

Valuation Report
of
Mangalam Worldwide Limited
and
Mangalam Saarloh Private Limited
Gujarat

Prepared By:
Maitri Valuation LLP
Registered Valuer - Securities or Financial Assets
Ahmedabad
IBBI Reg. No. - IBBI/RV-E/11/2023/184
PAN - ABUFM0858K
Contact - (M)9375656516, (Email)maitrivaluation@gmail.com
www.maitrivaluation.com

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1 ENGAGEMENT, CONTEXT AND PURPOSE

As per the terms of engagement dated 18th April 2023, we were required to fair share swap ratio for the purpose of Amalgamation/merger of Mangalam Worldwide Limited (CIN L27100GJ1995PLC028381) (herein referred as “MWL” or “Company”) and Mangalam Saarloh Private Limited.

In this connection, we have been requested by MWL to carry out a fair valuation of Equity Shares of MWL with relevant date of April 24, 2023 and MSPL as at April 01, 2023, being the valuation date. We have adopted ICAI Valuation Standards, 2018 to arrive at valuation of Equity Shares of the Company.

2 SOURCES OF INFORMATION

The Management has provided the following details/ documents and we have relied upon the same:

- Audited Financial Statements of MWL and MSPL for FY 2021-22 and FY 2022-23
- Present Status of the Company
- We have also relied upon information, including prospective information, provided to us by the management of MWL; a review of financial statements, and other relevant documents; and through outside research

3 BACKGROUND OF THE COMPANIES

Mangalam Worldwide Limited

Mangalam Worldwide Limited was incorporated as on 11th December 1995 and is registered at Registrar of Companies, Ahmedabad. It is involved in Manufacture of Basic Iron & Steel

Particulars	(Rs.)
Authorized Share Capital	445,280,000
3,97,50,000 equity shares of Rs. 10 each	397,500,000

47,50,000 0.1% non cumulative redeemable preference shares of Rs. 10 each	47,500,000
28000 Redeemable Preference Shares of Rs. 10 each	280,000
Paid up Capital	245,006,740
2,45,00,674 equity shares of Rs. 10 each	245,006,740

Financial Information of MWL

(Rs. in Lacs)

Particulars	2022-23	2021-22
Share Capital	2450.07	1800.75
Reserves & Surplus	10970.57	2747.19
Net Worth	13420.64	4547.94
Total Income	64593.8	52332.29
Net Profit	1628.56	1238.84

Mangalam Worldwide Limited's Corporate Identification Number is (CIN) L27100GJ1995PLC028381 and its registered address is 102, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad, Gujarat - 380009.

The equity shares of Mangalam Worldwide Limited are listed on National Stock Exchange (NSE), EMERGE (SME) Platform.

Mangalam Saarloh Private Limited

Mangalam Saarloh Private Limited was incorporated as on 5th August, 2019 and is registered at Registrar of Companies, Ahmedabad. MSPL has provided its properties to MWL on rent. MSPL is generating income through only this rent.

Particulars	(Rs.)
Authorized Share Capital	10,000,000
10,00,000 equity shares of Rs. 10 each	10,000,000
Paid up Capital	5,200,000
5,20,000 equity shares of Rs. 10 each	5,200,000

Financial Information of MSPL

(Rs. in Lacs)

Particulars	2022-23	2021-22
Share Capital	52	1
Reserves & Surplus	1084.6	1.45
Net Worth	1136.6	2.45
Total Income	69.82	2.06
Net Profit	89.24	0.91

Mangalam Saarloh Private Limited's Corporate Identification Number is (CIN) U27100GJ2019PTC109406 and its registered address is 205, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad, Gujarat - 380009.

MSPL is 60% subsidiary of MWL.

4 CONDITIONS AND MAJOR ASSUMPTIONS

4.1 Conditions

The Financial information of the Company included in this report is solely for the purpose of arriving at a value determined in this report. The information about financials of the company included in this report has been provided by the Management of the Company. We have not audited or reviewed the financial statements and express no assurance on the same. This report is only to be used for the purpose as stated herein.

4.2 Major Assumptions

The fair value of Equity Shares arrived at in this report is based on the information provided by the Management of the Company. The information as provided are assumed to be accurate and complete. We have relied upon the representations contained in the documents in our possession as well as verbal discussion with the management of the Company.

5 VALUATION DATE

The analysis of the fair value of equity shares of MWL have been carried out with relevant date as April 25, 2023 and fair value of equity shares of MSPL have been carried out as on April 01, 2023 for the purpose of Amalgamation/merger of MSPL and MWL.

6 BASES AND PREMISE OF VALUATION

There are three Bases of Valuation as under

1. Fair Value
2. Participant Specific Value
3. Liquidation Value

We have considered base of Participant Specific Value for arriving at the valuation of the Equity Shares of MWL and MSPL considering gain to be perceived by MWL on getting merger with MSPL.

There are five Premises of Valuation as under

1. Highest and Best Use
2. Going Concern Value
3. As is Where is Value
4. Orderly Liquidation
5. Forced Transaction

We have considered Going Concern Value as premise of valuation since MWL and MSPL are operating business.

7 VALUATION APPROACH

There are three broad approaches used for business valuation:

1. Asset Approach
2. Market Approach
3. Income Approach

Asset Approach

The Asset approach methods seek to determine the business value based on the value of its assets. The aim is to determine the business value based on the fair market value of its assets less its liabilities. The asset approach is based on the economic principle of substitution which adopts the approach of cost to create another business similar to one under consideration that will produce the same economic benefits for its owners.

We have not considered this approach for valuation of equity shares of MWL since this method doesn't reflect fair value of equity shares of MWL

We have considered this approach for valuation of equity shares of MSPL since this method is suitable for carrying out valuation of equity shares of MSPL considering its nature of business.

Market Approach

The market approach relies on signs from the real market place to determine what a business is worth. The market approach based valuation methods establish the business value in comparison to similar businesses. The methods rely on the pricing multiples which determine a relationship between the business economic performance, such as its revenues or profits, and its potential selling price.

We have considered this approach for valuation of equity shares of MWL since the equity shares of MWL are listed on National Stock Exchange (NSE), EMERGE (SME) Platform. We have followed SEBI (ICDR) Regulations, 2018 for valuation of equity shares of MWL as equity shares of MWL are listed on National Stock Exchange (NSE), EMERGE (SME) Platform.

We have not considered this approach for valuation of equity shares of MSPL since there are no peer group listed companies of MSPL.

Income Approach

The Income approach methods determine the value of a business based on its ability to generate desired economic benefit for the owners. The key objective of the income-based methods is to determine the business value as a function of the economic benefit. The income approach takes a look at the core reason for running a business - making money. The business value is sought to be established in the present, the expected income and risk must be translated to today. Discounted Free Cash Flow Method is a popular method to do this translation under income approach:

We have not considered this approach for valuation of equity shares of MWL since we have followed SEBI (ICDR) Regulations, 2018 for valuation of equity shares of MWL as equity shares of MWL are listed on National Stock Exchange (NSE), EMERGE (SME) Platform.

We have not considered this approach for valuation of equity shares of MSPL since MSPL is generating income from rent only and hence this approach is not suitable for valuation of equity shares of MSPL.

8 VALUATION METHODOLOGY

8.1 Net Asset Value Method

We have used this method for carrying out valuation of equity shares of MSPL. Net Asset Value means the company's total asset less total liabilities. We have considered market value of immovable assets of MSPL.

We have considered valuation report of Mr. Pranav Parikh, IBBI Registered Valuer for valuation of Building of MSPL dated 20th April, 2023

We have considered valuation report of Mr. Nilesh Barad, IBBI Registered Valuer for valuation of Plant & Machinery of MSPL. Dated 20th April, 2023

We have also considered value of carry forwarded capital loss and business loss of MSPL in addition of Net Asset Value since MWL will gain value of this loss on account of merger of MSPL with MWL .

Market Price Method

We have considered this method for valuation of equity shares of MWL since the equity shares of MWL are listed on National Stock Exchange (NSE), EMERGE (SME) Platform. We have followed pricing guidelines for preferential allotment mentioned in SEBI (ICDR) Regulations, 2018 for valuation of equity shares of MWL as equity shares of MWL are listed on National Stock Exchange (NSE), EMERGE (SME) Platform which is as under

Price of equity share shall not be less than higher of the following

1. 90 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date;
2. 10 trading days volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date.

We have considered relevant date as April 25, 2023 which is a date of board meeting approving scheme of amalgamation between MWL and MSPL.

9 FAIR VALUE OF EQUITY SHARES

Having regard to all the factors in their totality and after considering appropriate weightage of these factors, we have measured the anticipated fair value per equity share for MWL at **INR 123.49** and MSPL at **INR 303.09** as under

Mangalam Worldwide Limited

Approach of Valuation	Method of Valuation	Value per Share (INR)	Weightage
Market Approach	Market Price Method	123.49	1
Income Approach	Profit Earning Capacity Value Method	33.89	0

Asset Approach	Net Asset Value Method	52.12	0
Value per share (Rs.)	123.49		

We have used market approach only since the equity shares of Mangalam Worldwide Limited are listed on National Stock Exchange and frequently traded.

Mangalam Saarloh Private Limited

Approach of Valuation	Method of Valuation	Value per Share (INR)	Weightage
Market Approach*	Market Price Method	NA	0
Income Approach**	Profit Earning Capacity Value Method	NA	0
Asset Approach	Net Asset Value Method	303.09	1
Value per share (INR)	303.09		

* Since there are no peer group listed companies of MSPL we have not used market approach

** Since there is only rental income in MSPL, we have not used income approach

Exchange Ratio

We recommend the following equity share exchange ratio on account of merger of MSPL with MWL

“Mangalam Worldwide Limited shall issue 245 equity shares against 100 equity shares of Mangalam Saarloh Private Limited to shareholders of Mangalam Saarloh Private Limited”

10 LIMITATIONS AND DISCLAIMER

1. 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 client existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the Company. 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.

2. Our valuation in this report is participant specific value considering purpose of merger of MSPL with MWL. This value may not be fair for other purposes.
3. Our valuation is based on the information and the explanations furnished to us by the Management which we believe is complete in all material respect. The valuation analysis contained herein represents the value on the date specifically stated in this report.
4. The Enterprise Value method shall not be the absolute value but may be the relative values, which are of relevance. Further, the estimation of Enterprise Value is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement, resulting in disputable value of the Enterprise.
5. The valuation analysis contained herein represents the value on the date specifically stated in this report. This report is issued on the understanding that the Management of the Company has drawn our attention to all matters of which they are aware, which may have impact on our report, for events and circumstances occurring after the date of this report. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.
6. We have relied upon Written/oral representation from the Management of the Company that the information contained in the report is materially accurate and complete, fair in the manner of its portrayal and therefore forms a reliable basis of the valuation.
7. We have no present or planned future interest in the Company and the fees for this report is not contingent upon the values reported herein.
8. Our Valuation Analysis should not be construed as investment advice. We do not express any opinion on the suitability or otherwise of entering into any transaction with the Company on the basis of our report.

11 DISTRIBUTION OF REPORT

Our report is meant for the purpose mentioned in paragraph 1 and should not be used for any purpose other than the purpose mentioned therein. We are aware that the conclusion in this report may be circulated / submitted to the Registrar of Companies or any statutory body and we provide consent for the same. 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. We will not accept any liability to third parties to whom our Report may be shown or into whose hands it may come without our prior written consent.

For, Maitri Valuation LLP

**Prajapati
Hitenkumar
Jayantilal**

Digitally signed by Prajapati Hitenkumar Jayantilal
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serialNumber=9e9a35fb574cf1e9c3b9ee510c5d69cf
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Hitenkumar Jayantilal
Date: 2023.04.25 20:46:40 +05'30'

**Hiten Prajapati
Partner**

**Registered Valuer - Securities or Financial Assets
Registration no. IBBI/RV-E/11/2023/184
Date: 25st April, 2023**

Date: 6th May, 2023

To,
National Stock Exchange of India
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

Dear Sir,

Sub: Computation of Fair Share Exchange Ratio:

Valuation Approach	Mangalam Worldwide Limited – Transferee Company		Mangalam Saarloh Private Limited – Transferor Company	
	Value per Share	Weight	Value per Share	Weight
Asset Approach	52.12	0	303.09	1
Income Approach	33.89	0	NA *	0
Market Approach	123.49	1	NA**	0
Relative Value per Share	303.09		123.49	
Exchange Ratio (rounded off)	245 : 100			

* Since there is only rental income in Mangalam Saarloh Private Limited, income approach is not used

** Since there are no peer group listed companies of Mangalam Saarloh Private Limited, market approach is not used

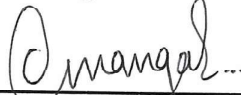
Ratio:

“245 (Two Hundred and Forty-Five) fully paid-up Equity shares of Rs.10/- (Rupees Ten only) each of Mangalam Worldwide Limited, the Transferee Company for every 100 (One Hundred) fully paid Equity shares of Rs.10/- (Rupees Ten only) each held by the shareholders in Mangalam Saarloh Private Limited, the Transferor Company.”

Thanking you,

Yours Faithfully,

For, Mangalam Worldwide Limited


Chandragupt Prakash Mangal
Managing Director
DIN: 07408422



Mangalam Worldwide Limited
(Formerly known as Mangalam Worldwide Private Limited)

(CIN: L27100GJ1995PLC028381)

Regd. Office: 102, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura,
Ahmedabad-380009, Gujarat (INDIA) Tel: +91 79 61615000 (10 Lines) Email: info@groupmangalam.com Website: www.mangalamsaarloh.com

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Date: 6th May, 2023

To,
National Stock Exchange of India
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

Dear Sir,

Sub: Confirmation regarding no material event impacting on Valuation:

With reference to the Scheme of Amalgamation of Mangalam Saarloh Private Limited, the Subsidiary of the Company, with Mangalam Worldwide Limited, it is hereby confirmed that no material event impacting the valuation has occurred during the intervening period of filing the scheme documents with Stock Exchange and period under consideration for valuation.

Thanking you,

Yours Faithfully,
For, Mangalam Worldwide Limited

Chandragupt Prakash Mangal

Chandragupt Prakash Mangal
Managing Director
DIN: 07408422



સત્ય શ્રદ્ધા સુધિવાલ:

Mangalam Worldwide Limited
(Formerly known as Mangalam Worldwide Private Limited)

(CIN: L27100GJ1995PLC028381)

Regd. Office: 102, Mangalam Corporate House, 42, Shrimali Society, Nctaji Marg, Mithakhali, Navrangpura,
Ahmedabad-380009, Gujarat (INDIA) Tel: +91 79 61615000 (10 Lines) Email: info@groupmangalam.com Website: www.mangalamsaarloh.com