

## **BASIS FOR ISSUE PRICE**

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 20, 126 and 183 respectively of the Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

Price Band/ Issue Price shall be determined by our Company in consultation with the Book Running Lead Managers on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is ₹10/- each and the Issue Price is 32.60 times of the face value at the lower end of the Price Band and 34.3 times of the face value at the upper end of the Price Band.

### **QUALITATIVE FACTORS**

We believe the following business strengths allow us to successfully compete in the industry:

1. *Established manufacturing capabilities with focus on R&D, Reverse Engineering and quality control.*
2. *Diversified product portfolio with focus on IVD industry.*
3. *Widespread distribution network with a presence across all four regions*
4. *Long standing relationships with customers.*
5. *Track record of healthy financial performance*
6. *Experienced Promoter and Management team*

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 126 of the Red Herring Prospectus.

### **QUANTITATIVE FACTORS**

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 183 of the Red Herring Prospectus.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

#### **1. Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10 each):**

As per the Consolidated Restated Financial Statements: -

<b>Sr. No</b>	<b>F.Y./Period</b>	<b>Basic &amp; Diluted (₹)</b>	<b>Weights</b>
1.	Financial Year ending March 31, 2025	28.63	3
2.	Financial Year ending March 31, 2024	21.87	2
3.	Financial Year ending March 31, 2023	20.38	1
	<b>Weighted Average</b>	<b>25.00</b>	
	Period ending December 31, 2025	23.57	

#### **Notes:**

- i. *The figures disclosed above are based on the Restated Financial Statements of the Company.*
- ii. *The face value of each Equity Share is ₹10.00.*
- iii. *Earnings per Share has been calculated in accordance with **Accounting Standard 20 – “Earnings per Share”** issued by the Institute of Chartered Accountants of India.*
- iv. *The above statement should be read with **Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.***
- v. *Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period*
- vi. *Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year/ period.*

**2. Price Earning (P/E) Ratio in relation to the Price Band of ₹326 to ₹343 per Equity Share of Face Value of ₹10/- each fully paid up**

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for the period ending March 31, 2025	11.39	11.98
P/E ratio based on the Weighted Average EPS, as restated.	13.04	13.72

*There are no listed companies in India that are engaged in a business similar to that of our company accordingly it is not possible to provide an industry comparison in relation to our company.*

**Note:**

- i) *The P/E ratio has been computed by dividing Market Price with EPS.*

**3. Return on Net worth (RoNW)**

Sr. No	Period	RONW (%)	Weights
1	Financial Year ending March 31, 2025	23.74%	3
2	Financial Year ending March 31, 2024	21.29%	2
3	Financial Year ending March 31, 2023	25.20%	1
	<b>Weighted Average</b>	<b>23.17%</b>	
	Period ending December 31, 2025	16.88%*	

*\*not annualized*

**Note:**

- i. *The figures disclosed above are based on the Restated Financial Statements of the Company.*  
ii. *The RoNW has been computed by dividing restated net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/period.*  
iii. *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*

**4. Net Asset Value (NAV) per Equity Share:**

Sr. No.	NAV per Equity Share	Outstanding at the end of the year (Amt. in Rs.)
1	As at March 31, 2023	80.87
2	As at March 31, 2024	102.74
3	As at March 31, 2025	120.60
4	As at December 31, 2025	140.81
5	NAV per Equity Share after the Issue	
	(i) At Floor Price	197.38
	(ii) At Cap Price	201.94
6	Issue Price	[●]

*\*The above NAV has been calculated based on weighted number of shares outstanding at the end of the respective year/period.*

**Notes:**

- i. *The figures disclosed above are based on the Restated Financial Statements of the Company.*  
ii. *NAV per share=Restated Net worth at the end of the year/period divided by weighted average number of equity shares outstanding at the end of the year/period*  
iii. *Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.*  
iv. *Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Managers.*

**5. Comparison of Accounting Ratios with Industry Peers:**

There are no listed companies in India that are engaged in the business line similar to that of our company, thus it is not possible to provide an industry comparison in relation to our company.

(Rs. In Lakhs)

Name of Company	Current Market Price (₹)	Face Value	EPS		PE	RoNW (%)	Book Value (₹)	Revenue from Operations
			Basic	Diluted				
Q-line Biotech Limited	[●]	10	28.63	28.63	[●]	23.74%	120.60	31,378.04

**Notes:**

- (i) The EPS, NAV, RoNW and total Income of our Company are taken as per Consolidated Restated Financial Statement for the Year March 31, 2025.
- (ii) NAV per share is computed as the closing net worth divided by the weighted average number of paid up equity shares as on March 31, 2025.
- (iii) RoNW has been computed as net profit after tax divided by closing net worth.
- (iv) Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.
- (v) The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share.

**6. Key Performance Indicators**

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated May 13, 2026 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years' period prior to the date of filing of the Red Herring Prospectus. Further, the KPIs herein have been certified by R K Jagetiya & Co, Chartered Accountants, by their certificate dated May 13, 2026.

The KPIs of our Company have been disclosed in the sections titled **“Our Business”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators”** on pages 126 and 253, respectively. We have described and defined the KPIs as applicable in **“Definitions and Abbreviations”** on page 1 of the Red Herring Prospectus.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

**Key Performance Indicators of our Company (Consolidated)**

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	December 31, 2025	FY 2024-25	FY 2023-24	FY 2022-23
Revenue from operations <sup>(1)</sup>	23,242.03	31378.04	20364.61	18273.63
EBITDA <sup>(2)</sup>	6422.98	7132.12	3762.50	3297.72
EBITDA Margin <sup>(3)</sup>	27.64%	22.73%	18.48%	18.05%
PAT <sup>(4)</sup>	3,869.39	2813.09	3444.92	3209.71
PAT Margin <sup>(5)</sup>	16.65%	8.97%	16.92%	17.56%
Debt Equity Ratio <sup>(6)</sup>	1.06	0.87	0.60	0.58
RoE <sup>(7)</sup>	16.88%	23.74%	21.29%	25.20%
RoCE <sup>(8)</sup>	13.32%	17.66%	19.25%	22.14%

**Notes:**

<sup>(1)</sup>Revenue from operation means revenue from sales, service and other operating revenues

<sup>(2)</sup> EBITDA means Earnings before interest, taxes, depreciation and amortization expense, arrived at by obtaining the profit before tax/ (loss) for the year and adding back finance costs, depreciation and amortization and impairment expense and reducing Interest income, and Profit on sale of investment and after eliminating the effect of extra ordinary and exceptional items.

<sup>(3)</sup> 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

<sup>(5)</sup> 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

<sup>(6)</sup> Debt Equity Ratio: is calculated as Net debt divided by total equity. Net debt is the result of Debt (current & non-current borrowings); total equity means Net worth

<sup>(7)</sup> ROE is calculated as PAT (excluding of extra ordinary losses) as divided by Net worth.

<sup>(8)</sup> ROCE is calculated as EBIT divided by capital employed where (i) EBIT means PAT + Tax Expenses + Finance Cost (ii) Capital employed means Net worth + total current & non-current borrowings+DTL-DTA as appearing in financial statements

#### Explanation for KPI metrics:

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
RoE(%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in the business.

#### 7. Set forth below are the details of comparison of key performance of indicators with our listed industry peer:

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide a comparison of key performance indicators of industry with our Company.

#### 8. Weighted average cost of acquisition

##### a) The price per share of our Company based on the primary/ new issue of shares (equity/ convertible securities)

There has been no issuance of Equity Shares other than Equity Shares issued pursuant to a private placement on May 13, 2026, bonus issue on August 28, 2025 and right issue on September 27, 2025 during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days ("Primary Issue"):

##### b) The price per share of our Company based on the secondary sale/ acquisition of shares (equity shares)

There have been no secondary sale/ acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of the Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transaction").

##### c) Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter/ Promoter Group entities or

shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of the Red Herring Prospectus irrespective of the size of transactions, is as below:

**Primary Transactions:**

Date of Allotment	No. of equity shares allotted	Issue price per equity share (₹)	Nature of Allotment	Nature of consideration	Total Consideration
August 28, 2025	1,41,75,000	Nil	Bonus Issue	-	Nil
September 27, 2025	5,24,999	10/-	Right Issue	Cash	52,49,990
May 13, 2026	8,00,000	343/-	Private Placement	Cash	27,44,00,000

**Secondary Transactions:**

Date	Name of Transferor	Name of Transferee	No. of Shares	Price per share	Adjusted Price per share	Nature of transaction	Total Consideration
September 25, 2025	Pushplata Garg	Saurabh Garg	54,000	Nil	-	Gift	Nil
June 06, 2025	Amita Garg	Abhay Agrawal	75,600	Nil	-	Gift	Nil
		Amit Agarwal	3,150	Nil	-	Gift	Nil
	Saurabh Garg	Ayush Garg	3,149	Nil	-	Gift	Nil
		Shubham Garg	3,150	Nil	-	Gift	Nil

**Weighted average cost of acquisition & Issue price:**

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price* (i.e. ₹ [326])	Cap Price* (i.e. ₹ [343])
Weighted average cost of acquisition of primary/ new issue as per paragraph 8(a) above.	NA <sup>^</sup>	NA <sup>^</sup>	NA <sup>^</sup>
Weighted average cost of acquisition for secondary sale/ acquisition as per paragraph 8(b) above.	NA <sup>^^</sup>	NA <sup>^^</sup>	NA <sup>^^</sup>
Weighted average cost of acquisition of primary issuances/ secondary transactions as per paragraph 8(c) above	17.89	18.22	19.17

Note:

<sup>^</sup>There were no primary/ new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of the Red Herring Prospectus.

<sup>^^</sup>There were no secondary transaction of shares as mentioned in paragraph 8(b) above, in last 18 months from the date of the Red Herring Prospectus.

\* To be updated at Prospectus stage.

**Detailed explanation for Issue Price/ Cap Price being 19.17 times of WACA of primary issuances/ secondary transactions of Equity Shares (as disclosed above) along with our Company's KPIs and financial ratios for Fiscals 2025, 2024 and 2023:**

1. The Issue Price/ Cap Price has been determined after considering, inter alia, the Company's operational and financial performance reflected in the consistent growth in revenue from operations from ₹18,273.63 lakhs in Fiscal 2023 to ₹31,378.04 Lakhs in Fiscal 2025, along with improvement in EBITDA from ₹3,297.72 Lakhs in Fiscal 2023 to ₹7,132.12 Lakhs in Fiscal 2025. Further, EBITDA margin improved from 18.05% in

Fiscal 2023 to 22.73% in Fiscal 2025, demonstrating enhanced operational efficiencies and scalability of the business.

2. The Company reported PAT of ₹2,813.09 Lakhs in Fiscal 2025 and achieved RoE and RoCE of 23.74% and 17.66%, respectively, in Fiscal 2025, reflecting efficient capital utilisation and sustained business growth. The Company's financial performance for the nine months ended December 31, 2025 further indicates continued growth momentum, with revenue from operations of ₹23,242.03 Lakhs and EBITDA margin of 27.64%.
3. The Company also benefits from the extensive experience and established track record of some of its Promoters and management team, who have over three decades of experience in the similar industry. The Promoters' longstanding industry expertise, execution capabilities, customer relationships and strategic guidance have contributed significantly to the Company's growth, operational stability and market positioning.

**Explanation for the Issue Price/Cap Price, being 19.17 times of WACA of primary issuances/ secondary transactions of Equity Shares (as disclosed above) in view of the external factors which may have influenced the pricing of the Issue.**

1. The valuation implied by the Issue Price/ Cap Price has been influenced by favourable macroeconomic and industry factors, including the Government of India's continued focus on healthcare infrastructure development, increased public spending on healthcare and initiatives such as the "Make in India" programme, which encourage domestic manufacturing and reduce import dependency. These initiatives are expected to support long-term growth opportunities for companies operating in the healthcare and medical devices sector and have positively influenced investor perception and valuation benchmarks for the industry and companies in the sector.
2. Further, the increasing demand for Point-of-Care ("POC") facilities, rising awareness regarding preventive healthcare and the broader shift from sick care to wellness-oriented healthcare have led to increased demand for accessible, rapid and efficient healthcare solutions. These structural industry trends are expected to drive sustained growth in the healthcare diagnostics and allied sectors.
3. The market recorded a recovery, increasing from USD 1,511 million in CY24 to USD 1,677 million in CY25, supported by healthcare awareness and the prevalence of chronic diseases, and is projected to grow at a CAGR of up to 12.2%, reaching USD 2,978 million by CY30. This growth is likely to be driven by development of testing facilities and the rising burden of lifestyle diseases. With a steady demand for preventive healthcare, the market is expected to continue growth momentum, solidifying its critical role in India's healthcare sector. *For more information, see "industry Chapter" on page 103.* Additionally, favourable demographic trends, including a growing population, increasing incidence of lifestyle-related diseases and rising health awareness among consumers, have resulted in higher demand for quality healthcare and diagnostic services.

This is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and one Regional newspaper Group 5 Samachar where the registered office of the company is situated each with wide circulation.

The Price Band/ Floor Price/ Issue Price shall be determined by our Company in consultation with the BRLMs and will be justified by us in consultation with the BRLMs on the basis of the above information. Investors should read the above mentioned information along with "**Our Business**", "**Risk Factors**" and "**Restated Financial Statements**" on pages 126, 20 and 183 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "**Risk Factors**" or any other factors that may arise in the future and you may lose all or part of your investment.