

VALUATION REPORT

Valuation Report for Determining Fair Share Exchange Ratio in
relation to Proposed Scheme of Arrangement

between

V & H Infra Private Limited

and

D & H India Limited

Valuation Report Issued By:

Hemang Harshadbhai Shah

IBBI Registered Valuer - Securities or Financial Assets

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To The Board of Directors V&H Infra Private Limited A-204, 2nd Floor, Kailash Esplanade Opp Shreyas Cinema, L.B.S. Marg, Ghatkopar (West) Mumbai Maharashtra - 400086	To The Audit Committee/Board of Directors D&H India Limited A-204, 2nd Floor, Kailash Esplanade Opp Shreyas Cinema, L.B.S. Marg, Ghatkopar (West) Mumbai Maharashtra - 400086
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Dear Sir(s) / Madam(s),

Sub: Valuation Report for Determining Fair Share Exchange Ratio in relation to Proposed Scheme of Arrangement

I, **Hemang Harshadbhai Shah** ("Valuer" or "I" or "me"), had been appointed by the Board of Directors of D & H India Limited vide an engagement letter dated 18th December, 2024 to recommend a fair share exchange ratio for the proposed amalgamation of V & H Infra Private Limited ("Transferor Company") with and into D & H India Limited ("Transferee Company") pursuant to a scheme of amalgamation between Transferor Company and Transferee Company and their respective shareholders ("the Scheme"). Transferor Company and Transferee Company shall collectively be referred as "the Companies".

Pursuant to the above Scheme of Arrangement, I have been appointed by the Company vide an engagement letter dated 18th December, 2024 to recommend the fair equity share exchange ratio for the proposed Scheme. For the purpose of arriving at the valuation of the Companies, I have considered the valuation base as 'Fair Value' and the premise of value is 'Going Concern Value'.

Any change in the valuation base, or the premise could have significant impact on my valuation exercise, and therefore, this report. I believe that my analysis must be considered as a whole. Selecting portions of my analysis or the factors I considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. This letter should be read in conjunction with the attached report.

Thanking You

Yours Faithfully



HEMANG SHAH
IBBI Registered Valuer

Registration Number: IBBI/RV/03/2020/12854

COP Number: ICSIRVO/SFA/93

Date: 20th December, 2024

Place: Vadodara

Table of Index

Particulars	Page No.
Definition	4
Executive Summary	4
Background of the Company	5
Purpose of Valuation	6
Source of Information	6
Procedure & Methodology	7
Disclosure	12
Restriction on Use	13
Caveats, Limitations, And Disclaimers	13
Annexure-1 – Market Approach	16
Annexure-2 – Income Approach – Discounted Cash Flow Method	18

1. Definitions

Act	Companies Act, 2013
Appointing Authority	Same as Transferee Company
Client	Same as Transferee Company
Companies	The Transferor Companies and the Transferee Company taken together
Engagement	Determining Fair Share Exchange Ratio in relation to Scheme of Arrangement
Engagement Letter	Letter dated 18 th December, 2024 executed between the Valuer and the Client describing the Scope and Limitations of the Engagement
Rules	Companies (Registered Valuers and Valuation Rules), 2017
Transferee Company	D&H India Limited, a company bearing CIN: L28900MH1985PLC035822 having registered office at A-204, 2nd Floor, Kailash Esplanade Opp Shreyas Cinema, L.B.S. Marg, Ghatkopar (West) Mumbai Maharashtra – 400086
Transferor Company	V&H Infra Private Limited a company bearing CIN: U45203MH2008PTC181787 having registered office at A-204, Kailash Esplanade, Opp. Shreyas Cinema L.B.S. Marg, Ghatkopar (West) Mumbai Maharashtra - 400086
Transaction	Amalgamation of Transferor Company with the Transferee Company
Valuation Date	20th December, 2024 (Last trading day for determination of Valuation of D & H India Ltd.)
Valuer	Hemang Harshadbhai Shah (Registration Number: IBBI/RV/03/2020/12854)

2. Executive Summary

The client envisages the amalgamation (merger by absorption) of Transferor Company with Transferee Company, resulting in consolidation of Transferor Company business into Transferee Company. This will strengthen the position of the merged entity, by enabling it to harness and optimize the synergies of the business, which is in the best interest of all the companies and their shareholders.

In consideration for the amalgamation (merger by absorption) of the Transferor Company into the Transferee Company, it is proposed that the Transferee Company will issue and allot equity shares of Rs. 10/- (Rs. Ten only) each of the Transferee Company to all equity shareholders of the Transferor Company as on Record Date (defined in the proposed Scheme of Amalgamation).

The client entered into an Engagement with the Valuer for recommendation of Fair Share Exchange Ratio / The Share Swap Ratio for the proposed Scheme of Amalgamation.

The Share Swap Ratio has been arrived at on the basis of a relative equity valuation of the Companies based on various approached/methods explained hereinafter in this Report and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions, and limitations

The Valuer recommends the following Share Swap Ratio for the proposed Scheme of Amalgamation

402 (Four Hundred and Two) equity shares of D & H India Limited of Rs 10/- each fully paid-up will be issued for every 100 (One Hundred) equity shares of V & H Infra Private Limited of 10/- each fully paid-up.

3. Background of the Company

A. V & H Infra Private Limited

The Transferor Company is a company bearing CIN: U45203MH2008PTC181787 having registered office at A-204, Kailash Esplande, Opp. Shreyas Cinema L.B.S. Marg, Ghatkopar (West) Mumbai Maharashtra - 400086. The Transferor Company was incorporated under the provisions of Companies Act, 1956 as on 30/04/2008 in the name of V & H Aviation (India) Private Limited and subsequently changed its name to V & H Infra Private Limited as per the Certificate issued by the Registrar of Companies, Maharashtra, Mumbai on 5th May, 2011. The company is engaged in the business of mining of Bentonite Mineral having its mine in Kutch, Gujrat. At present the company is operating a mine admeasuring 1.01 hecatares in Gujrat. Further the company owns two more land parcel in Kutch admeasuring 3.57 Hectares & 3.13 hectare respectively. The company plans to obtain mining plan approval for both this land parcels. As per the geological assessment and mineral valuation report prepared by H K & Associates, Udaipur dated 19th December 2024 the following is the mineral deposit for both the land parcels:

Sherdi Land	13,24,360	tonnes of mineable reserve
Vandh Land	5,95,488	tonnes of mineable reserve
Total Land	19,19,848	tonnes of mineable reserve

The Shareholding Patter of the company is as under:

Authorised Share Capital (21,00,000 Equity Shares of Rs 10.00 each)	2,10,00,000
Paid-up Share Capital (15,00,000 No. of Shares of Rs 10.00 each)	150,00,000
Particulars	% Holding
Promoter & Promoter Group	96.00%
Public	4.00%
Total	100.00 %

B. D & H India Limited

The Transferee Company is a company bearing CIN: L28900MH1985PLC035822 having registered office at A-204, 2nd Floor, Kailash Esplanade Opp Shreyas Cinema, L.B.S. Marg, Ghatkopar (West) Mumbai Maharashtra - 400086. The Transferee Company was incorporated under the provisions of Companies Act, 1956 as on 30/03/1985 with the name of D & H Welding Electrodes (India) Private Limited on 30th March, 1985. The name of Transferor Company was changed to D & H Welding Electrodes (India) Limited vide certificate issued on 17th September, 1993 and further changed its name to D & H India Limited vide certificate issued on 31st March, 2012.

The Transferee Company is one of the top welding companies in India to have received ISO 9001-2015 certification for quality standards for all its manufacturing plants. All of them under one single certification is the indicative of consistency of manufacturing processes and quality assurance procedures. Most of the company's products have approvals from reputed engineering consultants and are certified by leading national/international inspection agencies. The company is a leading manufacturers of SAW Welding Consumables, Tig Wires, Mig Wires, Flux Cored Wires, Submerged arc welding wires and Flux etc.

The Shareholding Patter of the company is as under:

Authorised Share Capital (2,40,00,000 Equity Shares of Rs 10.00 each)	24,00,00,000
Paid-up Share Capital (81,88,000 Equity Shares of Rs 10.00 each)	8,18,80,000
Particulars	% Holding
Promoter & Promoter Group	52.26%
Public	47.74%
Total	100.00 %

4. Purpose of Valuation

The transferor and transferee company has agreed to enter into a Scheme of Amalgamation (merger by Absorption) u/s 230-232 of Companies Act, 2013 and other relevant provisions of the act and rules made thereunder.

The Client entered into an Engagement with the Valuer for recommendation of Share Swap Ratio for the proposed Scheme of Amalgamation.

5. Sources of Information:

In connection with the Engagement, the Valuer has received the following documents/information about the Companies:

a. For D & H India Limited:

- i. Certificate of Incorporation, Memorandum and Articles of Association
- ii. Shareholding Pattern as on 30.11.2024
- iii. Audited financials of the transferee company for the FY 2023-24, FY 2022-23.
- iv. Limited Reviewed financial results for the half year/quarter ended 30.09.2024

b. For V & H Infra Private Limited:

- i. Certificate of Incorporation, Memorandum and Articles of Association
- ii. Shareholding Pattern as on 30.11.2024
- iii. Audited financials of the transferee company for the FY 2023-24 , FY 2022-23
- iv. Provisional financial results for the half year ended 30.09.2024.
- v. Projected financials from 01.10.2024 to 31.03.2033.
- vi. Valuation Report issued for following properties:
 - a. Commercial Property - Office Block RS No. 114/2 , Plot No. 01, 2nd Floor, Office No. 209 , Pramukh Square , Bhuj , Kutch , GJ.
 - b. Commercial Property - Office Block RS No. 114/2 , Plot No. 01, 1st Floor, Office No. 119 , Pramukh Square , Bhuj , Kutch , GJ.
 - c. Industrial Property Developed Land , Factory Shed & Installed PME Land S/No. 86, Village Wandh, Taluka Mandavi , Kutch, GJ.
Diverted Open Bare Land (2Nos) , Village Sherdi & Vandh, Tehsil Madavi, Kutch, GJ.

c. Regarding the Scheme of Amalgamation:

- i. Draft of proposed Scheme of Amalgamation –

In addition to the above, during the discussions with the Client, the Valuer has also obtained explanations and information considered reasonably necessary for the Engagement by way of emails and verbal communication.

The Valuer has also relied on various information available in the public domain including but not limited to industry reports, market trends, performance of competitors, etc.

6. Procedures & Methodology

Inspections and/or investigations undertaken

The Valuer has relied on information provided by the Client regarding the financial statements and other financial data. The Valuer has also relied on multiple market studies and the macroeconomic scenario while carrying out the valuation exercise.

Valuation Standards

We have used international standards (IVSC) on Valuation while determining fair value of shares of Transferor & Transferee Company.

It is universally recognized that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose.

For the purpose of the Engagement, the Valuer has considered the valuation base as “Fair Value”. The Report is based on the premise of “going concern value”. Any change in the

valuation base or the purpose could have significant impact on the valuation exercise, and therefore this Report.

Procedures

There are several commonly used and accepted methods under the market, income and asset approaches for determining the share swap ratio for the proposed transaction, which have been considered in the present case, to the extent relevant and applicable, and subject to availability of information, including:

- a. Market Approach
- b. Income Approach
- c. Cost Approach

a. Market Approach

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. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of share especially where market values are fluctuating in a volatile capital market.

In the case of a Scheme of Arrangement, where there is a question of evaluating the value of shares of one company against the value 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.

The equity shares of the Transferor Company are not listed on any of the stock exchanges. Hence, the valuer has not used market approach for the valuation of the Transferor Company.

The equity shares of the Transferee Company are listed and traded on the BSE Limited (BSE). Hence, the market price method has been used to value the Transferee Company.

The equity shares of the Transferee Company are frequently traded shares as per Regulation 164(5) of the Securities and Exchange Board of India (Issue of Capital; and Disclosure Requirements) Regulations, 2018.

Extract from Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018

Regulation 164(5): For the purposes of this Chapter, “frequently traded shares” means the shares of the issuer, in which the traded turnover on any recognized 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 Valuation date.

The following table represents the calculation of frequently trading of the shares of the Transferee Company:

The Valuer has considered the Higher of Volume Weighted Average Price (VWAP) of 90 and 10 trading sessions preceding the relevant date i.e. 23rd December, 2024 as informed by the Company for valuation of the Transferee Company under the Market Approach. The stock prices of BSE Limited have been considered as frequently traded. Kindly refer Annexure-1 to this report for detailed calculation.

Calculation as Market Approach (VWAP Method)	
Total Turnover in 90 trading sessions (A)	208340797
Total No of shares traded in 90 trading sessions (B)	1301083
Volume Weighted Average Price (A)/(B)	160.13
Total Turnover in 10 trading sessions (A)	16390371
Total No of shares traded in 10 trading sessions (B)	101194
Volume Weighted Average Price (A)/(B)	161.97
Higher of Above	161.97

b. Income Approach

The income approach is based upon the economic principle of expectation. This approach assumes that the value of the business is equal to the present value of the economic income expected to be generated. Expected returns on an investment are discounted or capitalized at an appropriate rate of return to reflect investor risks and hazards. From a theoretical perspective, enterprise value is based either on historical earnings or future cash flows.

Based on the projections of profit & loss, balance sheet and cash flow statement provided to us by the management for Transferor Company on going concern basis we have adopted the discounted cash flow method as per the income approach for valuation of Transferor Company. Kindly refer Annexure-2 to this report for detailed calculation.

The Transferee Company is listed on a recognized stock exchange and thus the details of future profit & loss, balance-sheet and cash –flow is a price sensitive information. We were not provided the same information by the management of the company and thus we have not used the income approach in case of Transferee Company.

c. Cost Approach

The asset approach 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. The approach is applied by adding the value of the assets on the books of the company which reflects how much the business is worth to someone who buys the assets of the business on an as-is basis. This valuation approach is mainly used in case where the firm which does not meet the "going concern" criteria or in case where the asset base dominates the earnings capability.

The Scheme of Amalgamation would normally be proceeded with, on the assumption that the Companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated.

Since the bulk of value in case of the transferor companies is stored in the fixed assets and investment, the Valuer has considered the NAV for valuation of The Transferor Company, with inputs for different assets from other methods.

Valuation of V & H Infra Private Limited (Transferor Company):

Net Asset Value-

Particulars	Amount INR in Lakhs
NET ASSET VALUE METHOD (NAV):	Except NAV per Share
Market Value of PPE (Refer Note 1)	570.05
Book Value of Other Assets (Refer Note 2)	45.88
Long Term Loans & Advances	0.53
Other Non-Current Assets	6.76
Short-Term loans & Advances	122.15
Current Assets	134.81
Cash & Bank Balance	8.24
Total Asset (A)	888.42
Less:	
Long Term Borrowings	8.46
Long Term Provisions	118.56
Current Liabilities	74.35
Short-Term Borrowing From Banks	92.91
Total Outside Liabilities (B)	294.28
Net Asset Value C= (A-B)	594.14
Add: Adjustment for Increase in Share Capital on Right Issue Basis post 30.09.24	120.00
Net Asset Value	714.14
Fully paid up equity shares of the company of Rs each	15,00,000
NET ASSET VALUE PER SHARE	47.61

Note 1:



Note 2:

Details of Book Value of Other Fixed Assets – As on 30.09.24

Particulars	Amount INR in Lakhs
Net Block of Fixed Assets	210.78
Add: Capital WIP	42.03
Less: Value of Assets whose market value is consider as per Note 1 above	206.93
Book Value of Other Assets	45.88

Since the market price with reasonable volumes of frequently traded stock in BSE are reasonably reflect the fair price of the transferee Company, hence cost approach not considered for the valuation of the transferee Company.

For our final analysis and recommendation we have considered the values under the Income Approach, Market Approach and Cost Approach for Transferor and Transferee Company.

We have considered appropriate weights to the values arrived at under Income Approach and Cost Approach.

Computation of Fair Share Exchange Ratio:

Particulars	Method	V&H Infra		D&H India	
		Value Per Share	Weight	Value Per Share	Weight
Income Approach	Discounted Cash Flow	717.67	90.00%	-	0.00%
Cost Approach	Net Asset Value	47.61	10.00%	-	0.00%
Market Approach	NA	-	0.00%	161.97	100.00%
Fair Value Per Share		650.66	100.00%	161.97	100.00%
Share Exchange Ratio		4.02			

DCF is considered as the most scientific method as it considers the time value of money and the cash outflows required for increased levels of business forecasted. It considered relevant and appropriate method in case of companies which are in the growth phase of the business cycle, as in the present case. Hence, we have given 90% weight to Income Approach - DCF method & 10% weight to Cost Approach – NAV for our valuation analysis for V&H Infra Private Limited.

Since Equity Shares of D&H India Limited are listed on a recognized stock exchange and are frequently traded, we have used the Market Approach – Market Price method only to arrive at the valuation for D & H India Limited.

The valuer recommends the following Share Swap Ratio for the proposed Scheme of Amalgamation:

402 (Four Hundred and Two) equity shares of D & H India Limited of Rs 10/- each fully paid-up will be issued for every 100 (One Hundred) equity shares of V & H Infra Private Limited of 10/- each fully paid-up.

7. DISCLOSURES

- a. The Valuer declares that there is no conflict of interest.
- b. The Client has been provided with the opportunity to review the draft report (excluding the recommended share entitlement ratio) as part of standard practice to make sure that factual inaccuracy and/or omissions are avoided in this Report.
- c. The fee for the Engagement is not contingent upon the results reported.

8. RESTRICTIONS ON USE OF THE REPORT

- a. This Report is subject to the scope limitations detailed in the Engagement Letter.
- b. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred herein.
- c. The valuation analysis does not constitute certification of the historical financial statements including the working results of the entities referred to in this report. Accordingly, the Valuer is unable to and does not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- d. Valuation analysis and results are specific to the purpose of valuation, the valuation date, and are based on the data detailed in this report. This report may not be valid or used for any other purpose or as at any other date.
- e. This report is not, nor should it be construed as the Valuer's opinion certifying the compliance of the proposed Transaction with the provisions of any law including companies, taxation and capital market laws or as regards any legal implications or issues arising from such proposed transaction.
- f. This report is prepared only in connection with the proposed Transaction exclusively for the use of the Client and for submission to any regulatory or statutory authority as may be required under the law.
- g. This report and the information contained herein is confidential. This report does not intend to nor provides professional advice or due-diligence to any person and/or party intending to provide finance or invest in the shares or business of any of the entities mentioned herein. It is to be noted that any reproduction, copying or otherwise quoting of this report or part thereof in any registration statement, prospectus, offering memorandum, annual report, loan agreement, or any other agreement or document given to third parties, other than in connection with the proposed transaction as aforesaid, can be done only with the prior permission of the Valuer in writing.

9. CAVEATS, LIMITATIONS, AND DISCLAIMERS

- a. No investigation of the Companies' claims to title of assets has been made for the purpose of this Engagement and their claims to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the liens or encumbrances disclosed by the Client. Therefore, no responsibility is assumed for matters of legal nature.
- b. The valuation analysis has considered various factors including those impacted by prevailing market, financial, economic and other conditions in general and industry trends in particular. This report is issued on the understanding that the Client has drawn the

Valuer's attention to all the material information which it is aware of concerning the financial position of the Companies and any other matter, which may have impact on the Valuer's opinion, including any significant changes that may have taken place or are likely to take place in the financial position, subsequent to the report date. The valuer has no responsibility to update this report for events and circumstances occurring after the date of the report.

- c. The projected financials for the Transferor Company are prepared by the management of the company and we have not audited or reviewed the same. We have relied on the projections provided to us by the management of the company for the purpose of the report.
- d. In the course of the valuation analysis, the valuer was provided with both written and verbal information. The Valuer has evaluated the information provided by the Client through broad Inquiry, analysis, and review but has not carried out a due-diligence or audit of the information provided. The Valuer assumed no responsibility as to the accuracy, reasonableness, or completeness of the information provided by the Client and consequential impact on the valuation analysis.
- e. Valuation will have to involve the exercise of judicious discretion and judgement. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from documentary information but which will strongly influence the valuation judicial decisions. Analysis concept is also recognized in various judicial decisions.
- f. Valuation analysis is not a precise science and the conclusions arrived at many cases will, necessarily, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed result of valuation. The Valuer has provided his recommendation of the Share Swap Ratios based on the information available and within the scope of his engagement. Nevertheless, others may have a different opinion. The final responsibility of the determination of the Share Swap Ratio at which the proposed transaction will be effected will be with the Client and/or the Companies who shall take into account other factors such as their own assessment of the proposed transaction and inputs of other valuers and/or advisors.
- g. This report does not look into the business reasons or 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 other alternative business transaction or other alternatives or whether or not such alternatives could be achieved or are achievable.

h. Notwithstanding anything contrary in this Report, the liability of the Valuer, is any, arising in relation to or in connection with the Engagement, shall at all times be limited to the extent of the professional fees paid to the Valuer for the Engagement

i. This Report is subject to the laws of India.



HEMANG SHAH

IBBI Registered Valuer

Registration Number: IBBI/RV/03/2020/12854

COP Number: ICSIRVO/SFA/93

Date: 20th December, 2024

Place: Vadodara

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