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EVERGREEN RECYCLEKARO (INDIA) LIMITED

Report on fair valuation of equity shares

SUMIT DHADDA
IBBI Registered Valuer –Securities or Financial Assets
IBBI Reg. No IBBI/RV/14/2018/10160

To, **10 February 2026**

The Board of Directors,
EVERGREEN RECYCLEKARO (INDIA) LIMITED
1603, Atrium B, Rupa Solitaire, Millennium Business Park
Mahape, Thane- 400710, Maharashtra, India

Subject: Opinion on Fair Value of Equity Shares of "Evergreen Recyclekaro (India) Limited"

Dear Sir/ Madam,

We refer to the engagement letter dated **01 February 2026,** and the discussions with the Management of **Evergreen Recyclekaro (India) Limited** (hereinafter referred to as 'ERIL' or 'the Company') wherein the company requested CA. Sumit Dhadda, IBBI Registered Valuer- Securities or Financial Assets (referred to as 'RV' or 'I' or 'we') to determine fair value of Equity Shares of ERIL as on **31 January 2026**('Valuation Date').

This report outlines our scope of work, company background, sources of information relied upon, procedures performed, key valuation considerations, and our opinion on the fair value of the equity shares. It also presents a summary of the valuation analysis of the Company as at the valuation date, along with a description of the purpose of valuation, the methodologies adopted, and the limitations of our scope of work, in accordance with the Valuation Standards issued by the Institute of Chartered Accountants of India and internationally accepted valuation principles.

Owing to the specific and limited purpose for which this report has been prepared, the financial information presented herein may be incomplete and may not fully comply with generally accepted accounting principles. The financial information has been provided by the management, and we have neither audited, reviewed, nor otherwise verified such information. Accordingly, we do not express any assurance or opinion on the accuracy or completeness of the financial information. Had we performed an audit or review, additional matters may have come to our attention that could have resulted in the use of financial figures different from those presented. Consequently, we do not accept any responsibility for the underlying financial data contained in this report.

This report is furnished on a strictly confidential basis, and its circulation and usage are limited and restricted. It shall not be reproduced, distributed, or disclosed, in whole or in part, to any third party without the prior written consent of our office, except to the shareholders of ERIL.

We are pleased to submit our report and place on record our appreciation for the cooperation and assistance extended by the Management of the Company during the course of this engagement

For & on behalf of
DLS & Associates LLP
Chartered Accountants
FRN: 018881C/C400023

DLS & ASSOCIATES LLP
CA
JAIPUR
CHARTERED ACCOUNTANTS

Sumit Dhadda

CA. SUMIT DHADDA
IBBI Registered Valuer- SFA
IBBI Reg. No IBBI/RV/14/2018/10160
UDIN: 26402763MCWJWT2409
Date: 10 February 2026
Place: Jaipur

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Executive Summary

Valuation Date	31 January 2026
Date of Report	10 February 2026
Purpose of Valuation	Regulatory purpose
Base of Valuation	Fair Value
Premise of Valuation	Going Concern
Value Variation from Standard Assumptions	None
Special Assumptions	None
Capacity & Status of Valuer	External-Sumit Dhadda (RV-SFA) IBBI Registration No. : IBBI/RV/14/2018/10160
Independence	The total fees, including the fee for this assignment earned from the instructing party are less than 5.0% of our total annual revenues.

Fair Value of the Equity Shares of the Company

Based on our examination and analytical review procedures, and subject to the limitations, assumptions, and disclaimers set out in this report, we are of the opinion that the fair value of the equity shares of ERIL as at the valuation date is **INR 9,28,593/- per equity share**, having a face value of **INR 10/- each**.

This executive summary should be read together with, and forms an integral part of, the valuation report and is subject to the assumptions, qualifications, caveats, and bases of valuation stated therein. Accordingly, it should not be relied upon or interpreted independently of the detailed valuation report

Scope and Purpose of this Report

PURPOSE OF VALUATION EXERCISE

1. Pursuant to our discussions with the Management, we understand that the Company proposes to mobilize funds through the issuance of equity shares to prospective investors or for issuance of shares against the acquisition of shares of any company. In accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013 relating to preferential allotment, and Section 42 governing the offer or invitation to subscribe to securities through private placement, read with the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Company is required to obtain a valuation of its equity shares from a valuer registered under Section 247 of the Companies Act, 2013 and under Foreign Exchange Management Act, 1999
2. The Management has sought our professional assistance to determine the fair value of the equity shares of the Company. Accordingly, at the request of the Management, we have undertaken a valuation analysis of the Company's equity shares on an "as-is, where-is" basis, assuming the Company to be a going concern, as at **31 January 2026** (the "Valuation Date"). This valuation has been carried out for the purpose of compliance with the applicable provisions of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time. The scope of our service is to conduct a valuation exercise to determine the fair value of equity shares of ERIL on an arms length basis using internationally accepted valuation methodologies as may be applicable

Compliance with Valuation Standards and Valuation Basis

- Our analysis and report are in conformity with the "ICAI Valuation Standards" issued by the Institute of Chartered Accountants of India. In addition to the general standards/ guidelines of the IVS, our report specifically complies with ICAI Valuation Standard 102 - Valuation Bases, ICAI Valuation Standard 103 - Valuation Approaches and Methods, ICAI Valuation Standard 201 - Scope of Work, Analyses and Evaluation ICAI Valuation Standard 202 - Reporting and Documentation and ICAI Valuation Standard 301 - Business Valuation

- The valuation basis used in arriving at valuation conclusion is 'Fair Value'. *'Fair value' is defined by IVS 102 as "the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the valuation date."*

- IVS 102 defines 'orderly transaction' as " *a transaction that assumes exposure to the market for a period before the valuation date to allow for marketing activities that are usual and customary for transactions involving such assets or liabilities and it is not forced transaction. The length of exposure time will vary according to the type of asset and market conditions.*

IVS 102 further defines ‘Market participants’ as willing buyers and willing sellers in the principal (or most advantageous) market for the asset or liability that have all the following characteristics:

- they are independent of each other, that is, they are not related parties as defined under applicable accounting framework and set of reporting/ accounting standards therein, although the price in a related party transaction may be used as an input to a fair value measurement if the entity has evidence that the transaction was entered into at market term
- they are knowledgeable, having a reasonable understanding about the asset or liability and the transaction using all available information, including information that might be obtained through due care that is usual and customary
- they are able to enter into a transaction for the asset or liability; and
- they are willing to enter into a transaction for the asset or liability, i.e. they are motivated but not forced or otherwise compelled to do so.”

Base & Premise for Valuation

a. As per ICAI Valuation Standards 102, Valuation base means the indication of the type of value being used in an engagement. Different valuation bases may lead to different conclusions of value. Therefore, it is important for the valuer to identify the bases of value pertinent to the engagement. This Standard defines the following valuation bases: Fair value, Participant specific value and Liquidation value.

b. As the Company is on going concern basis, RV has decided to choose Fair Value as base of valuation. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.

c. Premise of Value refers to the conditions and circumstances how an asset is deployed. This valuation is performed on the premise that the Company will continue to operate as a going concern. IVS 102 defines ‘going concern value’ as “the value of a business enterprise that is expected to continue to operate in the future.”

Background of the company

Evergreen Recyclekaro (India) Limited is a public company incorporated on 20 December 2010. It is categorized as Company limited by Shares and sub categorized as Non-Government company and is registered at Registrar of Companies, Mumbai. The company's Corporate Identification Number (CIN) is U93030MH2010PLC211127 , and its registration no. is 211127. The company was initially known as Evergreen Recyclekaro (India) Private Limited. ERIL registered office address is 1603, Atrium B, Rupa Solitaire, Millennium Business Park, Mahape, Thane- 400710, Maharashtra, India.

Business Activities

- Evergreen Recyclekaro (India) Limited is a leading e-waste and lithiumion battery recycling company in India, which extracts precious elements and critical elements like lithium, promoting sustainability and economic growth.
- In 2022, it achieved a significant milestone by becoming the only company in India to recycle lithium-ion batteries and extract critical metals such as lithium, cobalt, nickel, and manganese

Capital Structure

The authorized share capital of the company is INR 50,00,00,000/- and Issued, subscribed and fully paid-up share capital is INR 1,48,810/-

Shareholding pattern

The details of shareholders in the company as at report date is set out below:

NAME OF SHAREHOLDERS6	NO OF EQUITY SHARES	% HOLDING
Promoter and Promoter Group	9,273	62.31%
Other Shareholders	5,608	37.69%
TOTAL	**14,881**	**100%**

Management/ Signatory Details

Sr. No	DIN/PAN	Name	Designation	Category	Date of Appointment	Cessation	Signatory
1	06803862	RUPESH CHITTE DATTU	Director	Professional	15/06/2014	-	Yes
2	03141855	RAJESH RAMLOUTAN GUPTA	Managing Director	Promoter	20/12/2010	-	Yes
3	01907103	RAJIV BHUPENDRA SANGHVI	Additional Director	Professional	04/11/2025	-	Yes
4	01598994	SANJAY KUMAR LALIT	Additional Director	Independent	07/11/2025	-	Yes
5	06628017	VENUGOPAL PRASAD RAO	Additional Director	Independent	01/10/2025	-	Yes
6	10568820	ANURADDA GANESH	Additional Director	Independent	11/06/2025	-	Yes

Unaudited Provisional Consolidated Financial Statement for the period ended 31 January 2026 is as follows:

Particulars	Amount(In INR Crores)
ASSETS	
Non-Current Assets	
Property, Plant & Equipment	35.10
Intangible Assets	0.29
Capital Work-In-Progress	6.68
Deferred tax assets (net)	0.22
Other non current assets	6.89
Total Non-Current Assets	**49.18**
Current Assets	
Inventories	130.03
Trade Receivables	91.47
Cash And Cash Equivalents	4.14
short term loan and advance	0.12
other current assets	7.45
Total Current Assets	**233.21**
Total Assets	**282.39**
EQUITIES AND LIABILITIES	
Shareholder's Funds	
Equity Share Capital	0.01
Reserves and Surplus	175.83
Total Equity	**175.85**
Non-Current Liabilities	
Long Term Borrowings	30.56
Total Non-Current Liabilities	**30.56**
Current Liabilities	
Short Term Borrowings	15.73
Trade Payables	39.02
Other Current Liabilities	14.34
Short Term Provisions	6.90
Total Current Liabilities	**75.99**
Total Equity & Liabilities	**282.39**

Particulars	Amount (In INR Cr)
Income	
Revenue From Operations	298.94
Other Income	0.31
Total Revenue	**299.25**
Expenses	
Cost Of Materials Consumed	254.85
Employee Benefit Expenses	5.94
Other Expenses	4.83
Total Expenses	**265.62**
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	**33.63**
Depreciation And Amortisation Expenses	3.26
Earnings Before Interest and Tax (EBIT)	**30.37**
Finance Costs	4.20
Profit Before Exceptional Items and Tax	**26.17**
Exceptional Items/Prior period items	-
Profit Before Tax	**26.17**
Current Tax	6.43
Deferred Tax	-
Total Tax Expenses	**6.43**
Tax %	
Profit After Tax	**19.74**

Appointing Authority & Valuer Details

Appointing Authority, Appointment date, Valuation date and Report date

As per Section 247 of The Companies Act, 2013, the Board of Directors of ERIL appointed Sumit Dhadda (Registered Valuer) for valuation of Equity Shares. The Board of Directors appointed Sumit Dhadda, IBBI Registered Valuer- SFA on 01 February 2026. The analysis of the fair value of the equity shares of the Company has been carried out on the valuation date i.e., 31 January 2026. The valuation report is issued on 10 February 2026.

Identity of the Valuer

Name of the Valuer	Sumit Dhadda
IBBI Reg No	IBBI/RV/14/2018/10160
Contact Detail	9571704444
Email address	sumit.dhadda@dlsca.in
Qualifications	IBBI Registered Valuer, RV's primary membership is registered with International Business Valuers Association (IBVA) Practicing Chartered Accountant ICAI membership number 402763
PAN no	AGXPD1172D

Intended Users of the Report

This Valuation Report is confidential and has been prepared exclusively for Board of Directors of ERIL and its shareholders. It should not be circulated or reproduced to any other person for any purpose other than as mentioned above, without the prior consent of the valuer. This Valuation report should not be construed as investment advice, specifically we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.

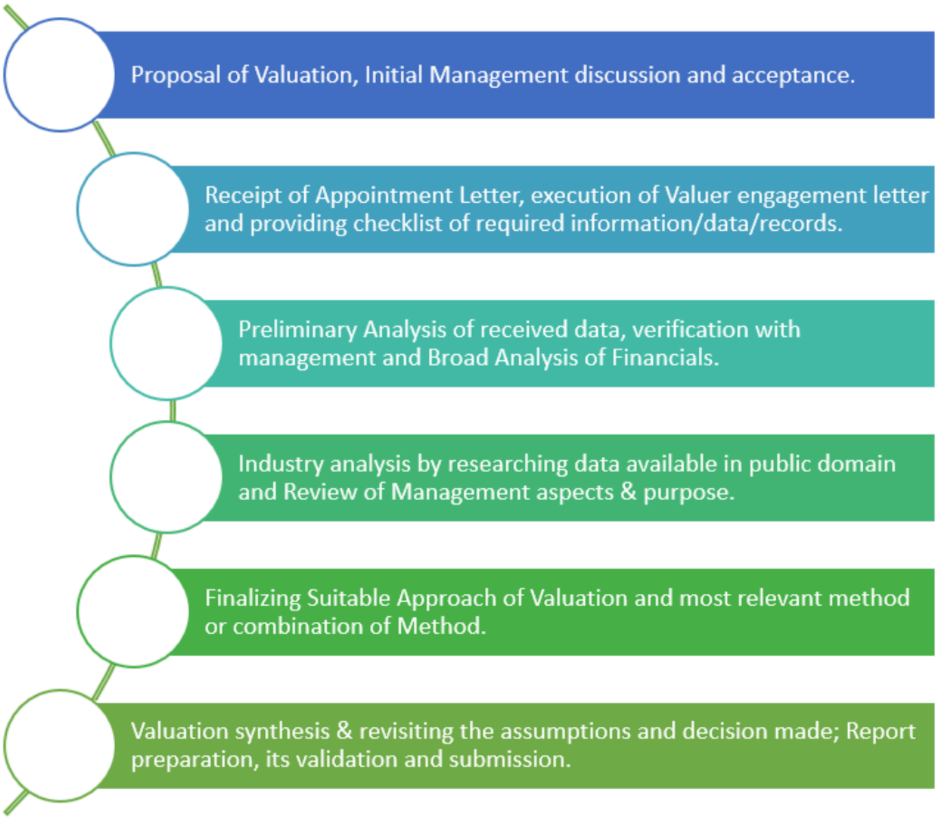
Sources of Information

Our opinion on the fair value of the Company is based on the valuation procedures that we considered appropriate and relevant under the circumstances. In accordance with ICAI Valuation Standard 201 – *Scope of Work, Analyses and Evaluation*, we have obtained information that we believe to be sufficient for the purpose of this valuation. In forming our opinion, we have relied upon the data, facts, information, documents, and explanations provided to us by the Management and represented as complete and accurate. The scope of our work included a review of both the financial and non-financial information of the Company.

We have relied entirely on the information furnished by the Company and have not independently verified or audited such information. Accordingly, we do not provide any assurance as to the accuracy or completeness of the information supplied by the Management of ERIL. Our valuation opinion has been formed based on, inter alia, the information and documents set out below:

1. Brief background about business of the Company.
2. Incorporation documents, Memorandum of Association and Articles of Association.
3. Unaudited Provisional Consolidated Financial Statements for the period ended 31 January 2026.
4. Consolidated Financial projections of the company for a period of 3 years and 2 months from 01 February 2026 to 31 March 2029 prepared and certified by the management of the company.
5. Shareholding pattern of the company as on valuation date.
6. Estimated capital expenditure during the Projected Period.
7. Discussions and correspondence with the Management in connection with business operations, past industry and company trends, proposed future business plans and prospects both for company & industry, realizability of assets, business drivers & risks etc.
8. Information available in public domain and databases such as MCA, National Stock Exchange, Bombay Stock Exchange etc. Such other information and documents as provided by the Management.
9. We have also considered/ obtained such other analysis, review, explanations and information considered reasonably necessary for our exercise, from the Client or other public available sources. Supporting data, copies of source documents and other pertinent information supporting our opinion of value are maintained in our files.

Procedures adopted



Valuation Approaches

In order to value the Company, we considered three approaches to valuation, as provided under the 'IVS 103-Valuation Approaches and Methods: the market approach, the income approach and the asset approach.

We have reviewed and analyzed several methods and their results to determine which methods would generate the most reasonable opinion of value of the Company's operations as on the Valuation Date. After careful consideration of each method's underlying assumptions and variables that were utilized, we concluded that the Income Approach, assessing with the DCF method which would provide the most appropriate indication of the fair value of the Company. A description of these methods and the methods considered but not used are included within this report.

Both internal and external factors, which influence the value of the Company have been reviewed, analyzed, and interpreted. Internal factors included financial position and results of operations of the Company. External factors included, among other things, the status of the economy and the position of the Company relative to the industry.

Income Approach

The income approach provides an estimate of the present value of the monetary benefits expected to flow to the owners of the business. It requires the projection of the cash flows that the business is expected to generate. These cash flows are then converted to their present value by means of discounting, using a rate of return that accounts for the time value of money and the appropriate degree of risk in the investment. The value of the business is the sum of the discounted cash flows as on the valuation date.

Market Approach

The market approach considers actual arm's-length transactions for which the market value of investments alternative to the subject company can be observed. The value of a company or an ownership interest in the company can be estimated by developing relevant multiples for the comparative companies that relate value to underlying revenue, earnings, or cash flow variable, and then applying these multiples to the comparable underlying revenue, earnings, or cash flow variable for the subject company. The value multiples can be derived from guideline public company and guideline transactions of the publicly traded company or private companies.

Cost (Asset-Based) Approach

The value under cost approach is determined based on the underlying value of assets which could be on book value basis , replacement cost basis or on the basis of realizable value. Under NAV method, the total value of the business is based either on net asset value or realizable value or replacement cost basis. NAV methodology is most applicable for the business where the value lies in the underlying assets. The net asset value method is an asset-based approach to valuation where the value of the business is based on the difference between the fair value of the assets and liabilities of the business.

Valuation Methodologies

The valuation methodology to be adopted varies from case to case depending upon different factors affecting valuation. Different methodologies are adopted for the valuation of manufacturing, investment, consultancy and trading companies.

Though there are no thumb rules for valuation, the method to be adopted has to be appropriate to the particular purpose for which valuation is being done as well as the attendant circumstances of each case. For example, a manufacturing company is generally valued on the combination of asset value and the earning potential of the business. An investment company is valued based on the fair market value of underlying assets.

However, the value is specific to the point in time and may change with the passage of time. The value is derived in the context of an existing environment that includes economic conditions, state of industry/market and state of business activities of companies being valued etc. as on the date of valuation. The basis of valuation would depend upon the purpose of valuation, the type of business, the prospects and other attendant circumstances.

Method of Valuation

There are several commonly used and accepted methods for determining the value of business/shares of the company, which would be applied to the present case, to the extent relevant and applicable, such as:

- Value based on Market multiples of Comparable listed companies (CCM)
- Value based on the Discounted cash flow (DCF) method
- Net Asset value or Breakup value based on the value of the assets and liabilities (NAV)

Market Approach -Comparable Company Multiples Method (CCM)

Under the CCM Method, the value of shares/ business of a company is determined based on market multiples of publicly traded comparable companies, that is, valuation based on multiples benchmark to the multiples of similar assets in the industry. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

This method involves reviewing valuation multiples for companies that are in the same or similar line of business as the company being valued and then applying the relevant valuation multiples to the subject company to determine its value. The theory behind this approach is that valuation measures of similar companies, as manifested through stock market valuations of listed comparable companies, should represent a good proxy for the specific company being valued. Depending on the source of data available and the underlying company being valued, a variety of valuation measures might be used including Enterprise Value (EV) to Sales, EV to EBITDA, Price to Earnings, etc.

Income Approach - DCF Method

The DCF method values the asset by discounting the cash flows expected to be generated by asset over its life using an appropriate discount rate to arrive at the present value and the perpetuity value (or terminal value) in case of assets with an indefinite life. The DCF method is one of the most common methods for valuing various assets such as shares, businesses, real estate projects, debt instruments, etc. The important inputs for the DCF method are Cash flows, Discount rate and Terminal value.

1. Cash flows: The following are the cash flows which are used for the projections:

(a) Free Cash Flows to Firm (FCFF): FCFF refers to cash flows that are available to all the providers of capital, i.e., equity & preference shareholders and lenders. Therefore, cash flows required to service lenders and preference shareholders such as interest, dividend, repayment of principal amount and even additional fund-raising are not considered in the calculation of FCFF.

(b) Free Cash Flows to Equity (FCFE): FCFE refers to cash flows available to equity shareholders and therefore, cash flows after interest, dividend to preference shareholders, principal repayment and additional funds raised from lenders/preference shareholders are considered.

2. Discount Rate

Discount Rate is the return expected by a market participant from a particular investment and shall reflect not only the time value of money but also the risk inherent in the asset being valued as well as the risk inherent in achieving the future cash flows. In discounting,

- FCFF : the appropriate discount rate is the weighted average cost of capital, which results in the enterprise value of the Company.
- FCFE : the appropriate discount rate is the cost of equity, which results in the equity value of the Company.

3. Terminal value

It represents the present value at the end of explicit forecast period of all subsequent cash flows to the end of the life of the asset or into perpetuity if the asset has an indefinite life. The different methods for estimating the terminal value are

a. Gordon (Constant) Growth Model
b. Variable Growth Model
c. Exit Multiple

Asset Approach - Net Asset Value Method (NAV)

The net asset value method is an asset-based approach to valuation where the value of the business is based on the difference between the fair value of the assets and liabilities of the business. This method is a sound method for estimating the value of a non-operating business, such as real estate company, or a business that is continuing to generate losses, or which is expected to be liquidated. Net Asset Value Method is also considered appropriate, where the future cash flows / commercial operations of the valued company cannot be reasonably ascertained.

Valuation of the Company via the Discounted Cash Flow Method ('DCF')

The above three approaches are the internationally accepted valuation approaches and used globally for valuation. After considering all the approaches, we have decided to use DCF method for the purpose of valuation of shares, considering it to be the most rationale method.

The Discounted Cash Flow method is method of income-based approach that is based on the concept that the estimated value of a business is the present value of its discretely projected future cash flows, plus the present value of the company's terminal value. This method is suitable in situations where future cash flows are expected to change from year-to-year, and where such year-to-year changes are reasonably predictable.

We have been provided with the projected Consolidated Financial Statement of the company for a period of 3 years and 2 months from 01 February 2026 to 31 March 2029 by the management, which we have considered for our analysis. These include projected income statement and projected balance sheet. Accordingly, the projected Free cash flow to Firm (''FCFF") based on these Consolidated Financial Statements is as set out in **Annexure A.**

Determination of Discounting Factor

An important element of valuation using DCF is the selection of discount rate that reflects the expected rate of return (adjusted for risks associated with the investment) to prospective investors in similar investment opportunities. The Weighted Average Cost of Capital ("WACC"), which reflects the opportunity cost to providers of capital, weighted by their relative contribution to the total capital of the company, is used as the best indicator of the relevant discount rate. The WACC is defined as the weighted combination of the Cost of Equity Capital and the Cost of Debt Capital.

Determination of WACC

As discussed above, WACC is defined as the weighted combination of the Cost of Equity Capital and the Cost of Debt Capital.

WACC = Ke*E/ (D+E) + Kd*D/ (D+E)

where,

Ke = Cost of equity

Kd = Cost of debt

D= Debt Funds

E= Equity Shareholders Funds

Accordingly, the key variables of the WACC are explained below:

Determination of Cost of Equity

For the estimation of the cost of equity, the Capital Asset Pricing Model ("CAPM") is applied. According to the CAPM, cost of equity consists of a risk-free interest rate and risk premium. The risk premium is calculated by multiplying the market risk premium by the beta-factor, an entity specific measure of the systematic risk of an equity investment in an entity.

Cost of Equity = Rf + (Rm – Rf)*ß
Adjusted Cost of Equity: Cost of Equity + CSRP

Rf	: Risk free rate of return
Rm	: Return on diversified market portfolio
Rm - Rf	: Market risk premium
ß	: Systematic risk factor associated with the industry i.e., Beta.
CSRP	: Company Specific Risk Premium

Risk-Free Rate

Rf has been taken at 6.70% being yield to maturity ('YTM') on long-term risk-free central government securities based on yield of 10-Year Indian Government Bond as on date of valuation.

Equity risk premium

The premium is estimated based on consideration of realized returns over a risk-free rate as represented by 10-year government bonds and equity risk premium estimates. We have considered the CAGR of NSE Nifty Microcap 250 from 31 January 2023 till 31 January 2026 to calculate market return which works out to be 25.80% and accordingly the equity risk premium has been arrived at 19.11%.

Determination of Beta

Beta is a measure of volatility, or systematic risk of the return on a particular security to the return on a market portfolio. It is understandable that the Company is engaged in the business activities of Environmental & Waste Services Industry, so we have considered beta of sector, which are comparable to the Company in terms of nature of services, products & business model. Accordingly, having regard to the comparable companies' data available on public domain and generally accepted valuation principles, we have considered the Beta of 1.06 for ERIL.

Company Specific Risk Premium (CSRP)

The CSRP is the risk premium associated with the level of unsystematic risk inherent in a particular private/public company. It is a subjective adjustment made by the valuation analyst based on the knowledge and understanding gathered about the company during the valuation process. Ke has been considered after adding company specific risk premium of 11%. The additional risk premium added to the cost of equity on account of following:

- Nature of business of entity
- Dependence on consistent availability of end-of-life batteries and e-waste feedstock
- Exposure to stringent environmental, safety, and regulatory compliance requirements
- Technology and process risk due to evolving battery chemistries and recycling methods
- Volatility in realisation arising from fluctuation in recovered metal and commodity prices
- Customer concentration risk arising from dependence on limited institutional and OEM clients
- Competitive pressure from unorganised and informal recycling sector with lower compliance costs
- Scale-up and capacity utilisation risk impacting operating margins and cash flows
- Dependence on key management personnel and execution capabilities

Accordingly, Cost of Equity has been computed as follows:

PARTICULARS	ABBREVIATION	DATA	SOURCES/REMARKS
Sensex Return	RM	25.80%	Based on Sensex History
Riskfree Rate	RF	6.70%	Based on Government bonds
Risk Premium	RM-RF	19.11%	Sensex return minus risk free rate
Beta	ß	1.06	Based on comparable company data as per Prof Ashwath Damodaran website
Cost of equity	Ke	26.99%	Risk free rate + (beta * (market return - risk free rate))
Company Specific Risk Premium	CSRP	11%	Based on operational and business specific risk factors and macro economic uncertainity
ADJUSTED COST OF EQUITY		**38.40%**	

Based on the above parameters, the cost of equity has been calculated at 38.40%. Ke as determined above is taken into account to determine the free cash flows arising to the company from the explicit forecast period.

Determination of Average cost of debt funds

The cost of debt is the minimum rate of return that a lender expects on his investment after tax adjustment as the interest paid on debt is tax-deductible expenses. It is calculated as per formula as given below:

Kd = Interest Rate (1- Tax Rate)

It is the minimum rate of return that a lender expects on his investment and is generally equal to the coupon rate of interest. In the case of ERIL, pre-tax cost of debt has been assumed to be is **8.25%** as per management assumption.

Based on the financial projections and our discussions with the management, I understand that ERIL will use debt funds in its capital structure; and post-tax average cost of debt funds for ERIL is approx. **6.17% (8.25%*(1-25.17%)).** The same has been considered for the purpose of valuation.

Determination of Weighted Average Cost of Capital

WACC = Ke*E/ (D+E) + Kd*D/ (D+E)

D= Debt Funds

E= Equity Shareholders Funds

PARTICULARS	COST	WEIGHT	WACC
Equity	38.40%	93.00%	35.71%
Debt	6.17%	7.00%	0.43%
WACC		**100%**	**36.15%**

Based on the above parameters, the weighted average cost of capital has been calculated at **36.15%**. Ke being 35.71% as determined above and Kd i.e. Cost of Debt being 0.43% is adjusted cost of debt after tax shield (tax rate = 25.17%) is taken into account to determine the free cash flows arising to the company from the explicit forecast period.

Terminal Value

In accordance with ICAI Valuation Standard 201 – Scope of Work, Analyses and Evaluation and Valuation Standard 102 – Valuation Bases, the Terminal Value represents the value attributable to the Company beyond the explicit forecast period, reflecting the continuing operations of the business on a going concern basis.

The Terminal Value has been estimated using the EBITDA Exit Multiple Method, which is an accepted valuation technique under ICAI Valuation Standard 202 – Valuation Approaches and Methods and is widely used where reliable market-based multiples of comparable companies are available.

The Terminal Value has been computed by capitalizing the adjusted EBITDA of the last year (FY 2029), adjusted for a sustainable long-term growth rate, using an EV/EBITDA multiple derived from a set of comparable companies operating in similar industries and having comparable risk and return characteristics. The selected multiple reflects prevailing market conditions, industry outlook, scale, growth prospects, and profitability of the Company vis-à-vis the peer companies .

The resulting Terminal Value represents the Enterprise Value of the Company attributable to the period beyond the explicit forecast period, measured as at the end of the terminal year. This value has been discounted to the valuation date using the appropriate discount rate, consistent with the rate applied to the projected cash flows, to arrive at the Present Value of the Terminal Value, in line with the Discounted Cash Flow (DCF) methodology.

Terminal Value Calculation

Adjusted EBITDA of FY 29	380.30
Growth	2%
EBITDA for Terminal value	**387.91**
* Adjusted EV/ EBITDA Multiple	17.06
Terminal value	**6,616.45**
Discounting factor @36.15%	0.38
Present value of Terminal value	**2,490.42**

Comparable Companies Multiple

Company Name	**EV/EBITDA Multiple**
Gravita India Ltd	23.2
Eco Recycling Ltd	28.7
Namo eWaste Management Ltd	21.2
Average EV/EBITDA	**24.37**
Less: Company Specific discount @30%	7.31
Adjusted EV/EBITDA	**17.06**

Illiquidity Discount

Illiquid refers to the state of a stock, bond, or other assets that cannot easily and readily be sold or exchanged for cash without a substantial loss in value. Illiquid assets may be hard to sell quickly because there is low trading activity or being unquoted/unlisted, indicated by a lack of ready and willing investors or speculators to purchase or sell the asset. As a result, illiquid assets tend to have lower value than liquid assets. After the explicit value is determined, we have considered illiquidity discount of 20% on a reasonable basis that unlisted share price has to be discounted as compared to listed shares.

Diluted Number of Shares

As per the existing share capital, the issued number of equity shares are 14,881. The Company has ESOP pool of 2,246. The diluted number of shares have been considered after factoring the effect of ESOP into equity. In order to arrive fair value of equity as on 31 January 2026, we have considered diluted number of equity shares to be 17,127.

Conclusion

Based on our study and analytical review procedures, and subject to the limitations expressed within this report, the fair value per equity share of ERIL, as per DCF method, has been determined at **INR 9,28,593/-** per equity share as at valuation date.
Please refer Annexure A for detailed calculations.

The Board of Directors of ERIL may consider issuing Equity Share of face value of **INR 10/-** at a premium of **INR 9,28,583/-** per Equity Share as it is considered fair value of Equity Share in accordance with this valuation report.

This report has been issued on specific request of the Company and should be used only for regulatory compliance purpose. The values so arrived at are subject to the matters enumerated in 'Scope of Work, Caveats, Limitations and Disclaimers and information provided to us and should be viewed in the light thereof.

For & on behalf of
DLS & Associates LLP
Chartered Accountants
FRN: 018881C/C400023

DLS & ASSOCIATES LLP JAIPUR CHARTERED ACCOUNTANTS

Sumit Dhadda

CA. SUMIT DHADDA
IBBI Registered Valuer- SFA
IBBI Reg. No IBBI/RV/14/2018/10160
UDIN: 26402763MCWJWT2409
Date: 10 February 2026
Place: Jaipur

Annexure A : DCF Workings

Discounted Cash Flow of ERIL is as follows:

(Amount in Crores)

PARTICULARS	01.02.2026 to 31.03.2026	FY27E	FY28E	FY29E	TERMINAL VALUE
Revenue from operations	183.11	873.50	1,422.92	2,253.76	
Total Revenue	**183.11**	**873.50**	**1,422.92**	**2,253.76**	
Expenses	140.72	726.36	1,182.91	1,873.45	
Depreciation and Amortisation	0.47	29.20	48.19	44.72	
Finance costs	3.86	12.18	16.60	17.99	
Total Expenses	**145.04**	**767.74**	**1,247.70**	**1,936.16**	
Profit Before Tax	**38.07**	**105.76**	**175.22**	**317.60**	
Tax	8.55	25.53	41.61	72.94	
Profit after Tax	**29.52**	**80.23**	**133.61**	**244.66**	
Interest (1-t)	2.89	9.12	12.42	13.46	
Depreciation	0.47	29.20	48.19	44.72	
Working Capital	-41.25	-182.52	-211.12	-316.24	
Capex	-44.32	-306.00	-156.50	-11.50	
Free Cash flow to Firm (FCFF)	**-52.70**	**-369.97**	**-173.40**	**-24.91**	
Period for discounting (Years)	0.17	1.00	1.00	1.00	
Mid year discounting	0.08	0.67	1.67	2.67	
Discounting factor	0.97	0.81	0.60	0.44	0.38
Cost of capital	36.15%	36.15%	36.15%	36.15%	36.15%
Net Present value	**-51.36**	**-301.18**	**-103.68**	**-10.94**	
Terminal Growth rate	2%				
Cost of capital for terminal period	36.15%				
Terminal Value					**6,616.45**
Present value of explict period					**-467.16**
Present value of terminal value					**2,490.42**
NET PRESENT VALUE AS PER DCF					**2,023.26**

Annexure A : DCF Workings

Fair valuation of the share of ERIL is as follows:

As on 31/01/2026

PARTICULARS	Amount in Crores
NPV of Discounted Free Cash Flows	2,023.26
Add: Cash and bank balance	4.14
Add: Potential receipts of ESOP	0.0022
Add: Surplus assets	6.89
Less: Debt	(46.29)
Present value of cash flows	**1,988.00**
Less: Illquidity Discount **-20.0%	(397.60)
Total value for Equity Shareholders	**1,590.40**
Fully Diluted Number of Shares	17,127
Price per Share (in INR.)	**9,28,593.34**
Price per Share rounded off to INR	**9,28,593**

Annexure B- Caveats, Limitations and Disclaimers

This report is subject to the following assumptions and limiting conditions:

❖ **Restrictions on use of Valuation Report**

a) This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose.
b) Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter.
c) This restriction does not preclude the client from providing a copy of the report to existing/proposed shareholders and third party advisors whose review would be consistent with the intended use.
d) I do not take any responsibility for the unauthorized use of this report.

❖ **Responsibility of RV**

a) I owe responsibility only to the authority that has appointed me under the terms of the engagement letter.
b) I will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions or advice given by any other person.
c) In no event I shall be liable for any loss, damage, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or wilful default on part of the client or companies , their directors, employees or agents.

❖ **Accuracy of Information**

a) While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records.
b) Accordingly, I express no audit opinion or any other form of assurance on this information.

❖ **No Responsibility to the Actual Price of the subject asset if sold or transferred/ exchanged**

a) The actual market price achieved may be higher or lower than our estimate of value or range of value depending upon the circumstances of the transaction (eg: the competitive bidding environment), the nature of the business (eg : the purchaser's perception of potential synergies.
b) The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved.
c) Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place.

❖ **Achievability of the forecast results**

a) I do not provide assurance on the achievability of the results forecast by the management / owners as events and circumstances don't occur as expected, difference between actual and expected results may be material.

b) I express no opinion as to how closely the actual results will correspond to those projected / forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

❖ **Post Valuation Date Events**

a) The user to whom this valuation is addressed should read the basis upon which the valuation has been done. While this valuation incorporates the known effects of events occurring after the valuation date, users should remain aware of the potential for future variations in value due to unforeseen factors.

b) This valuation report is based on the information available as of the reporting date and remains relevant considering the events assessed post the valuation date.

❖ **Range of Value Estimate**

a) The valuation of companies and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement .

b) Although every scientific method has been employed in systematically arriving at the value , there is no indisputable single value and the estimate of the value is normally expressed as falling within a likely range.

❖ **No procedure performed to corroborate information taken from reliable external sources**

a) We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable .

b) We assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis.

c) Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

❖ **Compliance with relevant laws**

a) The report assumes that the company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner.

b) Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us

❖ **Reliance on the representation of the owners/ clients , their management and other third parties**

a) The client/ owner and its management/ representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge.

b) We have relied upon the representations of the owners/ clients, their management and other third parties concerning the financial data , operational data, and maintenance schedule of all plant –machinery –equipment –tools- vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report.

c) I shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents

d) I express no opinion as to how closely the actual results will correspond to those projected / forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

❖ **Multiple factors affecting the Valuation Report**

a) The valuation report is tempered by the exercise of judicious discretion by the RV, taking into account the relevant factors.

b) There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.

❖ **Future services including but not limited to Testimony or attendance in courts/ tribunals/ authorities for the opinion of value in the Valuation Report**

a) I/We are fully aware that based on the opinion of value expressed in this report, I/we may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law.

b) In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my / our tendering evidence before such authority shall be under the applicable laws.