

VALUATION REPORT
VISA STEEL LIMITED





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Omnifin Valuation Services (OPC) P Ltd

Diamond Arcade, #313, 68 Jessore Road, Kolkata 700055

valuation@omnifinsolutions.com | +91 88 2000 1234

CIN: U74999WB2021OPC242865 | PAN: AADCO3799G

IBBI Regn No. IBBI/RV-E/01/2022/160 | RVM: RVOESMA/REM/2022/0004

To,

The Board of Directors

VISA Steel Limited

11 Ekamra Kanan, Nayapalli, Bhubaneswar,
Orissa, India, 751015

Dear Sir/ Madam,

Ref: Assessment of Fair Value of Equity Shares to arrive at the floor price for the preferential issue as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended).

We have been engaged by the Board of Directors of VISA Steel Limited ("**Company**" or "**VSL**") having CIN L51109OR1996PLC004601 for valuation of Equity Shares for the purpose of issue of warrants ("**Transaction**"). The purpose of the engagement is to provide a fair valuation of Equity Shares of VSL under SEBI (ICDR) Regulations 2018.

It should be noted that the valuation engagement is purely an analytical exercise based on the information and documents given to us and we have not assessed the merits or legality of the transaction. Our report is not some advice on the transaction and should not be used as the basis of investment. Our valuation conclusion will not necessarily be the price at which actual transaction will take place.

Based on the information provided by the management, we have assessed the value of Equity Shares as on Valuation Date i.e. 3rd October 2025. Based on our assessment, the value of equity shares for the purposes of SEBI (ICDR) Regulations, 2018 (i.e. floor price) should be **INR 10 per share**. The detailed valuation report including computation of value has been attached in subsequent pages.

Regards

Vikash Goel

Director, Omnifin Valuation Services (OPC) P Ltd

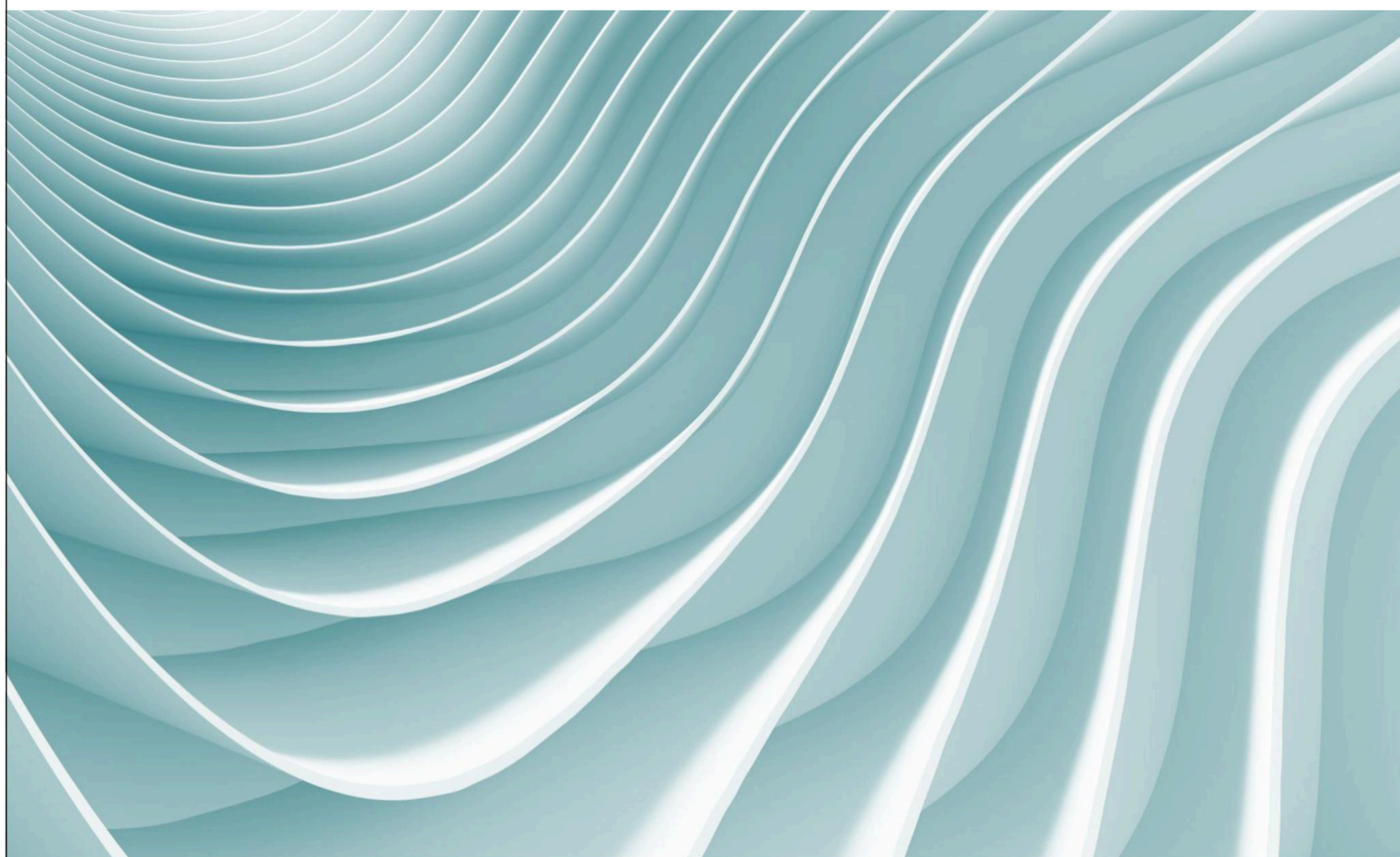
(IBBI Regd. No.: IBBI/RV/01/2018/10339)

(RVM No. RVOESMA/RVM/2020/0045)

Date: 4th October 2025 | Kolkata

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1.0 Purpose

We have been engaged by the Board of Directors of VSL for valuation of Equity Shares for the purpose of issue of warrants under Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 using financials as of the Relevant Date. Considering the nature of warrants, we have been engaged to value the Equity shares of the company. Accordingly, the calculation has been performed under Companies Act and SEBI (ICDR) Regulations, 2018. The detailed Valuation is done under valuation section of this report.

The relevant extracts of The Companies Act, 2013 is as under:

62. Further issue of share capital

(1) Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(c) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.

53. Prohibition on issue of shares at discount.

(1) Except as provided in section 54, a company shall not issue shares at a discount.

(2) Any share issued by a company at a discount shall be void.

(2A) Notwithstanding anything contained in sub-sections (1) and (2), a company may issue shares at a discount to its creditors when its debt is converted into shares in pursuance of any statutory resolution plan or debt restructuring scheme in accordance with any guidelines or directions or regulations specified by the Reserve Bank of India under the Reserve Bank of India Act, 1934 or the Banking (Regulation) Act, 1949.

(3) Where any company fails to comply with the provisions of this section, such company and every officer who is in default shall be liable to a penalty which may extend to an amount equal to the amount raised through the issue of shares at a discount or five lakh rupees, whichever is less, and the company shall also be liable to refund all monies received with interest at the rate of twelve per cent. per annum from the date of issue of such shares to the persons to whom such shares have been issued.

The relevant extracts of Chapter V of the SEBI (ICDR) Regulations, 2018 is as under:

161. For the purpose of this Chapter, "relevant date" means:

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

162. (1) The tenure of the convertible securities of the issuer shall not exceed eighteen months from the date of their allotment.

(2) Upon exercise of the option by the allottee to convert the convertible securities within the tenure specified in sub-regulation (1), the issuer shall ensure that the allotment of equity shares pursuant to exercise of the convertible securities is completed within 15 days from the date of such exercise by the allottee.

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

- the 90 trading days' volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date.
- the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

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

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

166. The price determined for a preferential issue in accordance with regulations 164, 164A, 164B or 165, shall be subject to appropriate adjustments, if the issuer:

- makes an issue of equity shares by way of capitalization of profits or reserves, other than by way of a dividend on shares
- makes an issue of equity shares after completion of a demerger wherein the securities of the resultant demerged entity are listed on a stock exchange
- makes a rights issue of equity shares
- consolidates its outstanding equity shares into a smaller number of shares
- divides its outstanding equity shares including by way of stock split
- re-classifies any of its equity shares into other securities of the issuer
- is involved in such other similar events or circumstances, which in the opinion of the concerned stock exchange, require adjustments.

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

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

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

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166A. (1) Any preferential issue, which may result in a change in control or allotment of more than five per cent. of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price:

Provided that the floor price, in such cases, shall be higher of

- the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or
- the price determined under the valuation report from the independent registered valuer or
- the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable:

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

Provided further that the valuation report from the registered valuer shall be published on the website of the issuer and a reference of the same shall be made in the notice calling the general meeting of shareholders.

2.0 About the Valuer

Omnifin Valuation Services (OPC) Pvt Ltd (“Omnifin” or “the “Valuer”) is a Registered Valuer Entity under Insolvency and Bankruptcy Board of India (IBBI) having Registration No. IBBI/RV-E/01/2022/160. Omnifin holds a Certificate of Practice with RVO ESMA to value Securities & Financial Assets and Land & Building.

Vikash Goel is a Director at Omnifin and is a Registered Valuer with IBBI. He is registered with the Insolvency and Bankruptcy Board of India to undertake the Valuation of Securities and Financial Assets of the Companies and holds a Certificate of Practice to practice as a valuer. Vikash is a Chartered Accountant (Fellow member of ICAI), CFA (ICFAI) and holds MS Finance and MBA in HR. He is also an alumnus of St Xavier’s College, Kolkata, and hails from Indian Institute of Management Calcutta (IIM-C). Vikash has extensive experience of over 18 years spanning across Industry and Consulting and has worked with companies like PwC, EY, and ICA in India and Canada. Vikash has conducted valuation across a variety of spectrum including but not limited to Angel fund raising, Private equity exit, Private Placement, Valuation of shares under Income Tax, Investment advisory around valuation of shares, mutual funds, hedge funds and derivatives and has been exposed to global valuation and business modelling practices for companies.

3.0 Disclosure of valuer interest or conflict

We hereby confirm that the valuer is suitably qualified and authorized to practice as a valuer in accordance with **Sec 247 of the Companies Act, 2013** read with **The Companies (Registered Valuers and Valuation) Rules, 2017**.

We confirm that we do not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the company. We have no present or planned future interest in the company or its group companies, if any and the fee payable for this valuation is not contingent upon the value reported herein.

247. Valuation by registered valuers —

(1) Where a valuation is required to be made in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of this Act, it shall be valued by 1[a person having such qualifications and experience and registered as a valuer in such manner, on such terms and conditions as may be prescribed] and appointed by the audit committee or in its absence by the Board of Directors of that company.

4.0 Key dates

Appointment Date: We have been appointed by Board of Directors vide letter dated 1st October 2025.

Valuation Date: The valuation exercise has been performed based on the relevant date of 3rd October 2025 and trading data is considered based on this date. However, we have considered the annual audited financial statements i.e., as on 31st March 2025 and limited reviewed financials as on 30th June 2025 as provided by the management.

Report Date: Our valuation report has been submitted as of 4th October 2025.

5.0 Appointing Authority

The Board of Directors of VISA Steel Limited is the Appointing Authority (“**appointing authority**”, “**client**”) for the purpose of this engagement.

6.0 Background Information about the Company

VISA Steel Limited

CIN	L51109OR1996PLC004601	
Date of Incorporation	10 th September, 1996	
Registered Address	11 Ekamra Kanan, Nayapalli, Bhubaneswar, Orissa, India, 751015	
Address at which the books of account are to be maintained	Kalinganagar Industrial Complex At/Post : Jakhapura, Jajpur, Orissa, India, 755026	
Listing status	Listed	
Authorised Capital (INR)	2,52,00,00,000	
Paid Up Capital (INR)	1,15,78,95,000	
Directors and Key Signatories	Vishambhar Saran	(DIN: 00121501)
	Vishal Agarwal	(DIN: 00121539)
	Dhanesh Ranjan	(DIN: 03047512)
	Biswajit Chongdar	(DIN: 07571173)
	Ritu Bajaj	(DIN: 02167982)
	Manoj Kumar	(DIN: 06823891)
	Surinder Kumar Singhal	(PAN: *****5659M)
	Amisha Chaturvedi Khanna	(PAN: *****7694C)

[Source: www.mca.gov.in/]

VISA Steel Limited (VSL) is engaged in the manufacturing of High Carbon Ferro Chrome with captive power plant in Odisha. Incorporated on 10 September, 1996, VSL has its registered office at Bhubaneswar with manufacturing facilities at Kalinganagar in Odisha. VSL is a Public Limited Company with its shares listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

VISA Steel has set up a 125,000 TPA Ferro Chrome Plant at Kalinganagar in Odisha. The facilities include 5 submerged Arc Furnaces with 3x25 MW Power Generating Units. VISA Steel makes High Carbon Ferro Chrome as per International Quality Standards for end use in Stainless Steel and Special Steel manufacturing.

Financials Extracts of the company:

(in INR million)

Summary Profit & Loss Statement	YE Mar-24 (Audited)	YE Mar-25 (Audited)	QE Jun-25 (Limited Review)
Total Revenue	6,713.93	5,674.32	1,718.51
Total Expenses	7,432.87	6,146.64	1,675.29
Profit before Exceptional Items	-718.94	-472.32	43.22
Exceptional Items	0.04	-4,693.18	0.00
Profit before Tax	-718.90	-5,165.50	43.22
Total Tax	0.00	0.00	0.00
Profit after Tax	-718.90	-5,165.50	43.22

(in INR million)

Summary Balance Sheet	Mar-24 (Audited)	Mar-25 (Audited)
Equity & Liabilities		
Equity Share capital	1,157.90	1,157.90
Reserves & Surplus	-9,598.77	-14,766.18
Shareholders' Funds	-8,440.87	-13,608.28
Total Non-Current Liabilities	417.59	380.04
Total Current Liabilities	18,346.76	18,562.21
Total Equity and Liability	10,323.48	5,333.97
Total Non-Current Assets	9,752.34	4,566.06
Total Current Asset	571.14	767.91
Total Assets	10,323.48	5,333.97

[*Some figures may not add up due to rounding off]

About the Steel Industry:

India's steel industry is on a strong growth trajectory, with crude steel production reaching about 151 million tonnes in FY25 and capacity expected to rise to 300 million tonnes by 2030–31 (Source: Reuters). Since high carbon ferro chrome (HC FeCr) is an essential alloy in stainless steel manufacturing, this expansion directly supports its demand. Stainless steel production in India has already grown by 14% year-on-year in FY25 to 3.85 million tonnes (Source: BigMint), and ferro alloys demand overall is projected to grow at a 7–8% CAGR over the next five years (Source: Business Standard).

On the supply side, ferro chrome production in India has remained largely stable at around 1.35 million tonnes in FY25 compared to 1.36 million tonnes in FY24 (Source: BigMint). However, exports fell sharply by about 36% year-on-year in FY25 to 0.49 million tonnes (Source: BigMint), driven by weaker Chinese demand and rising chrome ore costs. Prices have also softened, with benchmark HC FeCr prices down by about 6% year-on-year to INR 105,600 per tonne in FY25, while recent ex-works Jajpur offers are in the INR 98,500–100,800 per tonne range (Source: BigMint). Producers lacking captive chrome ore mines are facing margin pressures, while those with captive resources remain relatively insulated.

In the near term, the outlook for HC FeCr is cautious due to muted global stainless-steel demand and input cost escalations (Source: Argus Media). However, the medium- to long-term demand drivers remain strong, underpinned by India's ambitious steel capacity targets and rising consumption in sectors such as infrastructure, automobiles, and defense. Capacity additions by major producers like Tata Steel, IMFA, Jindal Stainless, and FACOR are also expected to support supply (Source: SteelMint).

Environmental and regulatory factors are becoming increasingly important. For example, Tata Steel has conducted biomass usage trials in its ferro chrome furnaces in Odisha to lower carbon emissions (Source: Tata Steel Report). At the same time, global trade policies such as the EU's Carbon Border Adjustment Mechanism (CBAM) may add cost and competitiveness challenges for exporters. Overall, Indian ferro chrome producers with captive

chrome ore, efficient power use, and investments in greener technologies are likely to be the best positioned to benefit from long-term demand growth.

7.0 Inspections and Investigations

The Valuation of Equity Shares is being done as on the Relevant Date based on the documents produced before us for the purpose of ascertaining the value of Equity Shares.

During our Desktop Valuation, we have not carried out any independent verification or validation to establish accuracy or sufficiency of information given to us. We have received representations from the management of the Company and have accordingly assessed the value of Equity Shares. We believe that given the nature of the valuation and the underlying reports made available to us, it is plausible to carry out such valuation.

8.0 Sources of Information

While performing the valuation, we have relied on the following sources:

- Audited Financial Statements (Mar-2025) and limited reviewed financial statements (Jun-2025) as provided by the management
- Verbal and written information and discussions with the management
- We have also accessed public documents as available from external sources such as company website, mca.gov.in, BSE India, etc. to better understand and assess the value of the business.

We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us; we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations, or liabilities of the Company. The valuation analysis and result are substantively based only on information contained in this report and are governed by concept of materiality.



9.0 Caveats, limitations, and disclaimers

- 9.1. Restriction on use of Valuation Report:** This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. The management of the Company are the only authorized user of this report and is restricted for the purpose indicated in the report. This restriction does not preclude the Appointing Authority from providing a copy of the report to its internal stakeholders on a need-to-know basis, auditors, regulators, and third-party advisors whose review would be consistent with the intended use. Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. We do not take any responsibility for the unauthorized use of this report.
- 9.2. Purpose:** Our report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
- 9.3. No advice towards investment or on transaction:** Our Valuation report should not be construed as advice for the transaction. Specifically, we do not express any opinion on the suitability or otherwise of entering the proposed transaction as stated in the purpose of engagement. We express no opinion or recommendation, and the stakeholders are expected to exercise their own discretion. We would not be responsible for the decision taken by anybody based on this report.
- 9.4. Responsibility of Registered Valuer:** We owe responsibility to only to the appointing authority that has appointed us under the terms of the engagement. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or wilful default on part of the client or companies, their directors, employees, or agents. We do not take any responsibility towards the report unless our fee is paid in full. In any case, our liability to the management or any third party is limited to be not more than the amount of the fee received by us for this engagement.
- 9.5. Accuracy of Information:** While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the appointing authority/management.
- 9.6. Post Valuation Date Events:** An analysis of such nature is necessarily based on the prevailing stock market, financial, economic, and other conditions in general and industry trends in

particular as in effect on, and the information made available to us as of, the date hereof. The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the Valuation Date.

- 9.7. Range of Value Estimate:** The valuation of companies and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is no indisputable single value, and the estimate of the value is normally expressed as falling within a likely range. We have provided a single value for the overall Value of Equity Shares, derived based on appropriate approaches. Whilst we consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.
- 9.8. No Responsibility to the Actual Price of the subject asset:** The actual market price achieved may be higher or lower than our estimate of value depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place. The final transaction price is something on which the parties themselves have to agree. We also emphasize that our opinion is not the only factor that should be considered by the parties in agreeing the transaction price or swap ratio.
- 9.9. Reliance on the representations of the management and other third parties:** During the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company. The management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the management and other third parties concerning the financial data, operational data except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost, or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee, or agents.

9.10. No procedure performed to corroborate information taken from reliable external Sources:

We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

9.11. Compliance with relevant laws: The report assumes that the company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner. This Report does not look into the business/commercial reasons behind the transaction nor the likely benefits arising out of the same. In addition, we express no opinion or recommendation, and the stakeholders are expected to exercise their own discretion. Further, unless specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us.

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

9.13. Questions, Appearances or Testimony in courts/ tribunals/ authorities: Our engagement is limited to preparing the report to be submitted to the management. The Calculation worksheets and related financial models are proprietary to the valuer and will not be shared with the appointing authority or anyone. We shall not be liable to provide any evidence for any matters stated in the report nor shall we be liable or responsible to provide any explanation or written statement for any assumption, information, methodology or any other matter pertaining to the report. However, in case we are required to appear before any regulatory authority as per law, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and our tendering evidence before such authority shall be under the applicable laws.

9.14. Fees and Independence: We are independent of the client/company and have no current or expected interest in the Company or its assets. The fee paid/to be paid for our services in no way influenced the results of our analysis.

10.0 Valuation

The valuation exercise is aimed at the assessment of the Fair Value. We are required to arrive at the above valuations based on internationally accepted valuation practices. As per **RICS appraisal Manual**, as well as **Ind AS 113** and **IFRS 13**, the **Fair Value** (FV) is defined 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.'*

10.1 Valuation bases and premise

Our assessment is based on the information given to us. Considering the purpose of valuation, we have considered the premise of value to be Going concern. Our general approach has been to assess the Fair Value of the company.

10.2 Valuation approach and methodologies

Valuation is dependent on various factors such as specific nature of business, economic life cycle in which the industry and company is operating, past financial performance of the business, future growth potential of the business, business model, management of the company, relevance of technology in the business model, liquidity of equity and much more. The results of the valuation exercise may vary significantly depending on the basis used, the specific circumstances and the judgement of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue.

International Valuation Standard (IVS) 103 issued by International Valuation Standards Council (IVSC) effective 31st Jan 2025 requires the valuer to consider and select the most relevant and appropriate valuation approaches for the valuation of the asset and/or liability based on its intended use(s). As per IVS 103, the principal approaches to valuation are:

Market Approach: The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available.

Cost Approach: The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

Income Approach: The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset.

10.3 Rationale for Valuation

Cost Approach:

As per IVS 103, The cost approach should be applied and afforded significant weight under the following circumstances:

- participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- the asset is not directly income-generating, and the unique nature of the asset makes using an income approach or market approach unfeasible,
- the basis of value being used is fundamentally based on replacement cost, and/or
- the asset was recently created or issued and sold to market participants, such that there is a high degree of reliability in the assumptions used in the cost approach.

Under the Cost Approach, we have considered Adjusted Net Asset Value (ANAV) which is representative of the replacement cost of the net assets of the company. We have arrived at the Net Asset Value by deducting all book value of liabilities from book value of assets, with appropriate adjustments made to reflect the fair value of assets and liabilities, along with any other relevant items, as applicable.

Market Approach: As per IVS 103, The market approach should be applied and afforded significant weight under the following circumstances:

- the subject asset has recently been sold in a transaction appropriate for consideration under the basis of value,
- the subject asset or substantially similar assets are actively publicly traded, and/or
- there are frequent and/or recent observable transactions in substantially similar assets.

The Equity Shares of VSL are publicly traded but are infrequently traded for the purposes of SEBI (ICDR) regulations. Since the company has reported losses in the recent periods, Price Multiples [e.g., Price Earnings (P/E)] is not applied. Therefore, we have considered 10 Days volume weighted average price as one of the methods of valuation under Market approach.

Income Approach: As per IVS 103, A fundamental basis for the income approach is that investors expect to receive a return on their investments and that such a return should reflect the perceived level of risk in the investment.

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

- the income-producing ability of the asset is the critical element affecting value from a participant perspective, and/or
- reasonable projections of the amount and timing of future income are available for the subject asset, but there are few, if any, relevant market comparables.

Based on our assessment and discussion with the management, the future cash flows cannot be ascertained with reasonable certainty and the financial forecasts are not available. The company has been reporting losses over the past few financial years. So, application of Income approach was not considered appropriate. Given, the company reported losses in recent periods, Capitalisation of Earnings Method is also not applied.

10.4 Valuation Results

Compliance with Reg. 164:

The equity shares of the VSL are listed on both the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). Based on the trading data available for the last 240 trading days preceding the relevant date, the cumulative trading volume on BSE constitutes approximately 1.91% of the total outstanding shares, as compared to 0.08% on NSE. Since the trading activity is significantly higher on BSE, its data has been used for all computations and analysis related to trading volume and price determination, for valuation purposes.

As the cumulative trading volume on both the stock exchanges is less than 10% of the total outstanding shares, the equity shares of VSL are classified as "infrequently traded" in accordance with Chapter V of the SEBI (ICDR) Regulations, 2018. Accordingly, Regulation 164 pertaining to frequently traded shares is not applicable.

Total outstanding shares	= 11,57,89,500
Total trading volume in 240 trading sessions on BSE	= 22,14,228
% of shares traded in 240 trading sessions on BSE	= 1.91% i.e., less than 10%

Total outstanding shares	= 11,57,89,500
Total trading volume in 240 trading sessions on NSE	= 88,668
% of shares traded in 240 trading session on NSE	= 0.08% i.e., less than 10%

Compliance with Reg. 165:

The company's shares are infrequently traded and hence we have applied multiple approaches to valuation. Our valuation result for valuation of Equity Shares is as follows:

Cost Approach

	(Amount in INR Million)
Valuation under Cost Approach	31 st March 2025
Book Value of Assets	5,334
Book Value of Liabilities	18,942
Book Value of Equity	-13,608
Adjustment for Interest not recognized	-1,601
Adjusted Net Asset Value (ANAV)	-15,210
No. of shares	11,57,89,500
Adjusted Net Asset Value of Equity (Per Share)	-131.36
ANAV per Share	NIL

Qualified Opinion and Material Uncertainty relating to Going Concern: The company has reported continuous losses over the past few financial years. As per annual report for the financial year ended 31st March 2025, and limited reviewed financial statements for June 2025, the statutory auditors of the company have expressed a qualified opinion on account of non-recognition of interest expenses, which has resulted in understatement of the reported losses. Further, the auditors have also highlighted a material uncertainty with respect to the company's ability to continue as a going concern. As per the auditors, the Company's current liabilities are substantially higher than its current assets and VSL's net worth has also been negative.

Market Approach: The company's equity shares are infrequently traded on BSE with very low trading volumes, which does not provide a reliable basis for determination of fair value under the Market Approach. In addition, the higher of 10-day VWAP and 90 Day VWAP of the company's shares preceding the Relevant Date is INR 39.68 (as per Regulation 164(1)).

Particulars	
A. Total traded Turnover over 90 Days (in INR)	58,34,553.00
B. Total traded shares in 90 Days	1,67,808
C. Volume Weighted Average Price [90 Days] (A/B)	34.77
D. Total traded Turnover over 10 Days (in INR)	16,25,287.00
E. Total traded shares in 10 Days	40,962
F. Volume Weighted Average Price [10 Days] (D/E)	39.68
Price to be Considered as per Sec 164(1) [Higher of C & F i.e. F]	39.68

However, given the company's shares are infrequently traded, coupled with its continued losses, negative NAV, and going concern uncertainties, this price is not considered to be fully reflective of the fair value of the shares.



10.5 Summary of valuation methods used

Method	Applied	Rationale
Market Approach – Market price method		The Equity Shares of VSL are publicly traded but are infrequently traded (i.e., less than 10% of the total number of outstanding shares for the purposes of SEBI (ICDR) regulations.
Market Approach – Comparable multiples		Since the company has reported losses in the recent periods, Price Multiples [e.g., Price Earnings (P/E)] is not applied.
Income Approach		The future cash flows cannot be ascertained with reasonable certainty and the financial forecasts are not available. The company has been reporting losses over the past few financial years. So, neither Discounted cash Flow nor capitalisation of earnings method was applied.
Cost Approach		Adjusted Net Asset Value (ANAV) is representative of the replacement cost of the net assets of the company. However, the value is negative

10.6 Valuation Conclusion

Valuation Method	Weight	Value (INR per share)
Market Approach – Market price method	0%	39.68
Market Approach – Comparable multiples	0%	N/A
Income Approach – Discounted Cash Flow	0%	N/A
Cost Approach – Net Asset Value	0%	-131.36

Considering the company's very low trading activity (being infrequently traded), negative NAV, continued losses, and going concern uncertainties, these approaches do not provide a meaningful benchmark for valuation. In light of the above, and in compliance with Section 53 of the Companies Act, 2013, which prohibits the issue of shares at a discount (i.e., below face value), the floor price of the equity shares of VSL have been determined at INR 10 per share (face value).

Further, we understand that the proposed preferential issue is not likely to result in a change in control of the issuer, therefore the valuation report does not incorporate any changes in value towards control premium. **Thus, we have arrived at the Value of Equity (floor price) per share of INR 10.00.**

---End of Report---