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REPORT ON EQUITY SHARE VALUATION

BACKGROUND

Jain Resource Recycling Limited was incorporated on February 25, 2022, by way of conversion of Jain Metal Rolling Mills, a partnership firm, into a private limited company under the provisions of the Act with corporate identification number U27320TN2022PTC150206 and having its registered office at Old No. 7/1, New No. 20, 4th Floor, Waddels Road, Kilpauk, Chennai – 600010 (hereinafter referred to as the “**Company**”). The Company is primarily into recycling of Lead and Copper. For Lead recycling, it uses lead acid battery scrap and different sorts of lead scrap as raw material to produce refined lead ingots and lead alloy ingots. For Copper recycling, it uses lead copper cables, aluminium copper cables and different sorts of copper scrap as input to produce refined copper billets, copper wire and processed copper raw material for conductor and pigmentation industries.

This valuation report is required to determine the Fair Market value of Equity shares of UL as per the requirement of Sec 56(2)(x)(c) of the Income Tax Act 1961 read with Rule HU A of the Income Rules 1962 for proposed transfer of shares.

VALUE RECOMMENDATIONS

Acceptable method *or* valuation analysis is done based on specific guidance given in Rule 11UA(1)(c)(b) read with 56(2)(x)(c) is net asset value method,

(I) As per the requirements of 56(2)(x)(c)

(2) In particular, and without prejudice to the generality of the provisions of sub-section (1), the following incomes, shall be chargeable to income-tax under the head "Income from other sources", namely

(x) where any person receives, in any previous year, from any person or persons on or after the 1st day of April, 2017,

(c) any property, other than immovable property,—

(A) without consideration, the **aggregate fair market value of which exceeds** fifty thousand rupees, the whole of the aggregate fair market value of such property;

(B) for a **consideration which is less than the aggregate fair market value** of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration

Inference:

The consideration received shall be in excess of fair market value, which shall be determined as per Rule 11UA.



(II) The requirements of Rule 11UA(1) (c)(b) – Applicable for valuation of unquoted shares

(b) the fair market value of unquoted equity shares shall be the value, on the valuation date, of such unquoted equity shares as determined in the following manner, namely:—

the fair market value of unquoted equity shares = $(A + B + C + D - L) \times (PV)/(PE)$, where,

A =book value of all the assets (other than jewellery, artistic work, shares, securities and immovable property) in the balance sheet as reduced by,—

(i)any amount of income-tax paid, if any, less the amount of income-tax refund claimed, if any; and
(ii)any amount shown as asset including the unamortised amount of deferred expenditure which does not represent the value of any asset;

B =the price which the jewellery and artistic work would fetch if sold in the open market on the basis of the valuation report obtained from a registered valuer;

C =fair market value of shares and securities as determined in the manner provided in this rule;

D =the value adopted or assessed or assessable by any authority of the Government for the purpose of payment of stamp duty in respect of the immovable property;

L =book value of liabilities shown in the balance sheet, but not including the following amounts, namely:—

(i)the paid-up capital in respect of equity shares;

(ii)the amount set apart for payment of dividends on preference shares and equity shares where such dividends have not been declared before the date of transfer at a general body meeting of the company;

(iii)reserves and surplus, by whatever name called, even if the resulting figure is negative, other than those set apart towards depreciation;

(iv)any amount representing provision for taxation, other than amount of income-tax paid, if any, less the amount of income-tax claimed as refund, if any, to the extent of the excess over the tax payable with reference to the book profits in accordance with the law applicable thereto;

(v)any amount representing provisions made for meeting liabilities, other than ascertained liabilities;

(vi)any amount representing contingent liabilities other than arrears of dividends payable in respect of cumulative preference shares;

PV = the paid-up value of such equity shares;

PE = total amount of paid-up equity share capital as shown in the balance sheet;



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The Valuation analysis is as follows

Jain Resource Recycling Limited

Valuation as per Rule 11UA (1) (c) (b) as on September 30, 2024

	Particulars		Amount Rs. In Million
	A - Book Value of Assets		
	Book value of all assets in the balance sheet		16,689.88
Less:	Book value of Jewellery and artistic works		-
Less:	Book value of Investments in Subsidiaries/Associates included above		(230.82)
Less:	Net Book value of Immovable Properties (Land & Building) The company does not own any immovable property. The land on which the facilities are situated are leasehold properties.		-
Less:	any amount of income-tax paid, if any, less the amount of income-tax refund claimed (During the year under consideration, the company does not have Income Tax paid net of liability as an asset in the balance sheet)		-
Less:	Book value of asset which does not represent the value of any asset (including the unamortised amount of deferred expenditure)		
	Deferred tax asset		
	Prepaid expenditure		(1.22)
	Right to use asset (Net of liability)		(116.12)
	Sub Total	A	16,341.71
	Market value of Jewellery and artistic works	B	-
	Fair Market Value of Investments in Subsidiaries/Associates	C	231.63
	Guideline Value of Immovable Properties (Land & Building)	D	-
	Book Value of Liabilities		
	Book value of Liabilities shown in balance sheet		16,689.88



	Particulars		Amount Rs. In Million
Less:	Paid-up capital in respect of equity shares		(410.26)
Less:	Amount set apart for payment of dividends on preference shares and equity shares where such dividends have not been declared before the date of transfer at a general body meeting of the company		-
Less:	Reserves and surplus other than those set apart towards depreciation		(4,370.57)
Less:	Provision for Deferred Tax		(64.57)
Less:	Provisions made for meeting liabilities, other than ascertained liabilities		-
Less:	Contingent liabilities other than arrears of dividends payable in respect of cumulative preference shares		-
	Sub Total	L	11,844.49
	Fair Market Value of Company (A+B+C+D-L)		4,728.85
	Fair Market Value of Company (A+B+C+D-L) - in Rs.		4,72,88,45,767
	Total No. of Equity Shares (Rs. 10 fully paid up) - Nos.	(PE/PV)	4,10,25,641
	Fair Market Value Per Share (Rs.) - (A+B+C+D-L)/((PE/PV))		115.27
	Total No. of Equity Shares as at report date (Rs. 10 fully paid up) - Nos.		6,47,06,818
	Fair Market Value Per Share (Rs.) (adjusted for post balance sheet events)		73.08

Notes on the above computation

1 "11U(b) ""balance sheet"", in relation to any company, means,—

- (i) for the purposes of sub-rule (2) of rule 11UA, the balance sheet of such company (including the notes annexed thereto and forming part of the accounts) as drawn up on the valuation date which has been audited by the auditor of the company appointed under section 224 of the Companies Act, 1956 (1 of 1956) and where the balance sheet on the valuation date is not drawn up, the balance sheet (including the notes annexed thereto and forming part of the accounts) drawn up as on a date immediately preceding the valuation date which has been approved and adopted in the annual general meeting of the shareholders of the company;

The company's Auditor has audited the balance sheet as at 30th September 2024 and issued an audit report on 21st March 2025."

- 2 The investments in Quoted Equity Share has been marked at their fair market value as per Ind AS 109, hence no specific adjustment is provided in C



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- 3 It is understood that the deferred tax asset/Liability, prepaid expenditure and Right to use Asset as on September 30, 2024 is shown to represent asset which does not represent the value of any asset
- 4 Provision for impairment of assets netted of from loan balances as on September 30, 2024 is presumed to show the books value as per Indian Accounting Standards and hence considered while computing fair value
- 5 No Adjustments have been made for investments(Net of provisions) in Power Companies, namely Isharays Energy Private Limited, Kamachi Industries Limited and Nagai Power Private Limited since as per the agreements with the respective companies, the investment will be redeemed at cost
- 6 Provision made for Compensated Absences and Gratuity has been considered as ascertained liability.

CAVEATS

- a. Provision of valuation recommendations and considerations of the issues described herein are areas of my regular corporate advisory practice. The services do not represent accounting, assurance, financial due diligence review, consulting, transfer pricing or domestic/international tax-related services that may otherwise be provided by me.
- b. My review of the affairs of the Companies and their books and account does not constitute an audit in accordance with Auditing Standards. I have relied on explanations and information provided by the Management and representatives of the Companies and accepted the information provided to me as accurate and complete in all respects. Although, I have reviewed such data for consistency and reasonableness, I have not independently investigated or otherwise verified the data provided. Nothing has come to my attention to indicate that the information provided had material misstatements or would not afford reasonable grounds upon which to base the Report.
- c. The report is based on the details and information provided to me by the Management and representatives of the Companies and thus the responsibility for the assumptions on which they are based is solely that of the Management of the Companies and I do not provide any confirmation or assurance on these assumptions. Similarly, I have relied on data from external resources. These sources are considered to be reliable and therefore, I assume no liability for the accuracy of the data. I have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences.
- d. The valuation worksheets prepared for the exercise are proprietary to the valuer and cannot be shared except as stated in the purpose statement of this document. Any clarifications on the workings will be



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provided on request, prior to finalizing the Report, as per the terms of my engagement.

- e. The scope of my work has been limited both in terms of the areas of the business and operations which I have reviewed and the extent to which I have reviewed them.
- f. The Valuation Analysis contained herein represents the fair value of equity share only on the date that is specifically stated in this Report. This Report is issued on the understanding that the Management of the Company has drawn my attention to all matters of which they are aware, which may have an impact on my Report up to the date of signature. I have no responsibility to update this Report for events and circumstances occurring after the date of this Report.
- g. My valuation analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any transaction with the Companies.

Respectfully Submitted



Radhakrishnan K S
Registered Valuer
IBBI/RV/16/2023/15468
ICAI Reg No 244038
UDIN: 25244038BMOWUU5725

Date: March 24, 2025

