

CA Rochak Batta

Registered valuer of Insolvency and bankruptcy board of India

Member of ICAI Registered Valuers organization

Valuer Registration No. IBBI/RV/06/2019/12452

SCO 18, Chotti Baradari, Patiala-147001 +9198779-50328

Valuation Report of SK Minerals & Additives Limited

SK Minerals & Additives Limited

Satkartar building, Near Khalsa Petrol Pump, G.T. road, Khanna, Punjab-141401

Dear Sir/Madam,

Re: Opinion on fair value of shares of SK Minerals & Additives Limited

We refer to our Engagement Letter confirming our appointment as Independent Valuers of **SK Minerals & Additives Limited** ("Company"). In the following paragraphs, we have summarized our valuation Analysis ("Analysis") of the business of the company, as informed by the management and detailed herein, together with the description of the methodologies used and limitation on our scope of work.

Context and Purpose

Based on discussion with the management, we understand that the company's promoters are evaluating the Fair value of shares for the purpose of issuing Equity Shares.

In this context, the management requires our assistance in determining the Fair Value of Equity Shares of the company.

Conditions and major assumptions

Conditions

The historical financial information about the company presented in this report, if any 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 generally accepted accounting principles prevailing in the country. We have not audited, reviewed or compiled the financial statements and express no assurance on them.



Readers of this report should be aware that a business valuation is based on future earnings potential that may or may not be materialized. Any financial projections e.g. projected profit & loss account, projected cash flow statements as presented in this report included solely to assist in the development of the value conclusion. The actual results may vary from the projections given; and the variations may be material, which may change the overall value.

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 acknowledge that we have no present or contemplated financial interest in the company. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

We have, however, 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 management of the company and we have verified the same and other sources as listed in the report. This information is assumed to be accurate and complete. We have relied upon the representations contained in the public and other documents in our possession concerning the value and useful condition of assets or liabilities except as stated to the contrary in this report.

We have not attempted to confirm whether or not 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 also 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. This report presumes that the management of the Company will maintain the character and integrity of the company through sale, reorganization or reduction of any owner's/manager's participation in the existing activities of the company.



We have been informed by the management that there are no environmental or toxic contamination problems; any 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.

Background of the company

The Company is engaged in the business of Trading & Manufacturing of various types of Chemical & Minerals catering to various industries such as Plywood, Cattle Feed, Pigments, Petroleum and Poultry.

| | |
|--|---|
| CIN | L24100PB2022PLC055213 |
| Company Name | SK Minerals & Additives Limited |
| ROC Code | RoC- Chandigarh |
| Registration Number | 055213 |
| Company Category | Company limited by Shares |
| Company Sub-Category | Non-govt company |
| Class of Company | Public |
| Authorised Capital(Rs) | 15,00,00,000 |
| Paid up Capital (Rs) | 12,24,00,000 |
| Date of Incorporation | 10/02/2022 |
| Registered Address | Satkartar building, Near Khalsa Petrol Pump, G.T. road, Ludhiana, Khanna, Punjab-141401 |
| Address at which the books of account are to be maintained | - |
| Email Id | mohitjindal2008@gmail.com |
| Date of last AGM | 30/09/2025 |
| Date of Balance Sheet | 31/03/2025 |
| Whether listed or not | listed |
| Company Status | Active |
| Small Company | No |

Director/Signatory details:

| Sr. No | DIN/PAN | Name | Designation | Date of Appointment | Cessation Date | Signatory |
|--------|----------|----------------|-------------------|---------------------|----------------|-----------|
| 1 | 05351969 | Mohit Jindal | Managing Director | 10/02/2022 | - | Yes |
| 2 | 06856831 | Rohit Jindal | Director | 10/02/2022 | - | Yes |
| 3 | 08938747 | Shubham Jindal | Director | 12/11/2022 | - | Yes |



| | | | | | | |
|---|------------|--------------------------|---------------------|------------|---|-----|
| 4 | *****0113Q | Priyanka Arora | Company Secretary | 01/11/2025 | - | Yes |
| 5 | 09253518 | Ramit Sikka | Director | 28/03/2025 | - | Yes |
| 6 | *****9099B | Neeraj Kumar Tuli | CFO | 10/03/2025 | - | Yes |
| 7 | 10961641 | Lakshmi ShankarNarayanan | Director | 25/02/2025 | - | Yes |
| 8 | 09504105 | Ashish Mathur | Additional Director | 24/03/2026 | - | Yes |

Valuation date

The Analysis of Fair Value of Shares of the Company has been carried out as on 31st May, 2026.

Valuation Standards

The report has been prepared in compliance with the internationally accepted valuation standards.

Valuation Methodology and approach

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:

- whether the entity is listed on a stock exchange
- 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.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorized as follows:

a. Asset Approach



Net Asset Value Method ("NAV")

The value arrived at under this approach is based on the audited financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted for any contingent liabilities that are likely to materialize.

The Net Asset Value is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern.

The asset approach may be most appropriate for valuation of company under following specific circumstances:

- Where the company is engaged in a capital intensive business, with a heavy investment in Plant & Machinery, Land & Building.
- Where the Company is being valued is in stage of liquidation;
- Where there are violent fluctuations or disruptions in the business;
- Where it is required by specific provisions of any tax or other statutes.

b. Market Approach

i. Comparable Company Market Multiple Method

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The difficulty here in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, profitability and accounting practices.

Few similar companies within the Industry with an identical match to the operations of the given company has been identified, their price multiples have been considered; to arrive at market comparison valuation of this company.

ii. Comparable Transactions Multiple Method

This approach is somewhat similar to the market multiples approach except that the sales and EBITDA multiples of reported transactions in the same industry in the recent past are applied to the sales and EBITDA of the business being valued.

Since there is no data for similar transaction in the same industry, we have not applied this method for valuation.



c. Income Approach

Discounted Cash Flows - "DCF"

DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

Beta is an adjustment that uses historic stock market data to measure the sensitivity of the company's cash flow to market indices, for example, through business cycles.

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows in the future. The free cash flows are projected for certain number of years and then discounted at a discount rate that reflects a company's cost of capital and the risk associated with the cash flows it generates.

DCF analysis is based mainly on the following elements:

- Projection of financial statements (key value driving factors)
- The cost of capital to discount the projected cash flows

Keeping in view the purpose of the Report and availability of information, we have adopted Income Approach- Discounted Cash Flow method for determination of FMV of shares of the Company, since in our view it derives best estimate value of such instruments. We have used Free Cash Flows to Equity (FCFE) and discounted the same at Cost of Equity to arrive at the Valuation under the Discounted Cash Flow method.

Valuation methodology

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose.

In the instant case, based on the nature of business of the Company, availability of data and generally acceptable valuation methodologies, we have valued equity shares at DCF method.

Our choice of methodology and valuation has been arrived using usual and conventional methodologies adopted for purposes of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of similar nature.

Keeping in mind the context and purpose of the Report, we have used the DCF method as it captures the growth potential of the business going forward. We have used this method to calculate the fair value of equity shares of the Company based on the financial projections prepared by the Management of the Company.



The management of the company has provided the projected cash flow statement for five financial years commencing from the FY 2026-27 to the FY 2030-31 along with current fiscal year projections, which we have used for our analysis and reproduced below:

The broad steps in our process are as follows:

Step 1: Analysis of cash flow data and their parameters;

Step 2: Determination of the rate of risk and corresponding discount rate parameters;

Step 3: Estimation of the terminal value;

Step 4: Adjustments considering the value of assets and liabilities not reflected in the cash flow;

Step 5: Determination of the fair value.

Cash Flow Projection & Valuation of Shares

| | |
|----------------------------------|----------------|
| Risk free rate | 6.85% |
| Beta | 1.15 |
| Expected return from market | 14% |
| Cost of capital specific to FCFE | 15.073% |

Amount in Rs. Lakhs

| PARTICULARS | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Terminal Year |
|----------------------------|--------|---------|--------|---------|---------|---------------|
| Revenue from operations | 42655 | 65110 | 85110 | 102175 | 123175 | 130566 |
| Operating expenses | 37905 | 57040 | 74290 | 88510 | 106625 | 110731 |
| EBITDA | 4750 | 8070 | 10820 | 13665 | 16550 | 19834 |
| Depreciation | 128 | 635 | 835 | 835 | 835 | 710 |
| Interest | 1064 | 1209 | 1475 | 1675 | 1675 | 1675 |
| Taxes | 895 | 1567 | 2142 | 2807 | 3534 | 4392 |
| Working capital investment | 1778 | 9392 | 6752 | 5390 | 7025 | |
| Fixed capital investment | 500 | 21285 | | | | |
| Free cash flow to Equity | 512.38 | (25383) | 451.04 | 3792.53 | 4316.44 | 15442.75 |



| | | | | | | |
|---|---------------|------------------------|------------|----------------|----------------|-----------------|
| Terminal Value | | | | | | 170214.90 |
| Discount factor 15.073% | 0.87 | 0.76 | 0.66 | 0.57 | 0.50 | |
| Present value of annual cash flows | 445.26 | (19168.7 8) | 296 | 2162.93 | 2139.28 | 84360.63 |

| | |
|--|---------------|
| Sum of present value of annual cash flows | (14,125.29) |
| Add: Present Value of Terminal value | 84,360.63 |
| Enterprise value (in Rs. Crores) | 70,235.34 |
| Illiquidity discount for Lack of control | 20% |
| Illiquidity discount for Lack of marketability | 5% |
| Equity value (in Rs. Crores) | 53,378.86 |
| Number of Shares | 1,22,40,000 |
| Fair value per Share (Approx) | 436.10 |

Enterprise Valuation report (Net assets method)

| Particulars | Amount (in Rs. Lakhs) | Basis for valuation |
|------------------------------------|-----------------------|-----------------------------------|
| <u>Non Current Assets</u> | | |
| Property, Plant and Equipments | 2274.23 | Balance Sheet dated 31.03.2026 |
| Capital Work-in-Progress | 18.36 | |
| Non Current Investments | 689.32 | |
| Other Non Current assets | 402.22 | |
| <i>Total of Non-Current Assets</i> | <i>3,384.13</i> | |
| <u>Current Assets</u> | | |
| Current Investments | 1814.24 | Balance Sheet dated 31.03.2026 |
| Inventories | 2484.71 | |
| Trade Receivables | 5354.85 | |
| Cash and Cash Equivalents | 190.69 | |
| Short Term Loans and Advances | 4834.96 | |



| | | |
|---|------------------|-----------------------------------|
| Other Current Assets | 582.44 | |
| <i>Total of Current Assets</i> | <i>15,261.89</i> | |
| | | |
| Total of Assets | 18,646.02 | |
| | | |
| <u>Non Current Liabilities</u> | | |
| Long Term Borrowings | 1652.33 | Balance Sheet dated 31.03.2026 |
| Long Term Provisions | 36.67 | |
| <i>Total of Non Current Liabilities</i> | <i>1,689</i> | |
| <u>Current Liabilities</u> | | |
| Short Term Borrowings | 8375.43 | Balance Sheet dated 31.03.2026 |
| Trade Payables-MSME | 24.65 | |
| Other Current Liabilities | 91.94 | |
| Short Term Provisions | 381.08 | |
| <i>Total of Current Liabilities</i> | <i>8,873.10</i> | |
| | | |
| Total of Liabilities | 10,562.10 | |
| | | |
| Net Enterprise Value | 8083.92 | |
| Number of Shares | 1,22,40,000 | |
| Value per share | 66 | |

Market Comparison Valuation

| Peer Companies | P/E Multiple |
|----------------------------------|---------------------|
| Gujarat Fluorochemicals Ltd | 68.4 |
| Navin Fluorine International Ltd | 55.8 |
| Atul Ltd | 28.6 |
| Aarti Industries Ltd | 43.8 |
| Acutaas Chemicals Ltd | 71.1 |

Average P/E Multiple

53.54



EPS of SK Minerals & Additives Rs. 14.81
Justified Price as per market comparison multiple Rs.792.93

Final Weighted Average Valuation

| <i>Method of Valuation</i> | <i>Fair Value Per share</i> | <i>Weights</i> | <i>Weighted average fair value</i> |
|----------------------------|-----------------------------|----------------|------------------------------------|
| DCF based valuation | 436.10 | 50 | 218.05 |
| NAV based valuation | 66.05 | 30 | 19.81 |
| Market based valuation | 792.93 | 20 | 158.59 |

Fair Value per share 396.45

Opinion of value of Fair Value of Equity Shares

Based on our valuation exercise, the fair value per share is INR 396.45.

Source of Information

The Analysis is based on a review of the business plan of the Company provided by the Management and information relating to sector as available in the public domain. Specifically, the sources of information include:

- Discussions with the Management
- Representation Letter from the Management including assumptions on the projected balance sheet, profit and loss account and cash flow statement for 5 years commencing from the FY 2026-27 to FY 2030-31
- Capital table working from the Management
- MCA Data

We have also obtained such other information and explanations which were considered relevant for the purpose of the Analysis.

Caveats

Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice. The services do not represent accounting, assurance, financial due diligence review, consulting, transfer pricing or domestic/international tax-related services that may otherwise be provided by us.



Our review of the affairs of the Company and their books and account does not constitute an audit in accordance with Auditing Standards. We have relied on explanations and information provided by the Management of the Company and accepted the information provided to us as accurate and complete in all respects. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided. Nothing has come to our attention to indicate that the information provided had material mis-statements or would not afford reasonable grounds upon which to base the report.

The report is based on the financial projections provided to us by the management of the company and thus the responsibility for forecasts and the assumptions on which they are based is solely that of the Management of the Company and we do not provide any confirmation or assurance on the achievability of these projections. It must be emphasized that profit forecasts necessarily depend upon subjective judgement. Similarly, we have relied on data from external sources. These sources are considered to be reliable and therefore, we assume no liability for the accuracy of the data. We have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences.

The valuation worksheets prepared for the exercise are proprietary to valuer and cannot be shared. Any clarifications on the workings will be provided on request, prior to finalizing the Report, as per the terms of our engagement.

The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them.

The Valuation Analysis contained herein represents the value only on the date that is specifically stated in this Report. This Report is issued on the understanding that the management of the Company has drawn our attention to all matters of which they are aware, which have an impact on our report up to the date of signature.

We have no present or planned future interest in the Company and the fee for this report is not contingent upon the values reported herein.



Our Valuation analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction with the Company.

Restriction on Use

This report is provided to the Management of the Company for onward submission to registrar of companies in requirement of valuation of shares of the Company at a particular date. This report should not be used by any other person or for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

Regards,
CA Rochak Batta

UDIN: 26524297ABKHCF4084

Signature: *Rochak Batta*
Valuer Registration No. IBBI/RV/06/2019/12452

Date: 10th June, 2026

Mobile No. 98779-50328

E-mail: rochakbatta@gmail.com

