Radhakrishnan K.S. FCA, CISA, Registered Valuer
Chartered Accountant
Registered Valuer – Securities and Financial Assets
9952941373
manikrishnan95@gmail.com

No 1160 A, 5th Street, Senthurpuram
Extension II
Kattupakkam
Chennai 600056

VALUATION REPORT

Valuation report for determining the fair Value of equity share of Jain Resource Recycling Limited

Radhakrishnan KS
IBBI/RV/16/2023/15468
Registered Valuer

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Strictly private and confidential

Dated: March 24, 2025

To,

The Board of Directors
Jain Resource Recycling Limited
("JRRL"/"Company")
4th Floor, The Lattice
Waddels Road, Kilpauk,
Chennai 600010

Dear Sir(s) / Madam(s),

Sub: Fair value of Equity Share of JRRL as at September 30, 2024

I, Radhakrishnan K S **("Valuer" or "I" or "me")**, had been appointed by the Board of Directors JRRL vide an engagement letter dated March 10, 2025 to determine Fair Value of equity shares of Jain Resource Recycling Limited("JRRL") for internal purposes including but not limited to proposed share transfers, conversion of convertible instruments etc.

I had submitted my report dated **March 24, 2025** having a cut-off date for all the financial information used in the valuation exercise as **March 23, 2025** and the market parameters have been considered up to **March 23, 2025**.

Premise of Valuation
For the purpose of arriving at the valuation of the Company, I have considered the valuation base as 'Fair Value' and the premise of value is 'Going Concern Value'. Any change in the valuation base, or the premise could have significant impact on my valuation exercise, and therefore, this report.

I believe that my analysis must be considered as a whole. Selecting portions of my analysis or the factors Iconsidered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

This letter should be read in conjunction with the attached report.

Respectfully Submitted

Radhakrishnan K S
Registered Valuer
IBBI/RV/16/2023/15468

Date: **March 24, 2025**

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1. BACKGROUND OF THE COMPANY

1.1 JRRL

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 U27320TN2022PLC150206 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.

2. CAPITAL STRUCTURE & SHAREHOLDING PATTERN

2.1 JRRL

The issued and subsribed equity share capital of JRRL as at September 30, 2024 is as under under:

Authorized Share Capital:	
1) 4,10,50,000 Equity shares of Rs. 10 each	Rs. 43,55,00,000
2) 25,00,000 0.01% OCRPS of Rs. 10 each	
Issued and Paid up Share Capital:	
1) 4,10,25,641 Equity shares of Rs. 10 each	Rs. 43,23,16,410
2) 22,06,000 0.01% OCRPS of Rs. 10 each	

The company had in its meeting of members held on Feb 26, 2025 increased its Authorised Share Capital to Rs.82,50,00,000.00.

The aforesaid equity share capital is held as follows:

Sr. No.	Shareholder	Percentage
1	Promoter and Promoter group other than public	100.00%
2	Public	00.00%
	Total	**100.00%**

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3. **CONTEXT AND PURPOSE**

3.1 As informed to me by management of the company, the management is obtaining this fair valuation of shares for internal purposes including but not limited to proposed share issues, proposed share transfers, conversion of convertible instruments etc.

3.2 I have been appointed in this regard to determine and recommend the fair value of equity share of the company.

4. **REGISTERED VALUER**

I am a fellow member of The Institute of Chartered Accountants of India **('ICAI')** practicing as a sole proprietor. I am also registered with the Insolvency and Bankruptcy Board of India **('IBBI')**, as a Registered Valuer for asset class – 'Securities or Financial Assets' with registration no. IBBI/RV/16/2023/15468. I have been hereinafter referred toas 'Valuer' or 'I' or 'me' in this Report ('Valuation Report' or 'Report').

5. **CONDITIONS, MAJOR ASSUMPTIONS, EXCLUSIONS AND LIMITATIONS**

5.1 My report dated March 24 2025, issued for the purpose mentioned above is based on management certified provisional financial statements and financial projections for the 6 months ending March 2025 and financial years ending March 31, 2026 to March 2030 provided to me for the purpose of the valuation. Other facts, circumstances, assumptions and limitations articulated in the said report. The fair value of equity share arrived at for the aforementioned purpose was as on the date of the said report and should not be relied on or referred to going forward by anyone whatsoever.

5.2 I have not audited, reviewed, or compiled the financial statements of the Company and express noassurance on them. I acknowledge that I have no present or contemplated financial interest(Direct/Indirect) in the Companies. My fee for this valuation is based upon normal billing rates, and not contingent upon the results or the value of the business or in any other manner. I have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

5.3 I have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation

analyst, by reason of performing this valuation and preparing this report, is not to be required to give expert testimony nor to be in attendance in court or at any government

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hearing with reference to the matters contained herein, unless prior arrangements have been made with the valuation professional regarding such additional engagement.

5.4 This report, its contents, and analysis herein are specific to i) the purpose of valuation agreed as per the terms of my engagement, ii) the report date and iii) are based on management certified provisional financial statements and financial projections for the 6 months ending March 2025 and financial years ending March 31, 2026 to March 2030.

5.5 The management of the Company has represented that the business activities of the Company have been carried out in the normal course between October 1, 2024 and the Report date and that no material changes have occurred in their respective operations and financial position between October 1, 2024 and the Report date.

5.6 This report and the information contained herein are absolutely confidential and are intended for theuse of management and representatives of the Company for providing selected information and only in connection with purpose mentioned above or for sharing with intended investors/shareholders intending to transfer. It should not be copied, disclosed, circulated, quoted or referred to either in whole or inpart, in correspondence or in discussion with any other person except to whom it is issued without my written consent. In the event, the Company or their management or their representatives intendto extend the use of this report beyond the purpose mentioned earlier in this report, with or withoutmy consent, I will not accept any responsibility to any other party to whom this report may be shownor who may acquire a copy of the report.

5.7 I have not attempted to confirm whether all assets of the business of the company are free and clearof liens and encumbrances, or that the owner has good title to all the assets. I have also assumed thatthe business of the Company will be operated prudently and that there are no unforeseen adverse changes in economic conditions affecting the business, the market, or the industry.

5.8 I have been informed by management of Company that there are no environmental or toxic contamination problems, any significant lawsuits, or any other undisclosed contingent liabilities which may potentially affect the business of company, except as may be disclosed elsewhere in thisreport. I have assumed that no costs or expenses will be incurred in connection with such liabilities,if any.

5.9 This report is based on the information received from the sources mentioned herein and discussionswith the representatives of the Company. I have assumed that no information has been withheld that could have influenced the purpose of my report.

5.10 The Faire value of equity share expressed in this report pursuant to valuation of the Company is based on the Going Concern assumption.

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5.11 This report is prepared for JRRL as a consolidated entity after including relevant information, including projections of Jain Ikon Global Ventures (FZC), UAE and Sun Minerals Mannar Private Limited (Sri Lanka) which in the opinion of the management would reflect the correct value to the shareholders of JRRL.

6. VALUATION DATE

The valuation date shall be September 30, 2024 and the cut-off date for all the financial information used in the present valuation exercise has been considered on March 23, 2025 and the market parameters have been considered up to March 23, 2025.

7. PREMISE OF VALUE

The premise of Value is "as a going concern".

8. SOURCES OF INFORMATION

For the purpose of the report, following documents, and/or information published or provided by the management and representatives of the Company have been relied upon:

From the Management

8.1 Brief history & brief note on the business profile of the Company.

8.2 Management certified provisional financial statements and financial projections for the 6 months ending March 2025 and financial years ending March 31, 2026 to March 2030.

8.3 Capital structure as of Valuation Date of the Company

8.4 Shareholding pattern as of Valuation Date of the Company

8.5 Discussion with the management of the Company and representatives of the Company including necessary information, explanations and representations provided by the management and representatives of the Company.

8.6 Management representation letter dated March 23 2025.

From publicly available sources

8.7 Risk free rate **("Rf")** for the purpose of computation of cost of equity – RBI Website https://www.rbi.org.in/Scripts/BS_NSDPDisplay.aspx?param=4. 10 year bond yield as at February 28, 2025

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8.8 Rate of Return of Markets and Beta – Nifty Indices website, Nifty Indexogram for Nifty Metals index (which in my opinion represents the closest comparable companies since the company is in the business of Manufacturing ferrous and Non ferrous products from Scrap collected along with Plastic recycling

The Nifty Index information is extracted from NSE indices website

10 VALUATION STANDARDS

The Report has been prepared in compliance with the Valuation standards adopted by ICAI Registered Valuers Organisation as well as International Valuation Standards(Revised) issued by International Valuation Standards Council (**'IVS'**).

11 PROCEDURES ADOPTED

In connection with this exercise, I have adopted the following procedures to carry out the valuationof the Companies:

11.1 Requested and received information as stated in Sources of Information section in this Report.

11.2 Obtained data available in public domain.

11.3 Undertook industry and market analysis such as researching publicly available market dataincluding economic factors and industry trends that may impact the valuation.

11.4 Discussion (over call) with the respective management and representatives of the Company to understand relevant aspects that may impact the valuation.

11.5 Sought various clarifications from the respective management and representatives of the Company based on my review of information shared and my analysis.

11.6 Selection of valuation methodology/(ies) as per Valuation Standards adopted by ICAI RegisteredValuers Organisation as well International Valuation Standards accepted by IVS.

11.7 Determined the fair value of equity share based on the selected methodology.

12 VALUATION METHODOLOGY AND APPROACH

12.1 The standard of value used in the Analysis is "Fair Value", which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay and a seller could reasonably be expected to accept, if the business were exposed for sale in the open market for a reasonable period of time, with both buyer and seller being in

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possession of the pertinent facts and neither being under any compulsion to act.

12.2 Valuation of a business is not an exact science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuer and judgement taking into accounts all the relevant factors. There is, therefore, no indisputable single value. While I have provided my recommendation of the fair value of equity share pursuant to the proposed scheme of the Companies based on the financial and other information available to me and within the scope and constraints of my engagement, others may have a different opinion. The final responsibility for determination and adoption of the fair value of equity share is of the management of the Companies who takes into account other factors such as their own assessment of the companies and input of other advisors.

12.3 The valuation exercise involves selecting methods suitable for the purpose of valuation, by exerciseof judgment by the Valuers, based on the facts and circumstances as applicable to the business of the Companies to be valued. There are several commonly used and accepted methods for determining the fair value of equity which have been considered in the present case, to the extent relevant and applicable, including:

12.4 Cost Approach:

Cost approach focuses on the net worth or net assets of a business.

(A) Net Asset Value (NAV) method

The Net Assets Value (NAV) method, widely used under the Cost approach, considers the assets and liabilities as stated at their book values. The net assets, after reducing the dues to the preferenceshareholders, and contingent liabilities, if any, represent the value of the Company to the equity Shareholders. This valuation approach is mainly used in case where the assets base dominates earnings capability or in case where the valuing entity is a holding Company deriving significant value from its assets and investments.

(B) Adjusted Net Asset Value Method ("Adjusted NAV")

Adjusted NAV method is a version of NAV method wherein assets and liabilities are considered attheir realizable (market) value including intangible assets and contingent liabilities, if any, which are not stated in the Statement of Assets and Liabilities. Under this method, adjustments are madeto the company's historical balance sheet in order to present each asset and liability item at its respective fair market value. The difference between the total fair market value of the adjusted assets and the total fair market value of the adjusted liabilities is used to value a company. The value arrived at under this approach is based on the financial statements of the business and may be defined as Net-worth or Net Assets owned by the business.

This valuation approach is mainly used in case where the Company is to be liquidated i.e., it

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does not meet the "going concern" criteria or in case where the assets base dominates earnings capability. The Asset Approach is generally considered to yield the minimum benchmark of value for an operating enterprise.

12.5 Market Approach:

(a) Market Price Method

The market price of an equity shares as quoted on a stock exchange is normally considered as the value of the equity shares of that Company where such quotations are arising from the shares beingregularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of shares.

(b) Comparable Companies Market Multiple (CCMM) Method

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The difficultyhere is in the selection of a comparable company since it is rare to find two or more companies withthe same product portfolio, size, capital structure, business strategy, profitability and accounting practices.

Whereas no publicly traded company provides an exact match to the operations of a given company, important information can be drawn from the way comparable enterprises are valued bypublic markets. This valuation is based on the principle that market transactions taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for exceptions and circumstances. Generally used multiples are Price to Book Value/(P/BV Multiple), Price to Earnings per Share (P/E Multiple)

To arrive at the total value available to the stakeholders, the value arrived under CCMM method if calculated by P/BV and P/E is adjusted for debt, (net of cash and cash equivalents), surplus non-operating investments and contingent liabilities if any. I have considered companies as mentioned below in this report

(c) Comparable Companies Transactions Multiple (CTM) Method

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations in comparable companies, as manifest through transaction valuations. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

12.6 Income Approach:

The income approach is appropriate for estimating the value of a specific income / cash flows stream with consideration given to the risk inherent in that stream. The most common method underthis approach is discounted cash flow method.

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Maintainable Profit Method (Discounted Cash Flows – "DCF")

DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

Beta is an adjustment that uses historic stock market data to measure the sensitivity of the company's cash flow to market indices, for example, through business cycles.

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows inthe future. The free cash flows are projected for a certain number of years and then discounted at adiscount rate that reflects a company's cost of capital and the risk associated with the cash flows itgenerates. DCF analysis is based mainly on the following elements:

- Projection of financial statements (key value driving factors)
- The cost of capital to discount the projected cash flows

Terminal Value

The terminal value refers to the present value of the business as a going concern beyond the periodof projections up to infinity. This value is estimated by taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimated growth rate of the industry and economy.

13 VALUATION OF JRRL

13.1 Based on the information and explanations received from management of the company and based onmy perusal of the Scheme, I understand that the Scheme is proceeded with, on the assumption that the company is a going concern and an actual realization of the operating assets is not contemplated. In a going concern scenario, the relative earning power, as reflected under the Income approaches, is of greater importance to the basis of amalgamation, with the values arrived at on net asset basis being of limited relevance.

14. DCF Approach for valuation of JRRL

14.1 DCF method under Income Approach has been considered for valuation of the company since its value lies in the future potentials from its business. I have relied on the financial projections as received from Management

14.2 In this approach the valuation would primarily be based on the present value of future cash flows by discounting such future cash flows using an appropriate rate of discounting. Broad steps followed to derive the value under this approach are described as under:

- I have considered the Projected Net Profit after tax of JRRL for future period starting from

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management certified provisional financial statements and financial projections for the 6 months ending March 2025 and financial years ending March 31, 2026 to March 2030 as received from the management of the JRRL.

- I have made adjustments in relation to Depreciation, Finance cost (net of tax saving), Incremental Working Capital and Incremental Capital Expenditure so as to arrive at the Free cash flows available to Company **("FCFF")** in the respective future period / years.
- The value beyond the explicit forecast period is considered to get the Enterprise Value on a going concern basis. Nominal Growth rate of 4 % p.a. is considered in Terminal Value.
- FCFF for projected period / years and the terminal value are discounted using the Weighted Average Cost of Capital **("WACC")** as the discounting factor to arrive at their Net Present Value of the entity **("Enterprise Value")** as at the Valuation date.
- From the Enterprise Value, value of Net debt(Borrowings as reduced by Cash and cash equivalents and current investments) as of the valuation date is reduced. Further, based on the reading of the draft scheme, the compulsorily convertible preference shares and optionally convertible preference shares of Jain Recycling Private Limited and JRRL is proposed to be repaid and reduced in line with section 66 of companies act. The amount payable is reduced from Net Enterprise Value while computing Fair Value of equity shares.
- The aggregate of such NPV of FCFF and Terminal Value is the Discounted Free Cash Flows as at the Valuation date.
- Value of equity as computed above has been then divided by the number of Equity Shares of JRPL and JRRL as on the Valuation date(i.e considering the effect of proposed scheme of amalgamation) to arrive at the Value per Equity Share as at the Valuation date.

15 CAVEATS

15.1 Provision of valuation recommendations and considerations of the issues described herein are areasof 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.

15.2 My review of the affairs of the Companies and their books and account does not constitute an auditin accordance with Auditing Standards. I have relied on explanations and information provided bythe 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.

15.3 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 arebased is solely that of the Management of the Companies and I do not provide any confirmation orassurance 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.

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I have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences.

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

15.5 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.

15.6 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.

15.7 My valuation analysis should not be construed as investment advice; specifically, I do not expressany opinion on the suitability or otherwise of entering into any transaction with the Companies.

16 VALUATION AND CONCLUSION

Based on the foregoing data, considerations and steps followed, I consider the recommendation of fair value of equity share of JRRL as follows:

(PTO)

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Particulars	Values in Rs. Mils						
	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Terminal value
Profit After Tax	1,403	3,323	5,204	7,217	8,461	9,909	
Depreciation	57	204	225	206	220	262	
Capital Expenditure	68	628	340	100	300	500	
Investment	283	1,000	250				
Changes in working capital (increase/-decrease)	-2,905	2,982	3,590	5,178	4,209	723	
FCF	**4,014**	**-1,082**	**1,249**	**2,146**	**4,172**	**8,948**	
Discount Rate (WACC)	12.2%						
Growth rate	4.0%						
DCF	**3,789**	**-910**	**936**	**1,434**	**2,485**	**4,750**	**60,232**
Net present Value (Sum of all DCF) Including Terminal Value	**72,716**						
(-)Present Value of closing Debt outstanding as at March 31, 2030	7,366						
(-)Proposed repayment of and reduction of capital as represented by management							
OCPS in JRRL as at Sept 30, 2024	300						
OCRPS in JRPL as at Sept 30, 2024	300						
CCRPS in JRPL as at Sept 30, 2024	750						
Value of Equity	64,000						
Number of Shares as at Sept 30, 2024	6,22,40,034						
Value per Equity Share as at Sept 30, 2024	1,028.28						
Number of Shares adjusted for Post balance sheet events	6,47,06,818						
Value per Equity Share as at Sept 30, 2024 adjusted for Post balance sheet events	989.08						

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Number of Shares Calculation

Number of Shares		Particulars
Shares existing as of Sept 30, 2024		41025641
Number of shares issued based on Scheme of Arrangement filed with NCLT and approved as of date of report.	1161160	
Swap Ratio as filed in the application with NCLT	18.27	
	21214393.2	21214393.2
Total Number of Shares as at September 30, 2024(A)		62240034
Valuation is done on a merged entity basis, since the appointed date of the merger is April 1 2024, the effect of the merger is given as at September 30, 2024.		
Number of shares issued post September 30, 2024		
Rights issue		4,30,008
OFCD Convesion		20,36,776
Total Number of Shares as at Valuation report date adjusted for Post balance sheet events (B)		6,47,06,818

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