

PAWAN KUMAR AGRAWAL

FCA, IP(IBBI), RV(IBBI), DISA, DITL, ID(IICA)

RV Regn No.:- IBBI/RV/03/2023/15263

COP No:- ICSIRVO/COP/SFA0620/277

Report
on
Valuation of Equity Shares
(as per SEBI IDCR Regulations)
of
Qualitek Labs Limited

Address:- 40/55, First Floor, Chittaranjan Park, New Delhi - 110019

Email: pawan@vresolves.com, Mobile:- +91 9971761073

Background of the Entity

Qualitek Labs (BSE SME: QLL) (hereinafter referred as “QLL” or “Company”) was incorporated on 17/05/2018 as a Private Limited company. The Company went public through an IPO on the BSE SME Exchange on 29/01/2024. The registered office of the company is situated at 73, National Park, Lajpat Nagar- IV, Delhi, 110024.

Capital Structure:

The authorized share capital of the Company is ₹10,00,00,000/- (Rupees Ten Crores) consisting of 1,00,00,000 (One Crore) Equity shares of ₹10/- each.

The Paid Share Capital value is ₹9,97,95,000 /- (Nine Crore Ninety-Seven Lakh Ninety Five Thousand) divided into 99,79,500 (Ninety-Nine Lakh Seventy-Nine Thousand Five Hundred) Equity shares of ₹10/- each.

Listing Status:

Equity Shares of the Company are listed on the BSE SME Exchange.

Methodology for valuation of Equity Shares

The objective of the valuation process is to make the best reasonable judgment of the value of the equity share of the Company. Globally, numerous methodologies have been used for valuation of companies/ businesses using the historical and forecast financials of the company. The Valuation Standards issued by International Valuation Standards (IVS) sets out commonly used valuation methodologies as follows:

Market Approach: Stock Market Value Approach

The value of a company by using this approach is derived by multiplying the stock price of the company with the total number of shares outstanding. This approach is applicable to companies listed and actively traded on recognized stock exchanges in India or outside India. This approach assumes that the market is always correct in determining the fair value of the shares traded.

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.

Since the Company is listed on Stock Exchanges and subject to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. We have used this methodology to arrive at the value of Equity Shares.

Asset Approach: Summation of Assets Approach

The Summation of Assets Approach as popularly known as Net Asset Value, as at the latest audited balance sheet date or as per the provisional balance sheet date is calculated starting from the total assets of the Company and deducting all liabilities including debts, dues, borrowing, current liabilities, likely contingent liabilities and preference capital, if any. In other words, the value so arrived at should represent the true net worth of the business after providing for all outside present as well as potential liabilities. The net assets value as calculated from the assets side of the balance sheet in the above manner is cross checked with equity share capital plus free reserves and surplus, less the likely contingent liability. Using this methodology, we have computed the value of Equity Share.



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Profit Earning Capacity Value (PECV) Method

This method is used while valuing a going concern business with a good profitability history. In its simplest form, this method basically divides the expected stable earnings of a business by the capitalization rate. It involved determining the future maintainable earning level of the entity from its normal operations. Normal profit is arrived at by considering the normal business profits after adjusting the non-recurring/ extraordinary items of income and expense. This maintainable profit, considered on a post-tax basis, is then capitalized at a rate, which combines an adequate expectation of reward from enterprise and risk, to arrive at the business value.

The earnings figure to be capitalized should be one that reflects the true nature of the business, such as the last three years average, current year or projected year excluding the impact of any extraordinary items not expected to accrue in future. In the current valuations report, Capitalization rate of 6% is based on peer companies' capitalization rate.

Methodology adopted for Valuation of the Company

The standard of value used in the analysis is "Fair Value", which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for sale on the open market for a reasonable period of time, with both buyer and seller being in possession of the pertinent facts and neither being under any compulsion to act.

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer, who may be prepared to pay a substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- Industry to which the Company belongs
- Past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated.
- Extent to which industry and comparable Company information is available.

Accordingly, the results of this exercise could vary significantly depending upon the basis used, the specific circumstances and the professional judgement of the valuer.

Sources of Information

The valuation report is prepared based on information shared by the management of QLL. For determining the valuation, we have relied upon the information & data representation received assuming it to be accurate and complete, fair in its manner of portrayal and therefore forms a reliable basis for valuation.

The key information received and used for determining the valuation includes:

1. Company's website and Company's Annual Reports.
2. Audited financial statements of QLL for the year ending 31st March 2024
3. Provisional financial statements of QLL for the year ending 31st March 2025

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4. Total Traded Quantity and Turnover data from BSE SME for computing the 90 trading days' volume weighted average price (VWAP) and 10 trading days' volume weighted average price (VWAP) preceding the Relevant date.
5. SEBI Preferential Allotment pricing guidelines as per SEBI ICDR Regulations, 2018
6. Public Documents available on external sources such as stock exchanges.

As per the information provided, the present issue of Equity Shares shall not result in change in control of the Company.

For the purpose of our calculation in this engagement, we have based our calculation as prescribed by Regulation 164 and 166A of the SEBI IDCR Regulations, 2018 read with SEBI (SAST) Regulations 2011.

Calculation of value of equity shares in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

I. Determining "relevant date" for the purpose of determining whether the shares are frequent traded or not frequently traded

As per Regulation 161 of SEBI ICDR Regulations, 2018 – "relevant date"

- **In case of preferential Issue of equity shares**
 - The date 30 days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.
- **In case of a preferential issue of convertible securities**
 - The date 30 days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue (or)
 - The date 30 days prior to the date on which the holders of the convertible securities become entitled to apply for the equity shares

Date of meeting of shareholders as informed by the management	25 th June, 2025
Date of Appointment by Audit Committee	29 th March 2025
Relevant date	26 th May, 2025*

The data has been taken from BSE for the period of 90 trading days before the relevant date i.e. from 9th January 2025 till 23rd May 2025.

II. Pricing of frequently traded shares

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

- a) The 90 trading days' volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date, or
- b) the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date.

For the purpose of this regulation, 'stock exchange' means any of the recognized stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the

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equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.

Conditions and Assumptions

Conditions:

The historical financial information about the Company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report and it should not be used by anyone to obtain credit or for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from GAAP prevailing in the country.

This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.

We have used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not required to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.

Assumptions:

The opinion of value given in this report is based on information provided by the Company and other sources as listed in the report. This information is assumed to be accurate and complete.

We have relied upon the representation contained in public and other documents except as specifically stated to the contrary in this report. We have not attempted to confirm whether all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.

We have assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry.

We have been informed by the Company that there are no significant lawsuits or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

Caveats & Limitations

This report is based on information provided to us by the Company. We have relied on the representation made to use by the management and have assumed such representation to be reliable and our conclusion is dependent on such information being assumed to be complete and accurate in all material respects.

Our work was not designed to verify the accuracy, reliability or achievability of the information provided to us and nothing in this report should be taken to imply that we have conducted procedures, audits or investigations in an attempt to verify any of the information supplied to us.

The report has been prepared for the exclusive use of the client and we do not claim any responsibility to any other party to whom the report may be shown or who may acquire a copy of the report.



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Disclaimer

This report has been prepared for the exclusive use of the clients and shall not be given or reproduced or quoted to any third parties without prior written consent except for the fulfillment for the purpose mentioned above.

Our findings do not constitute a recommendation as to whether to carry out the transaction based on this valuation. No responsibility or liability is accepted for any loss or damage howsoever arising that you may suffer as a result of this Report and any and all responsibility and liability is expressly disclaimed by us or any of them or any of their respective partners, officers, affiliated, advisors or agents.

For the purpose of this engagement and report, we have made no investigation of, and therefore assume no responsibility for the good and valid title of land, assets, receivables by, or liabilities against QLL. Our conclusion of value assumes that the title to the assets and liabilities of QLL reflected in the statement of assets and liabilities is intact, as at the valuation date.

Opinion on value of Equity Shares

Our calculation, as prescribed by Regulation 164 of the SEBI ICDR Regulations, 2018 read with SEBI (SAST) Regulations 2011, wherein the minimum issue price of equity shares as at the close of trading house of the date preceding the relevant date (26th May 2025), is **₹310.89 per share.***

Additionally, based on our valuation exercise as per regulation 166A, the minimum issue price of the equity shares as at the close of trading hours of the date preceding the relevant date (26th May 2025) is **₹264.17 per share.**



CA Pawan Kumar Agarwal

Registered Valuer (Securities & Financial Assets)

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UDIN:- 25509228BMLGME9427

Date: 27.05.2025

Place: New Delhi

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Annexures

Volume Weighted Average Price Method

Calculation of 90 trading days' volume weighted average price of the related equity shares preceding the relevant date (i.e. 26/05/2025)*

Date	No. of Shares (Volume)	Value
23-May-25	12000	3705840
22-May-25	4000	1262940
21-May-25	4800	1485280
20-May-25	1600	494360
19-May-25	7200	2293700
16-May-25	16000	5183240
15-May-25	11200	3459920
14-May-25	2400	709380
13-May-25	3600	1053620
12-May-25	8400	2486920
09-May-25	4400	1241880
08-May-25	8000	2370380
07-May-25	10400	2961720
06-May-25	16400	4843320
05-May-25	12800	3977980
02-May-25	15600	4816080
30-Apr-25	18000	5376200
29-Apr-25	7200	2138040
28-Apr-25	14000	4244240
25-Apr-25	20000	6378500
24-Apr-25	9600	3151100
23-Apr-25	20000	6341040
22-Apr-25	16400	5455920
21-Apr-25	48400	16649300
17-Apr-25	58800	19672980
16-Apr-25	76800	24350000
15-Apr-25	8400	2459520
11-Apr-25	14800	3881540
09-Apr-25	1600	387200
08-Apr-25	800	190800
07-Apr-25	1600	392160
04-Apr-25	11600	2953600
03-Apr-25	15600	4007740



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02-Apr-25	4800	1226300
01-Apr-25	2400	580100
28-Mar-25	2800	670600
27-Mar-25	8400	1937180
26-Mar-25	15600	3630200
25-Mar-25	3600	846360
24-Mar-25	18800	4416560
21-Mar-25	2000	487760
20-Mar-25	25600	6208220
19-Mar-25	22400	5374380
18-Mar-25	34800	8400420
17-Mar-25	800	192000
13-Mar-25	19600	4731780
12-Mar-25	17200	4344840
11-Mar-25	9600	2348540
10-Mar-25	4800	1270700
07-Mar-25	3200	814320
06-Mar-25	9200	2209900
05-Mar-25	8000	1838260
04-Mar-25	6800	1526160
03-Mar-25	12000	2729800
28-Feb-25	4800	1107860
27-Feb-25	2800	663640
25-Feb-25	1600	392000
24-Feb-25	5200	1266800
21-Feb-25	12400	2996600
20-Feb-25	11200	2811140
19-Feb-25	8400	2096400
18-Feb-25	800	207200
17-Feb-25	1200	312380
14-Feb-25	2800	729920
13-Feb-25	4400	1195560
12-Feb-25	3600	934000
11-Feb-25	2000	541640
10-Feb-25	800	222060
07-Feb-25	1200	331360
06-Feb-25	800	211200
05-Feb-25	8400	2209800
04-Feb-25	12000	3274380
01-Feb-25	3600	1027200
31-Jan-25	2400	720560
30-Jan-25	4000	1170460
29-Jan-25	13600	3512000
28-Jan-25	9200	2482680

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27-Jan-25	8800	2500560
24-Jan-25	2800	832000
23-Jan-25	5200	1556000
22-Jan-25	1600	482040
21-Jan-25	10000	3031000
20-Jan-25	1200	365200
17-Jan-25	2000	619600
16-Jan-25	1600	493400
15-Jan-25	1600	494400
14-Jan-25	28400	8536460
13-Jan-25	15200	4734520
10-Jan-25	34800	11003600
09-Jan-25	6800	2164560
Total	9,52,000	27,33,91,000
Weighted Average Price for 90 trading days		₹287.18

Calculation of 10 trading days' volume weighted average price of the related equity shares preceding the relevant date (i.e. 26/05/2025)*

Date	No. of Shares (Volume)	Value
23-May-25	12000	3705840
22-May-25	4000	1262940
21-May-25	4800	1485280
20-May-25	1600	494360
19-May-25	7200	2293700
16-May-25	16000	5183240
15-May-25	11200	3459920
14-May-25	2400	709380
13-May-25	3600	1053620
12-May-25	8400	2486920
Total	71,200	2,21,35,200
Weighted Average Price for 10 trading days		₹310.89

Comparison of price of 90 trading days and 10 trading days preceding the relevant date

Weighted Average Price for 90 trading days preceding the relevant date (A)	₹287.18
Weighted Average Price for 10 trading days preceding the relevant date (B)	₹310.89
Higher of A and B	₹310.89



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Valuation – Net Asset Method

Qualitek Labs Limited	
Particulars	As on 31st March, 2025 Amount in (₹ Lakhs)
Total Assets:	
(a) Financial Assets	
Cash and Cash Equivalents	169.59
Bank Balances other than above	2.12
Receivables	1,195.78
Loans & Advances	1,448.39
Other Financial assets	329.38
Investments	3,799.26
Sub-total	6,944.52
(b) Non-Financial Assets	
PPE	5,104.25
Sub-total	5,104.25
Total Assets	12,048.76
Liabilities:	
(1) Financial Liabilities	
Payables	459.23
Deferred Tax Liability	66.22
Borrowings	2,648.47
Other financial liabilities	248.04
Sub-total	3,421.96
(2) Non-Financial Liabilities	
Provisions	48.27
Other non-financial liabilities	-
Sub-total	48.27
Total Liabilities	3,470.24
Net Worth of the Company	8,578.53
No. of Shares	99.80
Value per share	85.96
Face Value	10



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Share Price as per Profit Earning Capacity Value (PECV) Method

Qualitek Labs Limited	Amount in (₹ Lakhs)				
Particulars	FY 2021-22	FY 2022-23	FY2023-24	FY2024-25 (Provisional)	Total
Profit After Tax (PAT)	113.95	294.43	430.73	528.02	
Weights	1	2	3	4	10
Product	113.95	588.86	1292.19	2112.08	4107.08
Weighted Average PAT					410.71
Capitalisation rate					6.00%
Capitalisation value					6845.13
Total Shares (lakhs)					99.80
Price per share					68.59

Weighted Average Price per Equity Share

Particulars	Price per share	Weight	Weighted Average Price
	₹		₹
Volume Weighted Average Price (VWAP) (Market Approach)	310.89	80%	248.71
Net Asset Value (Cost Approach) Book value per share as submitted to BSE	85.96	10%	8.60
Price Earning Capacity Value (Income Approach)	68.59	10%	6.86
Average Price per Equity Share		100%	264.17

As QLL is a listed company on BSE SME, and it's equity shares are frequently traded, to arrive at its Fair Equity Value per share, therefore, we have given a higher weightage to VWAP.



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VALUATION REPORT
OF
INTERSTELLAR TESTING CENTER PRIVATE LIMITED

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PRIVATE AND CONFIDENTIAL

Date: 28th May, 2025

To,
The Board of Directors
M/S INTERSTELLAR TESTING CENTRE PRIVATE LIMITED
CIN:- U74999HR2016PTC058170
86, INDUSTRIAL AREA PHASE-1, PANCHKULA,
HARYANA, INDIA – 134109
Email ID: ITC86@YAHOO.COM

Subject: Determination of Value of Equity Shares of the Company

Dear Sir,

We have been engaged by INTERSTELLAR TESTING CENTRE PRIVATE LIMITED (ITC/Company) having its registered office at 86, Industrial Area Phase-1, Panchkula, Haryana, India - 134109 for Valuation of the Equity Shares of the Company. Incorporated in **2016**, ITC provides comprehensive solutions that extend beyond traditional testing, inspection, and certification across diverse sectors. These include automotive, pharmaceuticals, food, infrastructure, oil & gas, textiles, and electrical & electronics, among others.

Purpose of the Valuation and appointing Authority

The Company/Promoters want to evaluate its equity shares to evaluate a merger proposal. To determine the fair value of equity share before proposed merger the company has appointed CA Pawan Kumar Agrawal, a qualified registered valuer having registration number IBBI/RV/03/2023/15263 (Hereinafter referred as "Registered Valuer"). The Report is confined for the above-mentioned purpose only and certifies the fair value of the equity shares of the company as per requirements of The Companies Act 2013.

This report has been prepared solely for the purpose set out in this report and should not be made available to any other person, distributed, published, or reproduced (in part or otherwise) in any other document whatsoever except its submission to Regulators, and shareholders of the Company, without our written consent save and except for the limited purpose of this report.

The objective of the valuation process is to make a best reasonable judgment of the enterprises value & Shares of the Company. The best reasonable judgment of the value will be referred to as the fair value (FV). We have adopted the income approach of valuation and followed the Discounted Cash Flow method to derive the value of share.

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Disclosure of the Independence

The registered valuer doesn't hold any shares or securities in the company. Further, The Registered Valuer doesn't have any direct or indirect control/interest in the company. Hence, the valuer is completely independent of the assets to be valued by the valuer.

Date of Appointment & Valuation Date:

The relevant date of appointment of registered valuer and valuation date is as hereunder:

Date of Appointment	25.05.2025
Date of Value	31.03.2025
Valuation Date	26.05.2025

Nature and Source of the Information used in Valuation Assignment:

The nature and source of the information used in above said this valuation assignment is as hereunder:

Sl No	Nature of Information	Source
1.	Audited Financial Year 2023-24	Provided by the management of the company
2.	Provisional Financial as on 31 st March 2025	Provided by the management of the company
3.	Projected Financial Statement from FY 2024-25 till 2029-30	Provided by the management of the company
4.	Revenue Model of the Company	Provided by the management of the company
5.	Market Size & Growth	https://www.industryarc.com

Inspections and/or investigations undertaken

This valuation report has been prepared based on requisite information provided by the company to the registered valuer. As the scope of work of registered valuer is limited to the valuation of the shares only, therefore, we have not carried out any independent verification on the accuracy and completeness of the information as stated above. We have not reviewed any other documents of company other than those stated in this report. However, the Registered Valuer has exercised the reasonable skill and care with respect to information obtained regarding the valuation.

Procedures and Approaches adopted in carrying out valuation

There is no single definition of the term 'Value' that is suitable for all purposes or at all times. The value of a particular asset may vary according to different valuation methodologies that are adopted to ascertain the value for a specific purpose. Valuation of

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securities is an inexact science. It may sometimes involve a set of judgments and assumptions that may be subject to certain uncertainties.

Broadly there are three approaches of valuation which are as hereunder:

- Market Value Approach
- Assets or Cost Approach
- Income Approach (Discounted cash Flow method)

Procedure Adopted

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

- i. Requested and received the financial and qualitative information
- ii. Obtained data available at public domain
- iii. Discussion with management to understand the business and fundamental factors that effects its earning generating capabilities including strength, weakness, opportunity and threat analysis and historical financial performance
- iv. Undertook the industry analysis including:
 - Research publicly available market data including economic factors and industry trends that may impact the valuation.
 - Analysis of key trends and market multiples of comparable companies and comparable transactions using proprietary database referred in the source of information section.
- v. Application of internationally accepted valuation methodology/(ies) as considered appropriate by us.

Selection of Valuation Methodology

The objective of the valuation process is to make a best reasonable judgment of the enterprises value & Shares of the Company. The best reasonable judgment of the value considering the future prospect and outflow of the company shall be income approach of valuation and followed the **Discounted Cash Flow method**. The company has good projection in future and the analysis for the same is given below.

BASIS FOR ARRIVING AT VALUE OF EQUITY SHARES AS PER INCOME APPROACH:

Net Present Value of future cash flows of the Company including terminal value shall be INR 127.87 Crore. (*Rupees One Hundred Twenty Seven crore Eighty Seven Lakh only*) considering discounting factor @11.47%. The weighted average cost of capital has been determined as under:

Sensex as on	
3/31/2001	3604.38
3/31/2025	77,414.92

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Number of years	24.00
Market rate of return - ER(m)	13.63%
Industry Beta (expected that the stock moves in line with the broader market)	1.00
Add: Additional Risk Premium (unsystematic risk) & Liquidity Premium	4.00%
Cost of Equity (Ke)	17.63%
Rf	17.63%
Interest	12%
Tax	26%
Equity	28%
Debt	72%
WAAC	11.47%
Growth	8%

GROWTH

Indian Chemical & Biological Testing Market Overview

Indian chemical & biological testing market size is forecasted to reach US\$7.5 billion by 2027, after growing at a CAGR of 10.6% during the forecast period 2022-2027. Chemical and biological testing enable companies, authorities, and other parties to establish the chemical and biological parameters of a product/subject or a test obtained from food or the surrounding environment. These characteristics and attributes must meet legal standards or other restrictions. Chemical and biological testing is utilized in food & beverage, agriculture, and other industries to test the biodegradable dissolved organic carbon, polycyclic aromatic hydrocarbon, and other contents. The growth of the Indian chemical industry is primarily driving the Indian chemical and biological testing market growth. Moreover, the bolstering pharmaceutical industry in India is projected to drive the demand for chemical and biological testing market in India to ensure proper elemental analysis, material testing, and more, which will accelerate the market growth in India. Although the Covid-19 pandemic had caused a roadblock to the market growth of various industries, the surge in pharmaceutical production, food & beverage, and other essential industries benefited the Indian chemical & biological testing market.

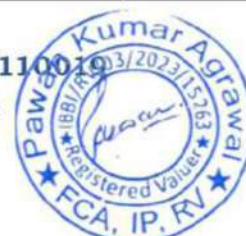
On conservative side, future uncertainty and taking consideration of other sector's growth, we have taken the growth at 8%.

Based on the future projections provided by the management of the company. Details are as follows:

(Amount in INR Crores)

Particulars	As on 31/03/2025	As on 31/03/2026	As on 31/03/2027	As on 31/03/2028	As on 31/03/2029	As on 31/03/2030	Terminal Value

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PAT	1.94	2.02	2.82	3.94	5.87	8.24	
Add:- Net non Chash Charges (Depreciation)	1.65	2.20	3.65	3.92	4.21	4.64	
Interest	1.94	2.25	2.62	2.19	1.76	1.36	
Tax Rate	26%	26%	26%	26%	26%	26%	
Add:- Interest Net of Tax	1.44	1.67	1.94	1.62	1.30	1.01	
Capital Expenditure	-5.18	19.98	-4.35	-1.76	-4.18	-8.18	
Working Capital Adjustments	-3.76	3.22	-1.67	0.68	-0.90	1.01	
Free Cash Flow For Firm FCFF	-3.91	10.87	2.39	8.40	6.31	6.72	209.34
PV	1.00	1.11	1.11	1.11	1.11	1.11	
	1.00	1.11	1.24	1.39	1.54	1.72	
PV Factor	1.00	0.90	0.80	0.72	0.65	0.58	0.58
Present Value of FCFF		-9.75	1.92	6.06	4.09	3.91	121.65

We are of the opinion that as on 31st March 2025, the fair value of equity shares of ITC as per Income Approach is coming at **Rs 2039.91** per Equity shares evaluated as hereunder:

Equiry Valuation & Enterprise Value

<u>Particulars</u>	<u>Amount (in Crore)</u>
Present Value of Terminal Value	6.23
Present Value of Future Cash Flows	121.65
Enterprise Value [A]	127.87
Add: Cash	2.61
Less: Debt	26.48
Equity Value [B]	104.00
No of Equity Shares	509,804
Fair Market Value per Share in Rupees [B *10000000/C]	2,039.91

BASIS FOR ARRIVING AT VALUE OF EQUITY SHARES AS PER NET ASSETS VALUE (MARKET APPROACH)

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The fundamental idea is that the equity value of a company represents the residual value of its assets after all liabilities have been paid. In simpler terms, it's what's "left over" for the shareholders. A crucial aspect is the valuation of these assets. Ideally, they should be valued at their current market or realizable values, which may differ from their book values. The realisable value of Tangible Assets has been provided by the management whereas Current Assets has been taken at Cost.

We have determined the value of Intangible Assets i.e. Brand of the company on the basis of Relief-from-royalty method that estimates the value of an intangible asset by determining the hypothetical royalty payments a company would save by owning the asset instead of licensing it from a third party

Limitations on the Valuation of ITC:

Our report is subject to the scope of limitations detailed hereinafter. As such the report is to be read in totality and not in parts. This report has been prepared solely for the purpose set out in this report and should not be made available to any other person, distributed, published, or reproduced (in part or otherwise) in any other document whatsoever except its submission to Regulators, and shareholders of the Company, without our written consent save and except for the limited purpose of this report.

- a) Our study did not include the following: -
- An audit of the financial statements of ITC;
 - Carrying out financial feasibility for the Business of ITC;
 - Framing an opinion on financial statement of ITC;
- b) Our valuation is based on the premise that the information provided to us being complete and accurate in all material aspect.
- c) Our value analysis is based on the information made available to us by the management of ITC and the information obtained by us from public domain as mentioned in the report. Any changes/modifications/revisions (either positive or negative) to the financial parameters and other information provided to us may alter the result of value analysis set out in this report, positively or negatively.
- d) Our work did not constitute an audit in accordance with Indian GAAP/ International Financial Reporting Standards and all other applicable accounting practices and procedures and examination/ review of internal controls or other attestation or review services. Accordingly, we do not express an opinion on the information presented.
- e) It may be noted that in carrying out our work we have relied on the integrity of the information provided to us by the management of ITC and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof.

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- f) We have reviewed the information made available to us for overall consistency and have not carried out any detailed tests in the nature of audit to establish the accuracy of such statements and information. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided for and on behalf of ITC.
- g) We have not carried out any independent verification of the accuracy and completeness of all information as stated above. We have not reviewed any other documents of company other than those stated above. We have not made any independent verification of the physical assets of the Company and accept no responsibility for the same.
- h) Our scope of work does not include verification of data submitted by the management of the Company and has been relied upon by us as such.
- i) We understand that the management of the Company, during our discussions with them, would have drawn our attention to all such information and matters, which may have had an impact on our valuation. In this report we have included all such information and matters as was received by us from the management of the Company.
- j) This valuation report should not be regarded as a recommendation to invest in or deal in any form of securities of the Company and should also not be considered as its final equity value.
- k) The Management or related parties of the Company, and its subsidiaries/ associates/ group companies are prohibited from using this report other than for its sole limited purpose and not to make a copy of this report available to any party other than those required by statute for carrying out the limited purpose of this report.
- l) We have not verified the authenticity of the actual purpose for obtaining this valuation report and have done a pure mathematical calculation based on the information provided to us by the management of the Company. This report is issued at the request of the Company for the purpose as mentioned in the second para of this report.
- m) No investigation of the Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loan disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. The report is not, nor should it be construed, as our opinion or certifying the compliance with the provisions of any law, including but not limited to, Circulars Guidelines/ Notifications/ Rules/ Regulations etc. issued by the Reserve Bank of India, Companies Act and Tax related laws by the Company.

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- n) This report is not meant for meeting any other regulatory or disclosure requirements, save and except as specified as above, under any Indian or Foreign Law, Statute, Act, Guidelines or similar instructions. We would not be responsible for any litigation or other actual or threatened claims.
- o) In no event, will we or our employees, be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this engagement.



CA Pawan Kumar Agarwal
Registered Valuer (Securities & Financial Assets)
RV Regn No.:- IBBI/RV/03/2023/15263
COP No:- ICSIRVO/COP/SFA0620/277
UDIN:- 25509228BMLGMF2905
Date: 28.05.2025
Place: New Delhi

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