liabilities as on 31st March 2025:

#	Particulars	Liability	Prob. of crystallization	Rs. in Cr
				Prob. liability
1	Indirect Tax related demand	0.35	50%	0.18
2	Income Tax related demand	0.19	50%	0.10
	Total	2.86		0.27

Valuation under Comparable Company Multiple (CCM) Method

Computation of Equity Value of CSIL using Enterprise Value/EBITDA trading multiple of Comparable Companies of CSIL

#	Company	Market Capital	Net-Debt	Enterprise Value	EBITDA	EV/EBITDA Multiple
1	Kalyani Steels Limited	3,105	(58)	3,047	373	8.17x
2	Prakash Industries Limited	2,384	95	2,479	520	4.77x
3	Kamdhenu Ltd	697	(19)	678	75	9.04x
Average EV/EBITDA Multiple						7.32x
Less: Discount						20%
Adjusted EV/EBITDA multiple (A)						5.86x
Trailing 12 months EBITDA of CSIL as on 31st March 2025 (Rs. in Cr) (B)						₹ 55.98 Cr
Enterprise Value of Chandi Steel (A*B) = (C)						₹ 328.01 Cr
Less: Debt of CSIL as on 31st March 2025 (D)						-
Add: Cash & Cash Equivalent as on 31st March 2025 (E)						₹29.20 Cr
Less: Contingent Liabilities as on 31st March 2025 (F)						₹ 0.27 Cr
Equity Value (G) = (C)-(D)+(E)-(F)						₹ 356.94 Cr
Total No of Equity Share as on 31st March 2025 (H)						3.16 Cr
Value per Equity Share (G/H)						₹ 112.94

Fair Valuation for equity shares of CSIL

Method	Weight	Value per equity Share
Income Approach - DCF Method	50.00%	118.43
Market Approach - CCM Method	50.00%	112.94
Fair Value of equity share of CSIL	100.00%	115.68

We have considered appropriate to give 50% weightage to value under DCF method and 50% weightage to CCM method since CSIL & its peer companies are companies operating at their substantial capacity utilisation.



12. EQUITY VALUATION OF MIFL

Valuation under Discounted Cash-Flow Method

Equity Value has been arrived under Discounted Cash Flow (DCF) Method by discounting the estimated future free cash flow available with the equity shareholders by Cost of Equity (K_e). Following are the main factors for arriving at the Equity Value of the Company under DCF method.



Basis of Projected Free Cash Flow

- For the purpose of arriving at the valuation, the Estimations have been done based on the financial projections as provided by the company, application of our understanding about the potentiality based on existing available manufacturing facility as well as market opportunity and historical performance.
- To arrive at Free Cash Flow with the equity shareholder, the projected EBIDTA is adjusted with change in working capital, change in borrowings, interest payment, tax & CAPEX.

Cash Flow period

For the purpose of valuation, we have considered estimated free cash flow from FY 26 FY to FY 30 and for the rest period application of terminal value has been done assuming operation of the company will be continued as a 'Going Concern Basis.'

Cost of Equity (K_e)

Below is the formula for the cost of equity:

$$K_e = R_f + \beta \times (R_m - R_f) + \text{Alpha}$$

Where:

R_f = Risk-free return (typically the 10-year Govt bond yield)

B = Equity beta (levered)

R_m = 10-year CAGR return of the market

Alpha = Company Specific Risk Premium



DCF computation of MIFL is herein given below:

Rs. in Cr

	FY 26	FY 27	FY 28	FY 29	FY 30
Revenue from Operations (A)	68	83	103	124	138
YoY Growth		22.7%	24.7%	20.3%	10.6%
Cost of Raw Material	46	58	72	86	95
Power & Fuel Cost	8	10	13	15	17
Employee Benefit Expenses	6	7	7	7	7
Other Manufacturing Cost	5	5	5	5	5
Other Admin & Selling Overhead	3	3	3	3	3
Total Expenses (B)	68	82	100	117	128
EBIDTA (A-B)	(0)	1	4	7	10
<i>EBITDA Margin</i>	<i>-0.1%</i>	<i>0.7%</i>	<i>3.7%</i>	<i>6.0%</i>	<i>7.3%</i>
Less: Change in Working Capital	3	2	4	4	2
Less: TAX@25.17%	-	-	-	-	-
Less: Interest	(6)	(6)	(6)	(6)	(6)
Add: Increase in Borrowings	6	6	-	-	-
Less: Capex	(4)	-	-	-	-
Free Cash Flow to Equity	(0)	2	2	5	6
Cost of Equity	16.36%	16.36%	16.36%	16.36%	16.36%
Cash Accrual Factor	0.50	1.50	2.50	3.50	4.50
Discounting Factor	0.93	0.80	0.68	0.59	0.51
Present Value of FCFE	(0)	2	1	3	3
Calculation of Terminal Value					
Growth Rate assumed	3.00%				
Terminal Value of FCFE	17				
Present Value of Terminal Value	9				
Add: Present Value of FCFE	9				
Add: Cash & Cash Equivalent	1				
Add: Fixed Deposit with Banks	3				
Add: Present of Tax Benefit of UAD & Losses in Terminal period	4				
Less: Interest accrued on Unsecured loan	14				
Equity Value	11				
Total No of Equity Share	0.13				
Fair Value per Equity Share	89				



Computation of Cost of Equity

Particulars	%	Remarks
Rf	6.58%	10-year Government Bond yield rate as on 31st March 2025
Rm	12.05%	CAGR for Nifty 50 Index for the last 10 years adjusted with dividend yield as of 31/03/2025
Rm-Rf	5.47%	
beta	1.24	Beta of NSE Nifty Metal Index in relation to Nifty 50 index since inception NSE Nifty Metal Index
Ke	13.36%	
Addl. Risk Factor	3.00%	Management of MIFL is projecting to turnaround MIFL from its current financial position and the projects to achieve 33-35% capacity utilisation from its current levels of 15%. Considering the risks associated with turnaround of MIFL, we have considered it appropriate to consider an additional risk premium of 3.00% over the normalised cost of equity.
Revised Ke	16.36%	

Note 1: Tax Payment: MIFL has no tax payment in the explicit period, on account of availability of tax losses and unabsorbed depreciation to the tune of ~Rs. 236 Crs as on 31st March 2025.

We have considered a tax payment of @25.17% being the tax rate applicable on MIFL in the terminal period. Further to arrive at the taxable income, in the terminal period, we have reduced the tax depreciation & Interest expense from the EBITDA of FY 30.

Further, the present value of tax benefit on account of tax losses and unabsorbed depreciation as remaining at the end of the 31st March 2030 have been calculated and added to arrive at the equity value of MIFL.

Note 2: Cash & Cash Equivalents as on 31st March 2025:

#	Particulars	Rs. in Crs
1	Current Account Balances	0.62
2	Cash in Hand	0.06
	Cash & Cash Equivalents as on 31st March 2025	0.68

Note 3: Calculation of Terminal Value

Terminal Value: $[(F1 \times (1+G)) / (\text{Cost of Equity}-G)]$; Here, F1 = Rs. 3.01 Cr [10 - 6 - 0.8]

G = Terminal Growth rate = 3.00%, Weighted Average Cost of Capital = 16.36%;

Terminal Value = Rs. 17 Cr $[Rs. 3.01 \text{ Cr} - (Rs. 3.01 \text{ Cr} * 25.17\%)] * (1+3.00\%) / (16.36\% - 3.00\%)$

Present value of Terminal value = **Rs. 9 Cr** $(Rs. 17 \text{ Cr} * 0.51)$



Note 4: Increase in steel & metal prices

We understand that prices of steel and metals are volatile in nature and are market driven based on demand and supply. Further, MIFL passes on the increase in cost of raw material & fuel cost to its customers. Hence we have considered a constant rate for steel products sold by MIFL and metals & fuel to be bought in by MIFL in the projected period. However, we have considered increase in employee cost & other expense @3% p.a. in the projected period.

Fair Valuation for equity shares of MIFL

Method	Weight	Value per equity share
Income Approach - DCF Method	100.00%	88.91
Fair Value of equity share of MIFL	100.00%	88.91



13. VALUATION SUMMARY

The basis of the amalgamation of MIFL with CSIL would have to be determined after taking into consideration all the factors and methods mentioned herein. Though different values have been arrived at under each of the above methods, for the purposes of recommending the fair share exchange ratio of equity shares it is necessary to arrive at a final value for each of the Companies' shares. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of the Companies, but at their relative values to facilitate the determination of the fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approaches / method.

The fair exchange ratio has been arrived at on the basis of a relative equity valuation of the Companies based on the various approaches / methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations

Summary of the valuation of CSIL & MIFL determined under different valuation methodologies is as under:

Method	CSIL			MIFL		
	Weight	Equity Value	Value / share	Weight	Equity Value	Value / share
Income Approach DCF Method	50%	Rs 374.30 Cr	118.43	100%	Rs 11.11 Cr	88.91
Market Approach CCM Method	50%	Rs 356.94 Cr	112.94	-	-	-
Relative Value	100%		115.68	100%		88.91
Exchange Ratio						0.77

On the basis of the foregoing, in our opinion, value of each equity shares of CSIL & MIFL as on 31st March 2025 is **INR 115.68** and **INR 88.91** respectively.

Hence, in light of the above we recommend **Share Exchange Ratio of 77:100**. Therefore, based on our recommendation equity shareholders of MIFL shall receive 77 equity shares of INR 10 each of CSIL for every 100 equity shares of MIFL of INR 10 each.

The share exchange ratio has been determined based on the valuation as at 31st March 2025. We have been provided with the audited financial statements of CSIL & MIFL for 6 months ended 30th September 2025. Management has represented that there have been no material changes in the assets, liabilities or business operations of CSIL & MIFL from 30th September 2025 up to the date of this Valuation Report. Based on the audited financial statements of CSIL & MIFL for H1 FY 2025-26 and aforesaid management representations, no material changes or deviation in the share exchange ratio determined as at 31st March 2025 is expected as on 30th September 2025 or up to the date of this Valuation Report.



14. DISCLAIMER

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Date: 18th December, 2025

For Resolute Valuers & Consultants Pvt. Ltd.

Kolkata



Managing Director
Mr. Debasis Bhattacharya
IBBI/RV/03/2019/12566

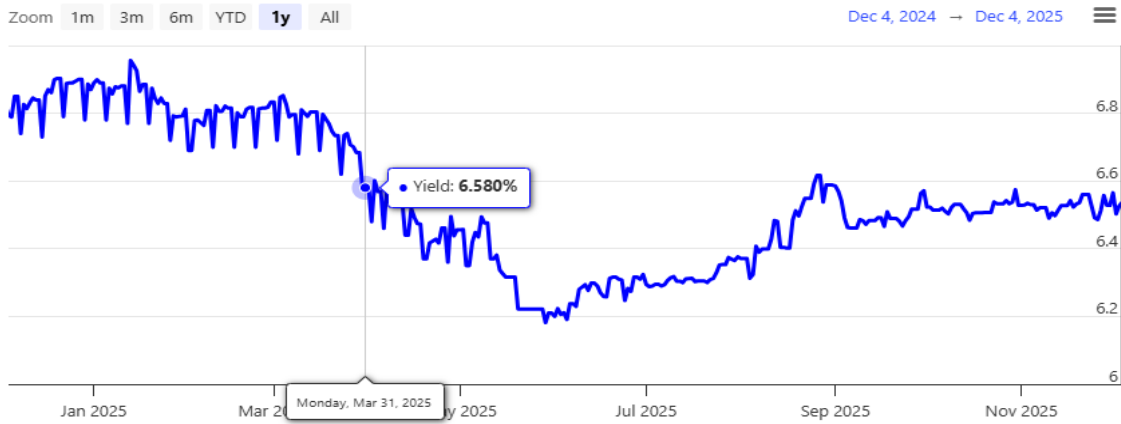
15.ANEXURE

10-year Govt Risk Free Return

India 10 Years Bond - Interactive Chart

The Government Bond reached a maximum yield of 8.182% (11 September 2018) and a minimum yield of 5.76% (10 July 2020).

Available Data Source: from 2 March 2015 to 4 December 2025



Nifty 50 Dividend yield as on 31st march 2025

Nifty 50 Dividend Yield Chart



Nifty 50 Index return for last 10 year

[General](#) [Chart](#) [News & Analysis](#) [Technical](#) [Forum](#)

[Overview](#) [Constituents](#) [Historical Data](#) [Related Instruments](#)

Nifty 50 Historical Data ^①

Time Frame

Daily ▾

[Download](#)

31-03-2015 - 03-04-2015 📅

Date ▾	Price ▾	Open ▾	High ▾	Low ▾	Vol. ▾	Change % ▾	
01-04-2015	8,586.25	8,483.70	8,603.40	8,464.75	129.45M	+1.12%	
31-03-2015	8,491.00	8,527.60	8,550.45	8,454.15	172.36M	-0.02%	
Highest: 8,603.40		Lowest: 8,454.15		Difference: 149.25		Average: 8,538.63	Change %: 1.11

Nifty 50 Historical Data ^①

Time Frame

Daily ▾

[Download](#)

28-03-2025 - 01-04-2025 📅

Date ▾	Price ▾	Open ▾	High ▾	Low ▾	Vol. ▾	Change % ▾	
01-04-2025	23,165.70	23,341.10	23,565.15	23,136.40	314.31M	-1.50%	
28-03-2025	23,519.35	23,600.40	23,649.20	23,450.20	295.36M	-0.31%	
Highest: 23,649.20		Lowest: 23,136.40		Difference: 512.80		Average: 23,342.52	Change %: -1.81



Beta of Nifty metal index w.r.t. Nifty 50 Index



November 28, 2025

The Nifty Metal Index is designed to reflect the behaviour and performance of the Metals sector (including mining). The Nifty Metal Index comprises of maximum 15 stocks that are listed on the National Stock Exchange (NSE).

Nifty Metal Index is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to particular base market capitalization value.

Nifty Metal Index can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETFs and structured products.

Index Variant: Nifty Metal Total Returns Index.

Portfolio Characteristics

Methodology	Periodic Capped Free Float
No. of Constituents	15
Launch Date	July 12, 2011
Base Date	January 01, 2004
Base Value	1000
Calculation Frequency	Real-Time
Index Rebalancing	Semi-Annually

Index Returns (%) #	QTD	YTD	1 Year	5 Years	Since Inception
Price Return	2.54	19.00	13.94	28.61	11.22
Total Return	2.59	19.73	14.90	30.39	13.34

Statistics ##	1 Year	5 Years	Since Inception
Std. Deviation *	22.48	27.21	33.68
Beta (NIFTY 50)	1.37	1.31	1.24
Correlation (NIFTY 50)	0.73	0.67	0.78

1 Year Performance Comparison of Sector Indices



About Us

A House of passionate, high-quality and seasoned Registered Valuers, Domain Experts, Industry Experts, Senior Bankers & advisors with rich experience, to derive right Valuation using our 360° Valuation Approach.

In our endeavour to ascertain the right value of the Assets, we go beyond the Age and Conditioning assessment and look at 360° for all other factors which could impact the valuation of the Assets.

We are empanelled with most of the Banks /FIS/ ARCs.

We have International Tie ups with VesselsValue Ltd., Great Britain, & Gesvalt, Spain for valuation of Shipping, infra and Mining sectors.

We have successfully completed multiple assignments of values over Rs. 7,50,000 crore which speaks the faith that has been reposed on us by the lenders.

We have an in-house R&D Department who has published many Research Papers on Various Core Sectors.

We have Pan-India Presence with Three major offices in Mumbai, Delhi & Kolkata and have the infrastructure to carry out Valuations of Large Corporates with multiple Locations.

We have worked with Transaction Advisors, Process Advisors, Insolvency Professionals etc.

Resolute Valuers & Consultants Pvt. Ltd. has a strong team of experienced Valuers, Engineers and Business Advisors having domain knowledge in nearly all sectors and have successfully completed multiple assignments of valuation such as:

1. Valuation of Ordnance Factory, Dehradun and Kamarajar Port under Disinvestment program of Government of India.

2. Valuation of Asyad Drydock, Duqm Port, Oman, Kochi Port, Essar Bulk Terminal, Kandala Port and Goa Port.

3. Valuations of infra Companies such as Prathibha Industries, ARSS Infrastructure Projects, Suzlon, McNally Bharat, Simplex Infra etc having Multiple Locations.

4. Valuation of Large Corporates like Haldia Petrochemicals, Adani Power Group Co's, JSW Steel, Bombay Rayon, Leela Hotels, etc.

5. Valuation of Overseas Assets for Merger & Acquisition and other purposes.



Our Team

Advisory Panel



Partha S Bhattacharyya
M.Sc. (Physics) Professional

expertise of 40 years,
Former Chairman,
Coal India Limited
Accredited with several
prestigious awards



S K Sinha

Former Executive Director
at Power Grid Corporation Limited,
Former Managing Director at
Teestavalley Power Transmission
Limited



VK Srivastava

Former MD.
Steel Authority of India Limited
Over 40 years of experience in
Steel and Power Sector

Directors & IBBI Registered Valuers



Debasis Bhattacharya
Managing Director

FCA, FCS, IP
40+ Years Experience



Balkrishna Lal More
Director-Land & Building

MIE, Chartered Engineer
10+ Years Experience



Pranav Ambaselkar
Director-Plant & Machinery

BE (Power), Chartered Engineer
10+ Years Experience



Pranab Kr. Chakrabarty
Director-Securities or FA

ICMAI, IP
40+ Years Experience



Siddhartha Biswas
Director - Plant & Machinery

M. Tech, ME, Chartered Engineer
35+ Years Experience

Our Core Strength

✓ Team Of Highly Qualified & Experienced Valuers Having Done Valuation Of More Than Rs. 7.5 Lakh Cr. In Last 5 Years

✓ Handled More Than 300+ Assignments In The Last 5 Years Across All Geographies

✓ Team Of Eminent Sectorial And Industry Experts

✓ Experience Of Working With Transaction Advisors For Valuation Under Disinvestment Program Of Govt. Of India, Navaratna PSUs & Corporate Houses

✓ Valuation Of Large Corporates And Also Multi-location Corporates

✓ Have Pan India Presence And Inhouse R&D Team

✓ Successfully Carried Out Valuation Of Overseas Assets At Oman And Saudi Arabia



Our Experience

In the last five years, our group has Successfully Completed multiple valuation assignments across various sectors of values over Rs. 7,50,000 crores, which speaks the faith that has been reposed on us by the banks, Financial Institutions and Corporate Clients.



Power & Energy



Port



Infrastructure



Road



Metal & Mining



Agro



Hospitality



Cement



Plantation



Real Estate



Engineering



Textile

Our Assignments

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