

**Pranab Kumar Chakrabarty**

Registered Valuer

Valuer Registration No. – IBBI//RV/05/2019/10780

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**Report on Recommendation of Fair Share Entitlement Ratio**

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26 March 2025

To

The Board of Directors,  
**Manaksia Limited,**  
Turner Morrison Building,  
6 Lyons Range, Mezzanine Floor,  
North West Corner, Kolkata – 700001,  
West Bengal, India

Dear Sir(s)/Madam(s),

**Sub: Recommendation of fair share entitlement ratio for the proposed demerger of the Metal Product Business of Manaksia Limited ("Demerged Company" or "ML") into Manaksia Ferro Industries Limited ("Resulting Company" or "MFIL").**

I, Pranab Kumar Chakrabarty ("I" or "My" or "Me"), has been appointed to recommend the fair share entitlement ratio for the proposed demerger of the Metal Product Business (as defined in the Scheme) of Manaksia Limited into Manaksia Ferro Industries Limited on a going concern basis pursuant to Scheme of Arrangement between Demerged Company, Resulting Company and their respective shareholders and creditors under sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("the Scheme").

I am pleased to present herewith my report ("Report") on the same.

I have determined the fair share entitlement ratio for the proposed demerger as on March 26, 2025 ("Valuation Date" or "Report Date"). A summary of the analysis is presented in the accompanying Report, as well as description of the methodology and procedure I used, and the factors I considered in formulating my opinion.

Based on my study and analytical review procedures, and subject to the limitations expressed within this report, the fair share Entitlement ratio has been detailed in the section "Basis of Fair Share Entitlement Ratio" of this Report.

*Pranab Kumar Chakrabarty*

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Place: Kolkata

UDIN NO 2508614ZZLZ95EK20P



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### Contents

1.	Purpose of valuation	4
2.	Key Dates	4
3.	About the valuer	4
4.	Disclosure of interest	4
5.	Inspections & Investigations	5
6.	Scope of Work	5
7.	Applicability of International Valuation Standards (IVS)	5
8.	Sources of Information	6
9.	Limitations & Disclaimers	6
10.	Brief background	8
	10.1 Brief background of Demerged Company .....	8
	10.2 Brief background of Resulting Company .....	9
11.	Approach for Determination of Fair Share Entitlement Ratio	10
12.	Basis of Fair Share Entitlement Ratio	11
13.	Recommendation of Fair Share Entitlement Ratio	11



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**1. Purpose of valuation**

The Scheme inter alia provides for demerger of Metal Product Business ("Demerged Undertaking") of ML, with and into MFIL and corresponding issuance of equity shares of Resulting Company to the shareholders of ML and reduction and cancellation of the entire pre- scheme equity share capital of Resulting Company ("Proposed Demerger").

Demerged Company and Resulting Company shall hereinafter collectively be referred as "the Companies".

I have been appointed to determine the fair share entitlement ratio for the Proposed Demerger as part of the Scheme.

The Appointed Date for the Scheme is the Effective Date as defined in the Scheme.

**2. Key Dates**

**Valuation Date:** 26 March 2025

**3. About the valuer**

Pranab Kumar Chakrabarty, is Registered Valuer registered with the Insolvency and Bankruptcy Board of India and holds a certificate of practice for valuation of Securities and Financial Assets. He has conducted valuation across a variety of spectrum including valuation of shares under Income Tax, FEMA and Companies Act, 2013.

**4. Disclosure of interest**

I hereby confirm that, I am suitably qualified and authorized to practice as a valuer; do not have a pecuniary interest, financial or otherwise, that could conflict with the valuation engagement.

I have no present interest in the Companies and the fee payable for this valuation is not contingent upon the value reported herein.





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**5. Inspections& Investigations**

The valuation is being done as on the Valuation Date considering the documents and information produced before me for the purpose of ascertaining the fairShare Entitlement ratio betweenDemerged Company and Resulting Companyas on the valuation date.

I have relied on the accuracy and completeness of all the information and explanations provided by the management of both the Companies. I have not carried out any due diligence or independent verification or validation to establish its accuracy or sufficiency.

**6. Scope of Work**

Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the Report. It may not be valid for any other purpose or as at any other date. In the course of the review, Iam provided with information by the management of theCompanies. My conclusions are based on the assumptions and other information given by/on behalf of the management of theCompanies. My assumptions are largely based upon the sources of information mentioned herein below. I have not conducted or provided an analysis or prepared a model for any asset valuation and have wholly relied on information provided by the Companies in this regard.

**7. Applicability of International Valuation Standards (IVS)**

The reported analysis, opinions, and conclusions were developed, and this report has been prepared in compliance with generally accepted International Valuation Standards, 2025 (IVS) issued by International Valuation Standards Council (IVSC). This valuation exercise and Valuation Report are solely for the purpose mentioned in the Report.

In the present case, equity shares being a financial instrument, the appropriate aforesaid valuation standards have been complied with while carrying out the valuation exercise.

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**8. Sources of Information**

For the purpose of undertaking this valuation exercise, I have relied on the following sources of information provided by the management/ representatives of the Companies:

- Audited Financials of ML and MFIL for the year ended March 31, 2024;
- Provisional Limited Reviewed Financials (Unaudited) of ML and Audited Financials of MFIL for the period ended December 31, 2024;
- Carved out financials of Metal Product business of ML and Remaining Business of ML for the period ended December 31, 2024;
- Shareholding pattern of ML as at December 31, 2024;
- Draft Scheme of Arrangement between ML and MFIL and their respective shareholders under sections 230 to 232 read with section 66 and other relevant provisions of the Companies Act, 2013;
- Other relevant data and information provided to me by the representatives of the Companies either in written or oral form or in form of soft copy of the Companies.

**9. Limitations & Disclaimers**

- a. My report is subject to scope of limitations detailed hereinafter. As such the report is to be read in totality and not in parts. The Report is meant for the purpose mentioned in Para 1.1 and should not be used for any purpose other than the mentioned therein. The Report may be shared with regulators.
- b. This Report is based on the information received from the sources mentioned herein above and discussions with the representatives of the Demerged Company and the Resulting Company. This information has not been independently verified by me. I have assumed that the representatives have furnished to me with all the information which they are aware of concerning the financial statements and the respective liabilities, which may have an impact on my report.
- c. My scope of work does not enable me to accept responsibility for the accuracy and completeness of the information provided to me. I have, therefore, not performed any audit, review or examination of any of the historical or prospective information used and therefore, do not express any opinion with regard to the same.
- d. The information presented in the Report does not reflect the outcome of any due diligence procedures. The reader is cautioned that the outcome of that process could change the information herein and, therefore, the valuation materially.





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- e. The valuation contemplates facts and conditions existing as of the valuation date. Events and conditions occurring after that date have not been considered, and I have no obligation to update my report for such events and conditions.
- f. The opinion on fair valuation expressed in this report does not in any way constitute guarantee regarding future performance of the company and obligate me to render a comprehensive business appraisal report, to give testimony, or attend court proceedings with regard to the subject business assets, properties or business interests.
- g. My scope is limited to recommendation of fair share entitlement ratio. The Report should not be construed as, my opinion or certifying the compliance of the Proposed Demerger with the provisions of any law including the Companies Act 2013, Foreign Exchange Management Act, 1999, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from Proposed Demerger.
- h. This Report does not look into the business/commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction or any other alternatives, whether or not such alternatives could be achieved or are available. The assessment of commercial and investment merits of the Companies are sole responsibility of the investors of the Companies and I don't express opinion on the suitability or otherwise of entering into any financial or other transactions with the Companies.
- i. I owe responsibility to only the Board of Directors of the Companies and nobody else. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other party to the Companies. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In the particular circumstances of this case, my liability, if any (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, howsoever the loss or damage caused, shall be limited to the amount of fees actually received by me from the Company, as laid out in the engagement letter, for such valuation work.
- j. I do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.



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Valuer Registration No. – IBBI//RV/05/2019/10780

**10. Brief background****10.1 Brief background of Demerged Company**

**Manaksia Limited (ML)**- is a Public Company incorporated on 27th December 1984 under the provisions of the Companies Act, 1956. Shares of Manaksia Limited are presently listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The Corporate Identification Number (CIN) of the Demerged Company is L74950WB1984PLC038336 and its registered office is presently situated at Turner Morrison Building, 6 Lyons Range, Mezzanine Floor, North West Corner, Kolkata - 700001. ML is engaged, inter alia, either directly or through subsidiaries and/or step down subsidiaries in following businesses:

- (a) packaging products business through overseas subsidiary;
- (b) roofing sheets business through overseas subsidiary;
- (c) paper business through overseas step down subsidiary;
- (d) metal products business conducted directly and through domestic step down subsidiary; and
- (e) Trading in machines, machine spare parts and other products

The share capital of the Demerged Company as on 31<sup>st</sup> March, 2024 is as follows:

Share Capital Structure as on 31December 2024	Amount in INR
<b>Authorized Share Capital</b>	
7,00,00,000 Equity Shares of INR. 2/- each	14,00,00,000/-
12,50,000 Preference Shares of INR. 20/- each	2,50,00,000/-
<b>Issued, Subscribed and Paid-up Share Capital</b>	
6,55,34,050 Equity Shares of INR. 2/- each	13,10,68,100/-





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Valuer Registration No. – IBBI//RV/05/2019/10780

## **10.2 Brief background of Resulting Company**

**Manaksia Ferro Industries Limited (MFIL)** is a Public Company incorporated on 25<sup>th</sup> December 2010. It is classified as non-govt company and is registered at Registrar of Companies, Kolkata. Manaksia Ferro Industries Limited's Corporate Identification Number is (CIN) U27100WB2010PLC144410 and its registration number is 144410. Its Email address is bda@manaksia.com and its registered address is Turner Morrison Building, 6 Lyons Range, Mezzanine Floor, North West Corner, Kolkata - 700001. MFIL has been incorporated with an objective to engage, inter alia, in business of ferro alloys and ferrous metals. The Resulting Company is a wholly owned subsidiary of the Demerged Company and has a subsidiary namely Mark Steels Limited which is engaged in the business of manufacture of sponge iron.

The share capital of the Resulting Company as on 31<sup>st</sup> March, 2024\* is as follows:

Particulars	Amount in INR
<b>Authorised Share Capital</b>	
30,50,000 equity shares of INR 10 each*	3,05,00,000/-*
<b>Issued, Subscribed and Paid-up Capital</b>	
30,50,000 equity shares of INR 10 each**	3,05,00,000/-

\* Subsequent to the above date, with effect from 10th March 2025, there has been an increase in the authorised capital and sub-division of the face value as under:

30,50,000 equity shares of INR 10 each into 7,00,00,000 equity shares of INR 1 each.

\*\* Consequent to the above sub-division in the face value of equity shares from INR 10 to INR 1, the issued, subscribed and paid up capital of the Resulting Company is as under:

3,05,00,000 equity shares of INR 1 each aggregating INR 3,05,00,000.

Subject to the above, there has been no change in the issued, subscribed and paid-up share capital of the Resulting Company till the date of approval of the Scheme by the Board of the Demerged Company.

The Resulting Company is a wholly owned subsidiary of the Demerged Company. The equity shares of the Resulting Company are not listed on any stock exchanges in India or on any other stock exchange elsewhere.



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Valuer Registration No. – IBBI//RV/05/2019/10780

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**11. Approach for Determination of Fair Share Entitlement Ratio**

- I. As mentioned earlier, as per the Scheme, the Metal Product Business undertaking is proposed to be demerged from ML into MFIL. ML has identified all the assets and liabilities of Metal Product Business undertaking of ML which are to be taken over by and transferred to MFIL and corresponding issuance of equity shares of Resulting Company to the shareholders of ML and reduction and cancellation of the entire share capital of Resulting Company.
- II. I understand that, upon the Scheme being effective, the shareholding pattern of ML and MFIL will be identical. All the shareholders of ML would also become the shareholders of MFIL and every shareholder of ML will hold same percentage of equity ownership in MFIL as it owns in ML and accordingly their shareholding in MFIL would mirror their existing shareholding in ML prior to the Scheme.
- III. Taking into account the above facts and circumstances, any share entitlement ratio can be considered appropriate and fair for the Proposed Demerger as the proportionate equity shareholding of any shareholder pre-demerger and post-demerger would remain same and not vary. I have therefore not carried out any independent valuation of the subject business.
- IV. Based on the aforementioned and upon the Scheme becoming effective (post demerger), the set of shareholders and holding proportion in the Demerged Company shall be identical to that of Resulting Company. The beneficial economic interest of Demerged Company shareholders in Resulting Company will remain same as at the time of demerger and hence would not have any impact on the economic interest of the shareholders of the Demerged Company. The share entitlement ratio would not have any impact on the ultimate value of the shareholders of Demerged Company and the Proposed Demerger will be value-neutral to the Demerged Company's shareholders.



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Valuer Registration No. – IBBI//RV/05/2019/10780

**12. Basis of Fair Share Entitlement Ratio**

- I. Our Report and fair share entitlement ratio is based on the current equity share capital structure of ML and envisaged equity share capital of MFIL as mentioned above. Any variation in the equity share capital structure of ML and MFIL apart from the above mentioned may have an impact on the fair share entitlement ratio.
- II. Accordingly, the share entitlement ratio would not have any impact on the ultimate value of the shareholders of the Manaksia Limited and the Proposed Demerger will be value-neutral to the shareholders of Manaksia Limited. Further, as stated in SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, valuation is not required in cases where there is no change in the shareholding pattern of the Resultant Company. Therefore, we have not carried out valuation of the Companies or Metal Product Business. Accordingly, the valuation under the valuation approaches mentioned in the format prescribed under BSE Circular No. LIST/COMP/02/2017-18 dated 29 May 2017 and NSE Circular No. NSE/CML/2017/12 dated 01 June 2017 are not applicable in the given case.

Valuation Approach	MANAKSIA LIMITED		MANAKSIA FERRO INDUSTRIES LIMITED	
	Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA		NA	
Share Entitlement Ratio	NA		NA	

**13. Recommendation of Fair Share Entitlement Ratio**

On the basis of the foregoing, considering the proposed Capital Structure of MFIL as informed to me by the Management and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, a share entitlement ratio in the event of the Proposed Demerger would be as follows:

*"1 (One) fully paid Equity Share of INR 1/- (Indian Rupee One) each in MFIL for every 1 (One) fully paid Equity Share of INR 2/- (Indian Rupee One) each held in ML"*





Date: March 26, 2025

To,

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

To,

Manager - Listing Compliance  
National Stock Exchange of India Limited,  
'Exchange Plaza'. C-1, Block G, Bandra  
Kurla Complex,  
Bandra (E), Mumbai - 400 051

**Scrip code: BSE: 532932 / NSE: MANAKSIA**

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the proposed Scheme of Arrangement between Manaksia Limited ("ML" or the "Demerged Company" or the "Company") and Manaksia Ferro Industries Limited ("MFIL" or the "Resulting Company") and their respective shareholders (hereinafter referred to as the "Scheme") under Section 230 - 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and relevant rules made thereunder.**

Dear Sir/ Madam,

We hereby confirm the following:

- 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) There are no past defaults of listed debt obligations of the entities forming part of the Scheme.

For **Manaksia Limited**

**Anatha Bandhaba Chakrabartty**  
**Company Secretary and Compliance Officer**  
**M.No. F7184**

**Date: March 26, 2025**  
**Place: Kolkata**