

DATED: 31st MARCH, 2025

REPORT NO. ICAIRVO/25032

UDIN NO. 25226853BMOHFYU2441

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| KALYANAM BHASKAR Registered Valuer Registration No. IBBI/RV/06/2020/12959 PAN ADOPK5944L 201, Rangaprasad Enclave, Vinayak Nagar, Gachibowli, Hyderabad- 500032 | V.G.HAREESH Registered Valuer Registration No. IBBI/RV/03/2021/14465 PAN ADGPH8001F 2-18-19/4, DRR Nilayam, 102, 1 st Floor, Prashant Nagar, Uppal Hyderabad - 500039 |
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To:

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| The Audit Committee/ The Board of Directors, Mercantile Ventures Limited 88, Mount Road Guindy, Chennai - 600032 Tamilnadu State | The Audit Committee/ The Board of Directors, India Radiators Limited 88, Mount Road Guindy, Chennai - 600032 Tamilnadu State |
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Re: Recommendation of Fair Equity Share Exchange ratio for the proposed amalgamation of India Radiators Limited ('IRL/ 'Transferor Company') with Mercantile Ventures Limited ('MVL/ 'Transferee Company');

Dear Sir / Madam,

We refer to the respective engagement letters of Registered Valuers – **Kalyanam Bhaskar** ('RVKB') and **V.G.Hareesh** ('RVVGH') whereby RVKB and RVVGH are appointed by Mercantile Ventures Limited and India Radiators Limited respectively, to assist in the recommendation of a Fair Equity Share Exchange Ratio ('Equity Share Exchange Ratio') in connection with the proposed Transaction defined hereinafter:

This Report providing a recommendation of the Equity Share Exchange Ratio for the proposed Transaction ('Equity Share Exchange Ratio Report' or 'Valuation Report' or 'Report') with 31st March 2025 as the **Valuation Date** is our deliverable for the current engagement. For the purpose of this valuation, the valuation is based on 'Going Concern' premise and we have done the valuation exercise on the principle of Arm's Length Basis

We have arrived at the Pre-Money Valuation and fair price per equity share of the company, using International Valuation Standards, ICAI Valuation Standards and applying globally accepted valuation approaches and pricing methodologies.

We have taken into consideration the Company's Financials, Investments, Financial Assets, Business & Revenue Model and information provided by you in the Management Representation.

The Equity Shares Fair Valuation derived by us is:

| | MVL | IRL |
|--|-------------------|---------------|
| Equity -Valuation | Rs. 375,49,12,624 | Rs. 83,88,000 |
| Outstanding Shares | 11,19,18,195 | 9,00,000 |
| Fair Value Per Share | Rs. 33.55 | 9.32 |
| Equity Share Exchange Ratio (Rounded) | 1.00 : 3.60 | |
| "10 (Ten) Equity Shares of MVL of INR 10/- each fully paid up for 36 (Thirty-Six) Equity Shares of IRL of INR 10/- each fully paid up" | | |

This Valuation Report is subject to the scope, assumptions, exclusions, caveats, limitations disclaimers detailed hereinafter. The Report must be read in totality, and not in parts in conjunction with relevant information and documents referred to therein.

Regards,



A. BACKGROUND

Mercantile Ventures Limited ('MVL') and India Radiators Limited ('IRL') are hereinafter jointly referred to as 'you' or 'Clients' or 'Companies'. RVKB and RVVGH are hereinafter jointly referred to as 'Valuers' or 'we' or 'us' in this Report.

The Share Entitlement Ratio for this Report refers to the number of equity shares of MVL which would be issued to the equity shareholders of IRL pursuant to the proposed amalgamation of IRL with and into MVL.

This Report providing a recommendation of the Equity Share Exchange Ratio for the proposed Transaction ('Equity Share Exchange Ratio Report' or 'Valuation Report' or 'Report') with 31st March 2025 as the **Valuation Date** is our deliverable for the current engagement. For the purpose of this valuation, the valuation is based on 'Going Concern' premise.

SCOPE AND PURPOSE OF THIS REPORT

Mercantile Ventures Limited is a listed public limited company incorporated under the laws of India and having its registered office at 88, Mount Road, Guindy, Chennai – 600032. The CIN of MVL is L65191TN1985PLC037309. MVL is a Chennai based 40-year-old company engaged in the business of Leasing of immovable properties and Manpower supply services.

The equity shares of MVL are listed on BSE Limited ('BSE').

India Radiators Limited is a listed public limited company incorporated under the laws of India and having its registered office at No.88, Mount Road, Guindy, Chennai– 600032. The CIN of IRL is L27209TN1949PLC000963. IRL is engaged in the business of providing. IRL is a Chennai based Auto-Ancillary Company, engaged in the business of manufacturing automobile parts and components. The Company wherein offers a range of radiators, heat exchangers, and related products. Since couple of years the main operations of the IRL discontinued and its plant is shutdown. Currently IRL mainly deals in leasing of properties and has a land bank of around 7 Acres at Puzhali, Chennai.

The equity shares of IRL are listed on BSE Limited ('BSE').

We understand that the managements of MVL and IRL ('Managements') are evaluating a Scheme of Arrangement ('Scheme') under the provisions of Sections 230 to 232, and other relevant provisions of the Companies Act, 2013, including the rules and regulations issued thereunder, as may be applicable, for the proposed amalgamation of IRL with and into MVL ('Proposed Transaction').

In this connection, the Board of Directors of the Clients (the 'BOD') require a Registered Valuer Report as per section 232 read with section 247 of the Companies Act, 2013 and accordingly the BOD of MVL and IRL have appointed RVKB and RVVGH respectively for recommending the Equity Share Exchange Ratio for the Proposed Transaction for the consideration of the Board of Directors (including audit committees, if applicable) of the Clients in accordance with the applicable Securities and Exchange Board of India ('SEBI'), the relevant stock exchanges, and relevant laws, rules and regulations. To the extent mandatorily required under applicable laws of India, this Report maybe produced before the judicial, regulatory or government authorities, stock exchanges, shareholders in connection with the Proposed Transaction.

We understand that the appointed date for the Proposed Transaction as per the draft scheme shall be opening business hours of 1st January 2025 or such other later date as may be fixed or approved by the National Company Law Tribunal at Chennai or such other competent authority.

The scope of our services is to conduct a valuation of equity shares of the Companies on a relative basis and recommend the Equity Share Exchange Ratio for the Proposed Transaction.

The Valuers have independently performed their analysis on the valuation of the Companies and have arrived at different value per share of Companies. However, to arrive at the consensus on the Equity Share Exchange Ratio for the Proposed Transaction, appropriate minor adjustments/rounding off have been done by the Valuers.



B. INFORMATION & REPRESENTATION

We have been provided with the financials of the Companies as discussed below. Further, we have taken into consideration the current market parameters in our analysis and have made adjustments for additional facts made known to us till the date of our Report. We have been informed that all material information impacting the Companies has been disclosed to us.

We have been also informed by the Management that:

- a) In the event that either of the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares before the Proposed Transaction becomes effective, the issue of shares pursuant to the Equity Share Exchange Ratio recommended in this Report shall be adjusted accordingly to take into account the effect of any such corporate actions.
- b) till the Proposed Transaction becomes effective, neither Company would declare any substantial dividends having materially different yields as compared to past few years.

We have relied on the above while arriving at our recommendation of the Equity Share Exchange Ratio for the Proposed Transaction.

This Report is our deliverable for the above engagement. This Report is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION / MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING THE VALUATION

In connection with this exercise, we have used the following information received from the Management(s) of the Companies and that gathered from the public domain:

- Considered the draft Scheme of Arrangement ('Scheme') for the Proposed Transaction;
- Considered the audited Consolidated Financial Statements of MVL and IRL for the last 4 years ending 31st March 2024;
- Considered the consolidated - Limited Reviewed Financials of MVL and IRL for the period ending 31st December, 2024;
- Shareholding Pattern & Number of equity shares of the Companies as on the Valuation Date and the number of shares on a fully diluted basis as at the date of this Report; and
- Other relevant information and documents for the purpose of this engagement provided through emails or during discussion.

In addition, we have obtained information from public sources/proprietary databases including quarterly results.

During discussions with the Management, we have also obtained explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise. The Clients have been provided with the opportunity to review the draft report (excluding the recommended Equity Share Exchange Ratio) as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Report

PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information, and clarifications regarding past financials performance of the Companies and their subsidiaries, as applicable;
- Considered data available in public domain related to the Companies, their subsidiaries, and their peers;
- Discussions (physical/over call) with the Management to
 - Understand the business, key value drivers, historical financial performance and projected financial performance of the Companies;
- Undertook Industry Analysis
 - Researched publicly available market data including economic factors and industry trends that may impact the valuation;
 - Analyzed key trends and valuation multiples of comparable companies using proprietary databases subscribed by us or our network firms.



- Selected internationally accepted valuation methodology/(is) as considered appropriate by us, in accordance with the ICAI Valuation Standards/International Valuation standards published by the International Valuation Standards Council.
- Arrived at valuation of Companies in order to conclude our analysis on Equity Share Exchange Ratio for the Proposed Transaction.

C. LIMITATIONS - DISCLAIMER

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our network firms.

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. Due to possible changes in market forces and circumstances, this Report can only be regarded as relevant as at the Valuation Date.

This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our Clients are the only authorized users of this Report and use of the Report is restricted for the purpose indicated in the respective engagement letters. This restriction does not preclude the Clients from providing a copy of the Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for the unauthorized use of this Report.

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.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date; (iii) and are based on the limited reviewed financials of the Companies as at 31st December 2024 (as applicable) and other information provided by the Management (iv) other information obtained by us from time to time. We have been informed that the business activities of the Companies have been carried out in the normal and ordinary course between 31st December 2024 and the Report date and that no material changes have occurred in their respective operations of the Companies. Further.

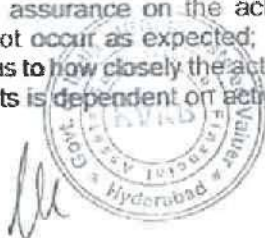
An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Clients or Companies, their directors, employees or agents.

The Clients/owners and its 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 owners/Clients, their Management and other third parties, if any, concerning the financial data, operational data and other information, 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 willful default on part of the Companies, their directors, employee or agents.

Valuers are not aware of any contingency, commitment or material issue which could materially affect the Companies' economic environment and future performance and therefore, the equity value of the Companies.

We do not provide assurance on the achievability of the results forecast by the Management as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of Management.



The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, as 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 litigation and other contingent liabilities that are not disclosed in the audited / unaudited balance sheets of the Companies, if any provided to us.

This Report does not look into the business/ commercial reasons behind the Proposed Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

The valuation analysis and result are governed by concept of materiality.

It has been assumed that the required and relevant policies and practices have been adopted by the Companies and would be continued in the future.

The fee for the engagement is not contingent upon the results reported.

The actual Equity Share Exchange ratio may be higher or lower than our recommendation depending upon the circumstances of the transaction, the nature of the business. The knowledge, negotiating ability and motivation of the buyers and sellers will also affect the exchange ratio achieved. Accordingly, our recommended Equity Share Exchange Ratio will not necessarily be the Equity Share Exchange ratio at which actual transaction will take place.

We have also relied on data from external sources 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.

This Report and the information contained herein is absolutely confidential. The Report will be used by the Clients only for the purpose, as indicated in this Report, for which we have been appointed. The results of our valuation analysis and our Report cannot be used or relied by the Clients for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person/ party for any decision of such person/ party based on this Report. Any person/ party intending to provide finance/ invest in the shares/ businesses of the companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Clients) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to us.

It is clarified that reference to this Report in any document and/ or filing with aforementioned tribunal/ judicial/ regulatory authorities/ government authorities/ stock exchanges/ courts/ shareholders/ professional advisors/ merchant bankers, in connection with the Proposed Transaction, shall not be deemed to be an acceptance by the Valuers of any responsibility or liability to any person/ party other than the Boards of Directors of the Clients.

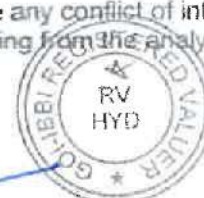
Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Transaction, without our prior written consent.

This Report is subject to the laws of India.

Though the Valuers are issuing a joint report, notwithstanding the issuance of this joint report, it is clarified that RVKB / RVVGH are not responsible for the acts or omissions of RVKB / RVVGH in connection with this engagement. Further, 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.

D. DISCLOSURES

- The Valuers are not affiliated to the Clients in any manner whatsoever.
- We do not have any financial interest in the Clients, nor do we have any conflict of interest in carrying out this valuation. Valuers' fee is not contingent on an action or event resulting from the analyses, opinions or conclusions in this Report.



- Further, the information provided by the Management have been appropriately reviewed in carrying out the valuation. Sufficient time and information was provided to us to carry out the valuation.

E. SHAREHOLDING PATTERN

MVL

As at the Report Date, the Capital Structure of Mercantile Ventures Limited is as follows.

| Particulars | Amount Rs in Lakhs |
|--|--------------------|
| Authorized Capital | |
| 11,50,90,000 Equity Shares of Rs.10/- each | 11,509.00 |
| 1,50,00,000 Preference Shares of Rs.10/- each | 1,500.00 |
| Total | 13,009.00 |
| Issued, Subscribed & Paid-up Capital | |
| 11,19,18,195 Equity Shares of Rs.10/- each fully paid up | 11,191.82 |
| Total | 11,191.82 |

As per the Draft Scheme of arrangement.

IRL

As at the Report Date, the Capital Structure of India Radiators Limited is as follows

| Particulars | Amount Rs in Lakhs |
|--|--------------------|
| Authorized Capital | |
| 10,00,000 Equity Shares of Rs.10/- each | 100.00 |
| 2,00,00,000 Preference Shares of Rs.10/- each | 2000.00 |
| Total | 2100.00 |
| Issued, Subscribed & Paid-up Capital | |
| 9,00,000 Equity Shares of Rs.10/- each fully paid up | 90.00 |
| 1,94,82,700 Redeemable Preference Shares of Rs.10/- each fully paid up | 1948.27 |
| Total | 2,038.27 |

As per the Draft Scheme of Arrangement



F. FINANCIAL HISTORY

Mercantile Ventures Limited

Rs. Lakhs

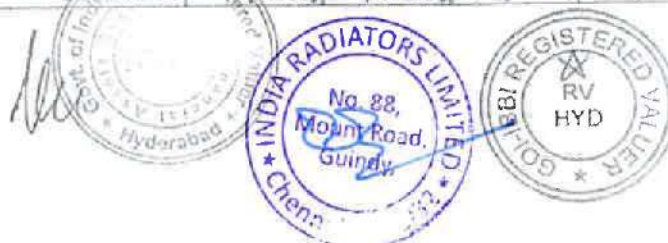
| FOR FY ENDING MARCH | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Audited | Audited | Audited | Audited | 9 Months |
| REVENUE | 3,729.99 | 3,703.75 | 4,714.90 | 6,038.97 | 5,292.37 |
| OTHER INCOME | 694.55 | 1,631.55 | 659.27 | 570.07 | 1,091.44 |
| TOTAL INCOME | 4,424.54 | 5,335.30 | 5,374.17 | 6,609.04 | 6,383.81 |
| COST OF MATERIALS CONSUMED | 899.10 | 875.63 | 1,364.69 | 2,210.20 | 2,041.22 |
| EMPLOYEE SALARIES | 2,009.43 | 2,156.34 | 2,565.14 | 3,000.24 | 2,575.14 |
| GENERAL & ADMIN | 379.77 | 451.24 | 451.06 | 814.04 | 545.88 |
| OPERATING PROFIT | 1,136.24 | 1,852.09 | 993.28 | 584.56 | 1,221.57 |
| DEPRECIATION | 101.39 | 99.01 | 98.15 | 98.93 | 68.50 |
| FINANCE COST | 99.30 | 108.01 | 104.48 | 133.86 | 17.58 |
| EXCEPTIONAL ITEMS | - | - | 91.96 | 985.50 | - |
| PROFIT BEFORE TAX | 935.55 | 1,645.07 | 882.61 | (633.73) | 1,135.49 |
| TAX | 297.13 | 496.68 | 208.44 | 142.65 | 208.35 |
| PROFIT/LOSS FROM DISCONTINUED OPERATIONS | - | - | - | 19.45 | 1.07 |
| SHARE OF PROFIT FROM ASSOCIATE | 28.35 | 279.26 | 172.52 | - | - |
| PROFIT/LOSS FORM LLP/PPF | 271.93 | 211.80 | 815.60 | (5.68) | (4.03) |
| NET PROFIT | 938.70 | 1,639.45 | 1,662.29 | (762.61) | 924.19 |
| SHARE CAPITAL | 11,191.82 | 11,191.82 | 11,191.82 | 11,191.82 | 11,191.82 |
| NETWORTH | 30,306.33 | 33,819.70 | 31,131.66 | 33,317.84 | 36,387.79 |
| TOTAL LIABILITIES* | 436.74 | 418.31 | 786.04 | 459.87 | 467.87 |
| Operating Margin | 26% | 35% | 18% | 9% | 19% |
| Net Margin | 14% | 22% | 13% | -12% | 15% |
| E.P.S | 0.84 | 1.46 | 1.49 | {0.68} | 0.83 |
| Book Value | 27.08 | 30.22 | 27.82 | 29.77 | 32.51 |

*Total Liabilities includes Trade Payables, Other financial liabilities (both Current and Non-Current)

India Radiators Limited

Rs. Lakhs

| FOR FY ENDING MARCH | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|-------------------------------------|----------|----------|----------|----------|----------|----------|
| | Audited | Audited | Audited | Audited | Audited | 9 Months |
| REVENUE | 0.68 | 0.77 | 4.51 | 6.32 | 6.32 | 4.74 |
| OTHER INCOME | 195.75 | 1.87 | 927.20 | 39.68 | 0.34 | 0.17 |
| EMPLOYEE SALARIES | 11.87 | 6.11 | 4.18 | 4.45 | 1.69 | - |
| GENERAL & ADMIN | 40.06 | 36.51 | 61.53 | 11.11 | 9.56 | 8.99 |
| OPERATING PROFIT | 144.50 | (39.98) | 866.00 | 30.44 | (4.59) | (4.08) |
| DEPRECIATION | 3.06 | 1.36 | - | - | - | - |
| FINANCE COST | 91.33 | 147.52 | 154.17 | 71.64 | 74.80 | 59.68 |
| PROFIT BEFORE TAX | 50.11 | (188.86) | 711.83 | (41.20) | (79.39) | (63.76) |
| TAX | (144.95) | 5.65 | 222.18 | (17.32) | (23.63) | (14.92) |
| PROFIT FROM DISCONTINUED OPERATIONS | (665.10) | - | - | 91.96 | - | - |
| NET PROFIT AFTER TAX | (470.04) | (194.51) | 489.65 | 68.08 | (55.76) | (48.84) |
| SHARE CAPITAL | 90.00 | 90.00 | 90.00 | 90.00 | 90.00 | 90.00 |
| NETWORTH | (719.00) | (913.00) | (423.88) | (355.80) | 47.90 | (0.96) |
| REDEEMABLE CONV PREF SHARES | 860.06 | 938.60 | 980.77 | 1,050.41 | 1,125.21 | 1,184.89 |
| ICD / LIABILITIES | 691.48 | 801.19 | 46.04 | 72.92 | 85.99 | 92.95 |
| Operating Margin | 74% | -1515% | 93% | 66% | -69% | -83% |
| Net Margin | 99% | -7373% | 53% | -52% | -837% | -995% |
| E.P.S | (52.23) | (21.61) | 54.41 | 7.56 | (6.20) | (5.43) |
| Book Value | (79.89) | (101.44) | (47.10) | (39.53) | 5.32 | (0.10) |



G. VALUATION APPROACH

1. We have used International Valuation Standards as well as ICAI Valuation Standards.
2. We have framed our Valuation Basis and Approach, considering both the companies as a going concern entity, and have done the valuation exercise on the principle of Arm's Length Basis.
3. Since MVL & IRL are public limited companies and frequently traded / untraded companies, we have used all the valuation approaches and given rationale weightages for these approaches.
4. While using MARKET APPROACH using SEBI PRICING METHOD, we have taken A. Average of the volume weighted average price (VWAP) of the equity shares of MVL quoted in the BSE during 90 days preceding the relevant date i.e. 31st March 2025 and B. Average of the volume weighted average price (VWAP) of the equity shares of MVL quoted on BSE during 10 days preceding the relevant date i.e. 31st March 2025.
5. We have used all three approaches and methodologies for arriving at Fair Valuation
 - a. Cost Approach – Book Value – NAV Method.
 - b. Market Approach – Comparable Price / Book Value Multiples.
 - c. Market Approach – Market Price Method.

RATIO BASIS OF EQUITY SHARE EXCHANGE RATIO

The Scheme contemplates amalgamation of IRL with and into MVL. Arriving at the Equity Share Exchange Ratio for the Proposed Transaction would require determining the value of equity shares of the Companies on a relative basis. These values are to be determined independently, but on a relative basis for the Companies, without considering the effect of the Proposed Transaction(s).

The valuation approach adopted by RVKB and RVVGH is given in Annexure 1A and 1B respectively (Annexure 1A and 1B together referred to as Annexures).

The determination of a Equity Share Exchange Ratio / Valuation 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. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single Equity Share Exchange Ratio/ equity value estimate. While we have provided our recommendation of the Equity Share Exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Share Exchange Ratio. The final responsibility for the determination of the Equity Share Exchange Ratio at which the Proposed Transaction shall take place will be with the Board of Directors of the respective Companies who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

We have independently applied approaches/methods discussed in the Annexures, as considered appropriate, and arrived at the value per share of the Companies. To arrive at the consensus on the Equity Share Exchange Ratio for the Proposed Transaction, suitable minor adjustments / rounding off have been done.

As per the scheme, the equity shares/ Preference Shares of the Transferor Company held by the Transferee Company, if any, on the Effective Date, such equity/ preference shares held by the Transferee Company in the Transferor Company shall stand cancelled without any further act or deed and consequentially there shall be no allotment of New Equity/ Preference Shares for such shareholding and to that extent the Transferee Company is required to issue less number of shares. As regards the preference shares of the Transferor Company held by the Transferee Company or vice versa on the Effective Date such shares shall stand cancelled and the Transferee Company shall have no claims in respect of arrears of dividend.



MVL holds 1,94,82,700 (One Crore Ninety-Four Lakh Eighty-Two Thousand Seven Hundred) Redeemable Preference Shares of Rs 10/- each, fully paid-up, in IRL. Accordingly, upon the effectiveness of the merger, the aforesaid Redeemable Preference Shares shall stand cancelled.




In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following Equity Share Exchange Ratio for the proposed amalgamation of IRL with and into MVL:

Equity Share Exchange Ratio:

"10 (Ten) equity shares of MVL of INR 10/- each fully paid up for 36 (Thirty-Six) equity shares of IRL of INR 10/- each fully paid up"

Our Valuation report and Equity Share Exchange Ratio is based on the equity share capital structure of the MVL Limited and IRL Limited as mentioned earlier in this report. Any variation in the equity capital of the Companies may have material impact on the Equity Share Exchange Ratio.

It should be noted that we have not examined any other matter including economic rationale for the Proposed Transaction per se or accounting, legal or tax matters involved in the Proposed Transaction.

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| <p>Respectfully submitted,</p> <p>KALYANAM BHASKAR Registered Valuer Registration No. IBBI/RV/06/2020/12069 PAN - ADOPK5944L</p>   <p>KALYANAM BHASKAR REGISTERED VALUER</p> | <p>Respectfully submitted,</p> <p>V.G.HAREESH Registered Valuer Registration No. IBBI/RV/03/2021/14465 PAN - ADGPH8001F</p> <p><i>V.G. Hareesh</i></p>  <p>V.G.HAREESH REGISTERED VALUER</p> |
|--|---|

V.G. Hareesh
VG HAREESH
REGISTERED VALUER
IBBI/RV/03/2021/14465
ICSI RVO/COP/SFA0620/239



Annexure 1A - Approach to Valuation – RVKB & RVVGH

We have considered International Valuation Standards² in carrying out our valuation analysis and delivering our valuation conclusion. There are several commonly used and accepted valuation approaches for determining the value of equity shares of a company, which have been considered in the present case, to the extent relevant and applicable:

1. Cost Approach - Net Asset Value method

The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in cases where the firm is to be liquidated i.e., it does not meet the 'going concern' criteria or in case where the assets base dominates earnings capability. A scheme of amalgamation would normally be proceeded with, on the assumption that the companies/ business would continue as going concerns and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power is of importance to the basis of amalgamation, with the values arrived at on the net asset basis being of limited relevance.

| Cost Approach – NAV Method | Period | MVL | IRL |
|--------------------------------------|-----------|--------------|------------|
| EQUITY SHARE CAPITAL | 31-Dec-24 | 11,191.82 | 90,00,000 |
| ADD : FREE RESERVES | 31-Dec-24 | 25,196.07 | -90,96,000 |
| NETWORTH – SH's EQUITY | | 36,387.89 | -96,000 |
| Outstanding Equity Shares as on date | shares | 11,19,18,195 | 9,00,000 |
| NAV-BOOK Value Per Share | Rs. | 32.51 | -0.10 |

2. Market Approach:

Under this approach, value of a company is assessed basis its market price (i.e. if its shares are quoted on a stock exchange) or basis multiples derived using comparable (i.e., similar) listed companies or transactions in similar companies. Following are the methods under Market Approach:

A. Market Price (MP) Method

The market price of an equity share 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 being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper indicator of the fair value of the share especially where the market values are fluctuating in a volatile capital market or when the shares are thinly traded. Further, in the case of an amalgamation, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

| Market Approach – SEBI Pricing | | MVL | IRL |
|--------------------------------|-----------|-------|------|
| A. 90 TRADING DAYS | VWAVP | 21.89 | * |
| B. 10 TRADING DAYS | VWAVP | 19.76 | * |
| C. LAST TRADED PRICE | 27-Nov-24 | | 9.32 |
| HIGHER OF THE ABOVE | Rs. | 21.89 | 9.32 |

*IRL shares are not frequently traded in the last 90 trading days. So we have ignored their 90/10 day prices and considered only the last traded price.



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B Comparable Companies' Multiple (CCM) method

Under this method, value of a business / company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. The market price, as a ratio of the comparable company's attribute such as sales, capital employed, earnings, networth etc. is used to derive an appropriate multiple. This multiple is then applied to the attribute of the asset being valued to indicate the value of the subject asset. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

INDIAN REALTY SECTOR VALUATIONS

| REALTY INDUSTRY LISTED COMPANIES | | 28-Mar-21 | | | | | | | |
|----------------------------------|-------|-------------------|-------------------|--------------------|-------------------|------------------------|-----------------------|----------------|---------|
| | | AJMERIA REALTY | ELDECO HOUSING | GEECEE VENTURES | PROZONE REALTY | ALEMBIC LTD | S V GLOBAL MILLS | VIPUL LTD | Average |
| Stock Symbols Headquarters | | AJMERIA Mumbai | ELDECO Lucknow | GEECEE Mumbai | PROZONE Mumbai | ALEMBIC Varadharani | S V GLOBAL Chennai | VIPUL Delhi | |
| Current Market Price - BSE | Rs | 900 | 750 | 367 | 30 | 98 | 106 | 19 | |
| Face Value | Rs | 10.00 | 2.00 | 10.00 | 2.00 | 2.00 | 5.00 | 1.00 | |
| Outstanding Shares | Cr | 3.94 | 0.98 | 2.08 | 15.28 | 25.68 | 1.81 | 14.10 | |
| Market Capitalization Value | Rs Cr | 3,543 | 737 | 787 | 484 | 2,529 | 192 | 143 | |
| Enterprise Value | Rs Cr | 4,237 | 727 | 692 | 819 | 2,554 | 190 | 440 | |
| Sales - Revenue - Mar 24 | Rs Cr | 708 | 122 | 97 | 202 | 212 | 6 | 430 | |
| EBITDA - Mar 24 | Rs Cr | 209 | 49 | 45 | 72 | 112 | 2 | 317 | |
| Net Profit - Mar 24 | Rs Cr | 104 | 34 | 37 | 3 | 93 | 1 | 234 | |
| Shareholder's Equity - Mar24 | Rs Cr | 986 | 371 | 845 | 509 | 2,190 | 65 | 352 | |
| Total Debt - Mar24 | Rs Cr | 811 | 187 | 2 | 462 | 27 | 8 | 348 | |
| Cash in Hand - Mar24 | Rs Cr | 117 | 117 | 77 | 106 | 2 | 11 | 45 | |
| EBITDA margin | % | 30% | 40% | 47% | 36% | 53% | 35% | 72% | 45% |
| Net Margin | % | 15% | 28% | 39% | 1% | 44% | 10% | 53% | 27% |
| Market Multiples | | | | | | | | | Average |
| RM : M.Cap / Revenue | X | 5.01 | 6.03 | 7.93 | 2.29 | 11.92 | 31.51 | 0.33 | 8.30 |
| P/E : M.Cap / Net Profit | X | 34.09 | 21.78 | 20.80 | 162.67 | 27.23 | 310.46 | 0.61 | 82.49 |
| EV / EBITDA | X | 20.27 | 14.84 | 15.24 | 11.31 | 22.88 | 89.57 | 1.59 | 26.07 |
| P/B.V : M.CAP / Book Value | X | 4.09 | 1.99 | 1.10 | 0.91 | 1.16 | 2.54 | 0.41 | 1.81 |

**Since there are not much manpower supply sector companies are not listed and regularly traded in Indian Stock Exchanges, we didn't consider manpower supply companies for market peer group valuation

** As both MVL and IRL are operating in Realty Sector, we have mainly compared with peer realty companies for arriving at Price/Book Value Multiples in our Market Approach.

| Market Approach - PRICE / BOOK Value Multiples | | MVL | IRL |
|---|-----|-------|-------|
| Networth – Book Value Per Share | Rs. | 32.51 | -0.10 |
| INDUSTRY P-Bv Multiples | X | 1.81 | 1.81 |
| Fair Valuation | Rs. | 58.94 | -0.19 |

BASIS OF EQUITY SHARE EXCHANGE RATIO FOR AMALGAMATION

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuer and judgment taking into account all the relevant factors. There will always be several factors, e.g., present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share. The determination of a fair value of equity shares / business undertaking/ preference shares / Equity Share Exchange Ratio 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. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single fair value estimate / Equity Share Exchange Ratio. The fair value estimates / Equity Share Exchange Ratio rendered in this Report only represent our recommendation based upon information till the Valuation Date, furnished by the Management (or its representatives) and other sources, others may place a different value. The final responsibility for the determination of the Equity Share Exchange Ratio at which the proposed amalgamation of IRL with and into MVL shall take place will be with the Board of Directors of the Clients who should take into account other factors such as their own assessment of the proposed Scheme and input of other advisors.

Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature. The valuation approaches/ methods used, and the values arrived at using such approaches/ methods by us have been discussed below.

The Equity Share Exchange Ratio has been arrived at on the basis of equity valuation (on a per share basis) of MVL and IRL on a relative basis, based on the various methodologies explained herein earlier and other factors considered relevant, having regard to information base, key underlying assumptions, and limitations. Though different values have been arrived at under each of the above methodologies, it is finally necessary to arrive at a single value for the Proposed Transaction. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology. In the current analysis, the proposed amalgamation of IRL with and into MVL is proceeded with the assumption that IRL would amalgamate with and into MVL as going concern and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of amalgamation, with the values arrived at on the net asset basis being of limited relevance. Hence, while we have calculated the values of the equity shares of MVL and IRL under the Asset Approach, we have considered it appropriate not to give any weightage to the same in arriving at the Share Exchange Ratio.

For our analysis under Market Approach, we have considered the Market Price Method to arrive at the fair value of the equity shares of MVL and IRL. For determining the market price, the volume weighted share price over an appropriate period has been considered in this case. Further, we have also considered the CCM Method (Price / Book Value multiple ('P/B.V') under Market Approach in our analysis (Peer Group Valuation Multiples)

CTM Method has not been used due to lack of comparable transactions in this space. Further, the transaction multiples may include acquirer specific considerations, synergy benefits, control premium and minority adjustments.

For our final analysis and recommendation, we have considered the values arrived under the Income Approach and Market Approach, as discussed above, to arrive at the value of the equity shares of MVL and IRL for the purpose of the Proposed Transaction.

We have considered appropriate weights to the values arrived at under different methods under Income and Market Approaches.

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, the table below summarises our workings for valuation of equity shares of MVL and IRL and the Equity Share Exchange Ratio as derived by us.

FINAL VALUATION

The computation of Equity Share Exchange Ratio for the Proposed Transaction of amalgamation of IRL with and into MVL computed by RVKB & RVVGH is tabulated below:

| Valuation Approach | MVL | | IRL | |
|--|------------------------------|--------|------------------------------|-------------|
| | Value per Share of MVL (INR) | Weight | Value per Share of IRL (INR) | Weight |
| Cost/Asset Approach | 32.51 | 40% | -0.10 | 0% |
| Market Approach | | | | |
| Market Price method (i) (Higher of 10 trading days or 90 trading days volume weighted average price as of 28 th March 2025) | 21.89 | 40% | 9.32 | 100% |
| P/B.V Multiples method (ii) | 58.94 | 20% | -0.19 | 0% |
| Relative Value per Share (Weighted Average of (i),(ii) and (iii)) | 33.55 | | 9.32 | |
| Equity Share Exchange Ratio (Rounded) | | | | 1.00 : 3.60 |

10 (Ten) equity shares of MVL of INR 10/- each fully paid up for 36 (Thirty Six) equity shares of IRL of INR 10/- each fully paid up



India Radiators Limited

CIN: L27209TN1949PLC000963

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To,
The General Manager
Department of Corporate Services
BSE Limited
P.J. Towers, Dalal Street,
Mumbai - 400 001.

Script Code: 505100

Dear Sir/Madam,

Ref: Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Scheme of Amalgamation of India Radiators Limited ("Transferor Company") with and into Mercantile Ventures ("Transferee Company" or "Company") and their respective shareholders and creditors ("Scheme").

Sub: Confirmation from the Transferor Company signed by Company Secretary stating that:

- a) 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.
- b) Declaration/ details on any past defaults of listed debt obligations of the entities forming part of the scheme. – Not Applicable.

Thanking You,
Yours Faithfully

FOR INDIA RADIATORS LIMITED


Oberoi Jangit M
Company Secretary
Membership No. A70046
Place: Chennai
Date: 25.04.2025

