

MURAE ORGANISOR LIMITED

(Formerly known as Earum Pharmaceuticals Limited)

CIN: L24230GJ2012PLC071299

Regd. Office: A1311, Sun West Bank, Ashram Road, Ahmedabad – 380 009

E-mail: earumpharma@gmail.com Website: www.earumpharma.com

Date: 1st April, 2024

To,

BSE Limited

Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai – 400 001

Dear Sir / Ma'am,

**Subject: Submission of Valuation Report on value of Equity shares of
Murae Organisor Limited
(Formerly known as Earum Pharmaceuticals Limited)**

Ref: Security Id: MURAE / Code: 542724

Pursuant to Regulation 166 of SEBI (ICDR) Regulations, 2018, we hereby submit the Valuation Report on value of Equity shares of the Company from Ms. Sejal Ronak Agrawal, Registered Valuer, Ahmedabad as on the Relevant date i.e., 22nd March, 2024.

Kindly take the same on your record and oblige us.

Thanking You.

For, Murae Organisor Limited

(Formerly known as Earum Pharmaceuticals Limited)

Manthan Tilva
Managing Director
DIN: 10453462

VALUATION REPORT

**REPORT ON FAIR VALUE OF
EQUITY SHARES OF
MURAE ORGANISOR LIMITED**



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Summary Report

1. Date of Valuation : 21st March 2024
2. Date of appointment : 29th February, 2024
3. Date of submission of the Valuation Report : 23rd March, 2024

The said valuation assignment has been conducted for the purpose of computing the Value per Equity Share of **MURAE ORGANISOR LIMITED (Formerly known as Earum Pharmaceuticals Limited)** (herein after referred to as "**MOL**" or "**the Company**") for the purpose to estimate the fair value for further issuance of securities, as per Section 42 and Section 62(1)(c) of the Companies Act 2013 read with Rule 13(2)(g) of Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the 'Chapter V - Preferential Issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('**SEBI (ICDR) Regulations 2018**') and the valuation guidelines stipulated under ICAI Valuation Standards.

The Value per Equity Share ascertained by us is **Rs. 2.14 per share**.

For and on behalf of


(Sejal Ronak Agrawal)
IBBI/RV/06/2020/13106
M No: 141498
Regd. Valuer – Securities & Financial Assets
UDIN: 24141498BKDHJD7715





Executive Summary

Client	: MURAE ORGANISOR LIMITED
CIN	: L24230GJ2012PLC071299
Purpose of Valuation	Further issuance of securities, as per Section 42 and Section 62(1)(c) of the Companies Act 2013 read with Rule 13(2)(g) of Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the 'Chapter V - Preferential Issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (' SEBI (ICDR) Regulations 2018 ')
Base of Valuation	Fair Value ICAI Valuation Standards" (IVS) 102
Premise of Valuation	Going Concern ICAI Valuation Standards" (IVS) 102
Method for Valuation	Market Approach (Market price method), Net Asset Approach, Income Approach
Value Variation from Standard Assumptions	None
Special Assumptions	None
Capacity & Status of Valuer	External- Sejal Agrawal (RV-S&FA)
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.
Standards Utilized	ICAI Valuation Standard





Introduction

Background Information:

CIN	L24230GJ2012PLC071299
Company Name	Murae Organisator Limited (Formerly known as Earum Pharmaceuticals Limited)
Company Status	Active
RoC	RoC- Ahmedabad
Registration Number	071299
Company Category	Company limited by Shares
Company Sub Category	Non-govt company
Class of Company	Public
Date of Incorporation	26/07/2012
Age of Company	11 years and 7 months
Activity	The Company is dealing in Pharmaceutical Business i.e. trading of pharma products and commission agent in pharma products etc.
Paid up capital	49,42,23,236





The Board of Directors of the company as on valuation date are as follows: -

Director Details

Directors/Signatory Details

DIN	Director Name	Designation
10548061	MS. KHYATI KANAIYALAL PATEL	Non - Executive Independent Director
09829560	MR. VINODBHAI BHADARKA	Non - Executive Independent Director
10453446	SANKET LADANI	Additional Director
10453462	MANTHAN RAMESHBHAI TILVA	Managing Director

Caveats, Limitations and Disclaimers

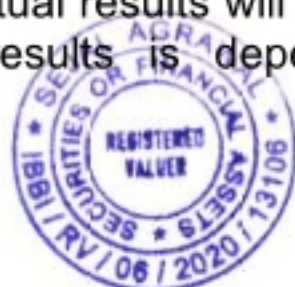
- i. Restriction on use of Valuation Report**

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

We owe responsibility only to the client that has appointed us under the terms of the engagement letters. We 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. In no event shall we be liable for any loss, damages, 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.
- iii. Accuracy of Information**

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. Accordingly, we express no audit opinion or any other form of assurance on this information.
- iv. Achievability of the forecast results**

We do not provide assurance on the achievability of the results forecast by the management as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected as the achievement of the forecast results is dependent on actions, plans and assumptions of management.





v. Post Valuation Date Events

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.

vi. Reliance on the representations of the clients, their management and other third parties

The client and its management warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the 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. We 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.

vii. No procedure performed to corroborate information taken from reliable external sources

We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, 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. 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 or reproduced in its proper form and context.

viii. Compliance with relevant laws

The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies will be managed in a competent and responsible manner. 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 reflected in the balance sheet provided to us.

ix. Multiple factors affecting the Valuation Report

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

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





We are fully aware that based on the opinion of value expressed in this report, 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. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and our tendering evidence before such authority shall be under the applicable laws.

Purpose of the Report

This valuation is done for the purpose of determining the value per equity share for issuance of Equity Shares in pursuance to compliance with the provisions of Section 42 and Section 62(1)(c) of the Companies Act 2013 read with Rule 13(2)(g) of Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the 'Chapter V - Preferential Issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('**SEBI (ICDR) Regulations 2018**') and the valuation guidelines stipulated under ICAI Valuation Standards.

- The company is looking to assess its fair value for the proposed issuance of Equity Shares in accordance with Regulations 164 and 166A of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 ("ICDR") using latest available Audited Auditor's Report on Financial Results as on 31st March, 2023 for the Preferential Allotment of Equity Shares.
- There is no change in control, however, allotment to the Proposed allottees is more than five percent of the post issue fully diluted share capital of the issuer, therefore, the pricing of Equity Share of the Company shall be determined as higher of:
 - the price determined as per Regulation 164 of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 or
 - the price determined as per Valuation Report of an Independent Registered Valuer as per Regulation 166A of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 or
 - the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable.
- For the purposes of price to be determined as per Regulation 164 of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018, the equity shares of the company are frequently traded on the stock exchange, on BSE and thus Regulation 164(1) becomes applicable.





- For the purposes of valuation under Regulation 166A, detailed valuation methodology has been explained in this report.
- Further, Clause 5(1) of the Articles of Association of the Company provides the following and doesn't prescribe any specific method for determining the price :-
"Subject to the provision of the Act and these Articles, the shares shall be under the control of the Board who may issue, allot or otherwise dispose off the same or any of them to such persons, in such proportion and on such terms and conditions at such time either at par or at a premium, and for such consideration as the Board thinks fit. Provided that, where at any time it is proposed to increase the subscribed capital of the Company by the allotment of further shares, then the Board shall issue such shares subject to the provisions of Section 62 and other applicable provisions of the Act and rules thereunder. Provided that option or right to call of any share shall not be given to any person except with the sanction of the Company in general meeting."
- The relevant extract of the regulation 164 and 166A are as under:

Regulation 164: Pricing of frequently traded shares

1. *If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading 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 recognised stock exchange preceding the relevant date; or*
 - (b) *The 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.*

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

2. *If the equity shares of the issuer have been listed on a recognised stock exchange for a period of less than 90 trading days as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than the higher of the following:*
 - (a) *The price at which equity shares were issued by the issuer in its initial public offer or the value per share arrived at in a scheme of compromise, arrangement and amalgamation under sections 230 to 234 the Companies Act, 2013, as applicable, pursuant to which the equity shares of the issuer were listed, as the case may be; or*





- (b) *the average of the volume weighted average prices of the related equity shares quoted on the recognised stock exchange during the period the equity shares have been listed preceding the relevant date; or*
- (c) *the average of the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.*

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

3. *Where the price of the equity shares is determined in terms of sub-regulation (2), such price shall be recomputed by the issuer on completion of 90 trading days from the date of listing on a recognised stock exchange with reference to the 90 trading days volume weighted average prices of the related equity shares quoted on the recognised stock exchange during these 90 trading days and if such recomputed price is higher than the price paid on allotment, the difference shall be paid by the allottees to the issuer.*

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

4. (a) *A preferential issue of specified securities to qualified institutional buyers, not exceeding five in number, shall be made at a price not less than the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.*

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue:

(b) no allotment shall be made, either directly or indirectly, to any qualified institutional buyer who is a promoter or any person related to the promoters of the issuer: Provided that a qualified institutional buyer who does not hold any shares in the issuer and who has acquired rights in the capacity of a lender shall not be deemed to be a person related to the promoters. Explanation.—For the purpose of this clause, a qualified institutional buyer who has any of the following rights shall be deemed to be a person related to the promoters of the issuer :-

- (a) rights under a shareholder's agreement or voting agreement entered into with promoters or promoter group;*





- (b) veto rights; or
- (c) right to appoint any nominee director on the board of the issuer.

5. For the purpose of this Chapter, "frequently traded shares" means the shares of the issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer:

Provided that where the share capital of a particular class of shares of the issuer is not identical throughout such period, the weighted average number of total shares of such class of the issuer shall represent the total number of shares.

Explanation: For the purpose of this regulation, 'stock exchange' means any of the recognised stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.

Regulation 166A: Allotment of more than five per cent of the post issue fully diluted share capital of the Issuer

(1) Any preferential issue, which may result in a change in control or allotment of more than five per cent. of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price:

Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable:

Keeping in the view of above regulations: -

- There is no change in control, however, the allotment to the proposed allottees is more than five percent of the post issue fully diluted share capital of the issuer

The Companies Act, 2013

Relevant Extract of Section 62: Further issue of share capital

(1) Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(c) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or





for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed

Scope of Work and Bases of Valuation

- Registered Valuer has been appointed by the Management to issue a report on the likely valuation of equity share. I understand that the purpose of the said report is to determine the Fair Market Value of quoted equity shares of the company for the purpose of issuance of equity shares on a preferential basis as per Section 42 and Section 62(1)(c) of the Companies Act 2013 read with Rule 13(2)(g) of Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the 'Chapter V - Preferential Issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI (ICDR) Regulations 2018').
- Registered Valuer to value the Equity Shares of the Company as per the ICAI Accounting Standards.
- The value is to be determined with reference to the date of Valuation.

Appointing Authority

The management of the Company appointed CA Sejal Agrawal (Registered Valuer cum Chartered Accountant) for valuation of Equity Shares.

Disclosure of Registered Valuer Interest

I have no present or prospective contemplated financial interest in the Company nor any personal interest with respect to the Promoters & Board of Directors of the Company. I have no bias/prejudice with respect to any matter that is the subject of the valuation report or to the parties involved with this engagement.

My professional fee for this valuation is based upon my normal billing rates, and not contingent upon the results or the value of the business or in any other manner.

Basis and Premise of Valuation

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.

As the Company is a going concern, Independent Registered Valuer has decided to choose Fair Value as base of the 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.

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."

Source of Information

- Financial Statements of the Company for the Financial Year 2020-21, 2021-22, 2022-23.
- Limited Review Report of the Company for the 30th September. 2023
- A signed management representation letter stating the projections are based on best estimates and judgment of the management.
- Data extracted from publicly available sources believed to be reliable and true i.e. money control, BSE, and The Economic Times.
- Copy of company profile including the details about business of the company and the product range of the company.
- Other information / data available in public domain.

Valuation Methodology and Approaches

In valuing the shares of the company, we need to perform the following steps:

1. Understanding the Business of the company
2. Understanding the Industry in which the company operates
3. Identifying the Assets of the company, including Income Generating Businesses, fixed assets, etc.
4. Valuing the Assets of the company, wherein, three different approaches may be employed to determine value: (i) the Income Approach, (ii), the Market Approach and (iii) the Cost Approach. While each of these approaches is initially considered in the valuation of an asset, the nature and characteristics of the asset, availability of required data for each of the approaches indicate which approach, or approaches, is most applicable.
5. Identifying the liabilities of the company
6. Computing the Value available to Shareholders and arriving at the Value per share

As required by Valuation Standards, we have given consideration to all the relevant and appropriate valuation approaches. In selecting the appropriate valuation approach and method, we have considered the following:

- a) The appropriate basis (es) of value and premise(s) of value, determined by the terms and purpose of the valuation assignment,
- b) The respective strengths and weaknesses of the possible valuation approaches and methods,
- c) The appropriateness of each method in view of the nature of the asset, and the approaches or methods used by participants in the relevant market, and
- d) The availability of reliable information needed to apply the method(s).

We have hereunder discussed the various approaches available under the valuation standards and approach (es) adopted by us after considering the above and the information available for the asset under valuation:





Income Approach

The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. This approach is appropriate where the income-producing ability of the asset is the critical element affecting the value or reasonable projections of the amount and timing of future income are available for the subject asset. The approach is used where 'Anticipation of benefits' is the economic principle which would be used by market participants to decide the Value of the subject asset.

The following Income Approach method have been considered by us in the report:

➤ **Discounted Cash Flow (DCF) Method**

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 a 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

Market Approach

The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. This approach is appropriate where the subject assets or substantially similar assets are frequently publicly traded and the information on the market transactions are sufficiently and reliably available. The approach is used where 'Price Equilibrium' is the economic principle which would be used by market participants to decide the Value of the subject asset.

The following Market approach methods have been considered by us in this report:

- **Guideline Publicly Trade comparable method** – The Guideline publicly trade comparable method utilizes the information on publicly traded comparable that are the same or similar to the subject asset to arrive at an indication of the value.





- **Comparable transactions method** - The comparable transactions method, also known as the guideline transactions method, utilizes information on transactions involving assets that are the same or similar to the subject asset to arrive at an indication of value.

Cost Approach

The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence. The approach is used where 'cost of substitution' is the economic principle which would be used by market participants to decide the Value of the subject asset.

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

Selection of Valuation Methodology

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 securities is an inexact science. It may sometimes involve a set of judgments and assumptions that may be subject to certain uncertainties. In the section above, Independent Registered Valuer has discussed some of the commonly used valuation methodologies. The valuation methodology to be adopted varies from case to case depending upon different factors affecting valuation. There are a number of methodologies to value companies / businesses using historical and forecast financials of the company.

A typical valuation analysis involves review and analysis of historical financials of the company and broad comparison of the company's forecast financial projections as regards all the significant macro and micro variables like economy and industry growth rate assumptions, inflation, interest and foreign exchange rates and tax rate forecasts. Company's profitability factors (industry competitive factors and company's operating strategies and its competitive position in the industry), economies of scale and optimal capital structure also affects the business valuation of the company.

However, the value is specific to the point in time and may change with the passage of time.





Valuation of Shares of the Company

We have considered appropriate weightage to all the three methods as discussed above and derived a value of equity share.

Weightage Average method

Relevant date	22/03/2024
Valuation date	21/03/2024

Murae Organisor Limited (Formerly known as Earum Pharmaceuticals Limited)			
Valuation Approach			
	Value per share (INR)	Weight	Total Value (Weight x Price)
A. Asset Approach [NAV] (Annexure 1)	2.21	33%	0.74
B. Market Approach -VWAP Basis [90/10 days] (Annexure 2)	1.81	33%	0.60
C. Income Approach-[DCF] (Annexure 3)	2.39	33%	0.80
TOTAL		100%	
Average Price Per Share			2.14

1. Net Asset Value (NAV):

The Net Asset Value method calculates the value of a company based on its assets and liabilities. Assigning 33.33 weight to NAV is justified for the following reasons:

- In allocating a weightage of 33.33 to the Net Asset Approach (NAV), In the pharmaceutical industry, where physical assets like office Equipments, plant and machineries, and inventory are significant components of a company's value, the NAV method becomes crucial.

2. Market Approach:

Market Price Method: Assigning a weight of 33.33 to the Market Price Method, specifically utilizing Volume Weighted Average Price (VWAP) over 10 and 90 days,

- The pharmaceutical market is highly dynamic and subject to frequent price fluctuations due to changes in demand, supply, and market sentiment.
- By considering both short-term (10 days) and slightly longer-term (90 days) perspectives, it accounts for recent market trends and provides a balanced view.

3. DCF Method (Discounted Cash Flow):

The DCF method is a fundamental approach to valuation that estimates the present value of a company's future cash flows Discounted Cash Flow Method under the Income Approach has been considered. For computing the Value of Shares using





Income Method, we have adopted the Discounted Cash Flows (DCF) method. Discounted cash flow is one the most prominent methodology of valuation. Assigning 0.33 weight to DCF is justified for the following reasons:

- DCF is a fundamental valuation method that focuses on the future cash flows of the company, providing a comprehensive and intrinsic view of its value.
- It considers the time value of money, providing a present value for future cash flows, making it a robust method for long-term investment analysis.

The price computed above is in consonance with Regulation 166A as amended by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022 vide Notification No. SEBI/LAD-NRO/GN/2022/63 dated 14th January, 2022 which mandates that preferential issue of equity shares which may result in allotment of more than five per cent, shall conform to the pricing provisions of preferential issue specified under Chapter V of the ICDR Regulations.





Conclusion

Based on my valuation exercise, the minimum issue price for the issuance of the Equity shares as at the close of trading hours of the date preceding the Relevant date i.e. 22nd March, 2024 as per Regulation 166A is Rs. [1.81] per share, i.e. higher of the value arrived under Regulation 164(1) or by the Valuation Approach adopted by me.

The allotment to proposed allottees is for cash consideration and there is no change in control, however, the allotment is more than five percent of the post issue fully diluted share capital of the issuer, kindly treat this valuation report as per the mandatory requirement of Regulation 166A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

We trust the above meets your requirements.

Thanking you,

Sejal Agrawal

Registered Valuer

(Regn. No.: IBBI/RV/06/2020/13106)

(IP, RV, FCA, FCS, DISA,

Forensic Audit and Fraud Detection,

Ind-AS, Concurrent Audit)



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Annexure 1

Valuation Method – Net Asset Approach

Book value based on Audited financial statement as on SEPTEMBER 30, 2023 has been calculated.

PARTICULARS	Amount in INR Lacs AS ON SEPTEMBER 30, 2023
ASSETS :	
NON-CURRENT ASSETS :	
(a) Property, Plant & Equipment & Intangible Assets	43.74
(b) Deferred tax assets (net)	-
(c) Long term loans and advances	-
TOTAL NON CURRENT ASSETS	43.74
CURRENT ASSETS:	
(a) Inventories	1,205.45
(b) Trade receivables	1,180.35
(c) Cash and cash equivalents	1.99
(d) Short-term loans and advances	85.99
(e) Other current assets	3,524.04
TOTAL CURRENT ASSETS	5,997.82
TOTAL -ASSETS (A)	6,041.56
LAIBILITIES	
NON CURRENT LIABILITIES	
(a) Long-Term Borrowings	-
(b) Deferred Tax Liabilities (Net)	-
(c) Other Long Term Liabilities	-
(d) Long-Term Provisions	-
TOTAL NON CURRENT LIABILITIES	-
CURRENT LIABILITIES	
(a) Short Term Borrowings	251.58
(b) Trade Payables	128.86
(c) Other Current Liabilities	(1.77)
(d) Short-Term Provisions	208.38
TOTAL CURRENT LIABILITIES	587.06
TOTAL LIABILITIES (B)	587.06
Total book value (A-B)	5,454.51
No. of Shares as on September 30, 2023	247,111,618
Book Value per share	2.21





Annexure 2

Valuation Method - VWAP Basis [90/10 days]

Regulation 164(1)

- At least 10% of the total equity shares have been traded on the BSE and NSE in 240 trading days preceding the Valuation Date, therefore, equity shares of the company shall be treated as frequently traded.
- Stock Exchange means the Stock Exchange where highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the Valuation Date. The company is listed in BSE Only. therefore, BSE data is considered for all relevant computations.
- For the purpose of valuation, we have relied on the data of BSE in accordance to the amended Regulations 164 and 166A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended vide Notification No. SEBI/LAD-NRO/GN/2022/63 dated 14th January, 2022.

Valuation as per Weighted Average for 10 Days preceding the relevant date:

S.NO	DATE	WAP	NO OF SHARE	NO. OF TRADES	TOTAL TURNOVER (RS.)
1	21-Mar-24	1.79	39,56,904.00	2,222.00	70,91,926.00
2	20-Mar-24	1.74	84,05,811.00	2,357.00	1,46,02,263.00
3	19-Mar-24	1.75	2,47,280.00	417.00	4,32,740.00
4	18-Mar-24	1.84	15,04,935.00	598.00	27,69,080.00
5	15-Mar-24	1.93	2,63,206.00	281.00	5,07,987.00
6	14-Mar-24	1.96	3,28,288.00	331.00	6,43,444.00
7	13-Mar-24	2.00	2,40,800.00	198.00	4,81,600.00
8	12-Mar-24	2.04	91,993.00	182.00	1,87,665.00
9	11-Mar-24	2.08	3,65,104.00	275.00	7,59,416.00
10	07-Mar-24	2.12	1,63,759.00	255.00	3,47,169.00
			1,55,68,080		2,78,23,290
VWAP of 10 Trading 'days					1.79

Valuation as per Weighted Average for 90 Days preceding the relevant date:

S.NO	DATE	WAP	NO.OF SHARES	NO. OF TRADES	TOTAL TURNOVER (RS.)
1	21-Mar-24	1.79	39,56,904.00	2,222.00	70,91,926.00
2	20-Mar-24	1.74	84,05,811.00	2,357.00	1,46,02,263.00
3	19-Mar-24	1.75	2,47,280.00	417.00	4,32,740.00
4	18-Mar-24	1.84	15,04,935.00	598.00	27,69,080.00





S.NO	DATE	WAP	NO.OF SHARES	NO. OF TRADES	TOTAL TURNOVER (RS.)
5	15-Mar-24	1.93	2,63,206.00	281.00	5,07,987.00
6	14-Mar-24	1.96	3,28,288.00	331.00	6,43,444.00
7	13-Mar-24	2.00	2,40,800.00	198.00	4,81,600.00
8	12-Mar-24	2.04	91,993.00	182.00	1,87,665.00
9	11-Mar-24	2.08	3,65,104.00	275.00	7,59,416.00
10	07-Mar-24	2.12	1,63,759.00	255.00	3,47,169.00
11	06-Mar-24	2.16	3,24,112.00	201.00	7,00,081.00
12	05-Mar-24	2.20	5,28,916.00	247.00	11,63,615.00
13	04-Mar-24	2.24	4,20,387.00	296.00	9,41,666.00
14	02-Mar-24	2.28	14,152.00	19.00	32,266.00
15	01-Mar-24	2.32	1,96,149.00	270.00	4,55,065.00
16	29-Feb-24	2.36	1,45,430.00	239.00	3,43,214.00
17	28-Feb-24	2.40	7,31,485.00	311.00	17,55,564.00
18	27-Feb-24	2.44	2,21,820.00	315.00	5,41,240.00
19	26-Feb-24	2.48	10,73,187.00	350.00	26,61,503.00
20	23-Feb-24	2.53	7,11,069.00	396.00	17,99,004.00
21	22-Feb-24	2.58	5,54,724.00	352.00	14,31,187.00
22	21-Feb-24	2.63	2,79,330.00	350.00	7,34,637.00
23	20-Feb-24	2.68	5,44,635.00	443.00	14,59,621.00
24	19-Feb-24	2.73	4,16,804.00	476.00	11,37,874.00
25	16-Feb-24	2.78	4,30,882.00	487.00	11,97,851.00
26	15-Feb-24	2.83	5,67,061.00	603.00	16,04,782.00
27	14-Feb-24	2.88	7,92,036.00	645.00	22,81,063.00
28	13-Feb-24	2.93	5,11,201.00	658.00	14,97,818.00
29	12-Feb-24	2.98	11,37,293.00	798.00	33,89,133.00
30	09-Feb-24	3.04	50,39,687.00	1,891.00	1,53,20,648.00
31	08-Feb-24	3.10	39,09,598.00	1,065.00	1,21,19,753.00
32	07-Feb-24	2.96	35,06,758.00	954.00	1,03,80,003.00
33	06-Feb-24	2.82	18,59,692.00	878.00	52,44,331.00
34	05-Feb-24	2.69	97,10,314.00	3,244.00	2,61,12,824.00
35	02-Feb-24	2.55	1,01,36,950.00	3,611.00	2,58,58,911.00
36	01-Feb-24	2.45	29,53,416.00	762.00	72,35,869.00
37	31-Jan-24	2.24	1,81,53,602.00	5,431.00	4,05,79,401.00
38	30-Jan-24	2.23	17,68,294.00	386.00	39,43,295.00
39	29-Jan-24	2.13	26,81,183.00	856.00	57,10,919.00
40	25-Jan-24	2.03	38,66,958.00	1,451.00	78,48,928.00
41	24-Jan-24	1.93	53,55,227.00	1,867.00	1,03,56,821.00
42	23-Jan-24	1.91	1,32,54,375.00	4,957.00	2,52,98,707.00
43	20-Jan-24	1.87	29,66,408.00	666.00	55,47,182.00
44	19-Jan-24	1.79	63,99,680.00	1,375.00	1,14,55,427.00
45	18-Jan-24	1.71	74,66,757.00	1,701.00	1,27,49,084.00
46	17-Jan-24	1.63	17,93,553.00	491.00	29,23,491.00
47	16-Jan-24	1.46	68,55,345.00	2,136.00	1,00,39,574.00
48	15-Jan-24	1.50	54,23,145.00	2,810.00	81,14,549.00
49	12-Jan-24	1.56	19,80,761.00	1,352.00	30,89,987.00
50	11-Jan-24	1.64	27,09,201.00	1,518.00	44,43,089.00
51	10-Jan-24	1.78	3,27,41,598.00	7,356.00	5,82,37,765.00
52	09-Jan-24	1.81	18,66,948.00	411.00	33,79,175.00
53	08-Jan-24	1.73	23,40,526.00	436.00	40,49,109.00





S.NO	DATE	WAP	NO.OF SHARES	NO. OF TRADES	TOTAL TURNOVER (RS.)
54	05-Jan-24	1.65	25,54,704.00	461.00	42,15,261.00
55	04-Jan-24	1.58	43,32,030.00	871.00	68,38,906.00
56	03-Jan-24	1.50	1,29,69,229.00	3,125.00	1,95,09,765.00
57	02-Jan-24	1.35	1,47,43,285.00	3,900.00	1,98,37,642.00
58	01-Jan-24	1.25	37,44,787.00	828.00	46,97,784.00
59	29-Dec-23	1.13	48,24,430.00	961.00	54,75,204.00
60	28-Dec-23	1.10	13,71,554.00	909.00	15,10,270.00
61	27-Dec-23	1.09	9,24,811.00	918.00	10,11,371.00
62	26-Dec-23	1.09	11,60,297.00	1,032.00	12,69,179.00
63	22-Dec-23	1.09	9,30,167.00	770.00	10,13,657.00
64	21-Dec-23	1.08	7,92,219.00	797.00	8,55,898.00
65	20-Dec-23	1.10	15,17,435.00	1,037.00	16,70,076.00
66	19-Dec-23	1.10	16,50,929.00	1,113.00	18,22,639.00
67	18-Dec-23	1.07	34,20,162.00	1,339.00	36,60,904.00
68	15-Dec-23	1.12	19,09,396.00	1,188.00	21,44,917.00
69	14-Dec-23	1.15	36,81,801.00	1,794.00	42,34,680.00
70	13-Dec-23	1.13	26,90,077.00	1,215.00	30,36,106.00
71	12-Dec-23	1.08	19,34,916.00	790.00	20,85,448.00
72	11-Dec-23	1.03	22,99,078.00	872.00	23,58,324.00
73	08-Dec-23	0.98	8,92,674.00	423.00	8,78,073.00
74	07-Dec-23	0.98	8,64,410.00	480.00	8,49,002.00
75	06-Dec-23	1.00	9,52,924.00	458.00	9,51,807.00
76	05-Dec-23	1.01	7,15,615.00	346.00	7,23,160.00
77	04-Dec-23	1.02	7,44,288.00	280.00	7,56,953.00
78	01-Dec-23	1.00	7,55,355.00	217.00	7,58,945.00
79	30-Nov-23	1.01	4,42,140.00	296.00	4,46,561.00
80	29-Nov-23	1.02	4,96,230.00	289.00	5,05,609.00
81	28-Nov-23	1.02	6,05,902.00	374.00	6,18,903.00
82	24-Nov-23	1.03	3,88,811.00	252.00	3,98,552.00
83	23-Nov-23	1.01	9,25,677.00	339.00	9,34,933.00
84	22-Nov-23	1.02	4,94,149.00	280.00	5,03,260.00
85	21-Nov-23	1.02	6,71,873.00	356.00	6,87,187.00
86	20-Nov-23	1.02	6,42,672.00	331.00	6,52,385.00
87	17-Nov-23	1.01	19,13,164.00	243.00	19,32,940.00
88	16-Nov-23	1.03	4,67,602.00	259.00	4,83,731.00
89	15-Nov-23	1.03	24,03,418.00	614.00	24,77,823.00
90	13-Nov-23	1.03	4,91,552.00	459.00	5,06,298.00
			26,22,28,492		47,53,03,469
VWAP of 90 Trading 'days					1.81

VWAP Basis (90/10 days)

VWAP (10 trading days preceding the relevant date) (A)	1.79
VWAP (90 trading days preceding the relevant date) (B)	1.81
Minimum Price (Higher of (A) or (B))	1.81





Annexure 3

Valuation Method - Discounted Cash Flow Method

The value per share based as on 30.09.2023 on the Income Method is therefore computed as under:

1. 'Income Statement
(Amounts in INR Lakhs)

Particulars	Audited	Provisional	(Projections)				
	31/Mar/23	30/Sep/23	31/Mar/24	31/Mar/25	31/Mar/26	31/Mar/27	31/Mar/28
Revenue from Operations	1,409.25	214.17	2,113.88	3,170.81	4,756.22	7,134.33	10,701.49
Revenue Growth %			50.00%	50.00%	50.00%	50.00%	50.00%
COGS	1222.24	321.68	1,807.36	2,378.11	2,853.73	3,567.16	4,815.67
Gross Profit	187.01	-107.51	306.52	792.70	1,902.49	3,567.16	5,885.82
Other expenses	94.31	53.64	190.25	253.67	380.50	570.75	535.07
	6.69%	25.05%	9.00%	8.00%	8.00%	8.00%	5.00%
EBITDA Ex Other Income	92.70	-161.15	116.27	539.04	1,521.99	2,996.42	5,350.75
EBITDA Margin%	6.58%	-75.24%	5.50%	17.00%	32.00%	42.00%	50.00%
Depreciation & Amortisation	10.39	3.94	7.88	7.96	6.37	5.09	4.08
EBIT	82.31	-165.09	108.39	531.08	1,515.62	2,991.32	5,346.67
Interest expense, net	29.04	26.67	61.50				
Profit Before Tax (PBT)	53.27	-191.76	46.89	531.08	1,515.62	2,991.32	5,346.67
PBT Margin %	3.78%	-89.54%	2.22%	16.75%	31.87%	41.93%	49.96%
Tax @ 25.168%			11.80	133.66	381.45	752.86	1,345.65
PAT			35.09	397.42	1,134.17	2,238.47	4,001.02

Amount in INR Lakhs

Particulars	FY 24 (Oct'23-Mar'24)	FY 25	FY 26	FY 27	FY 28
Profit Before Tax (PBT)	238.65	531.08	1,515.62	2,991.32	5,346.67
Less : Tax @25.168%	60.06	133.66	381.45	752.86	1,345.65
Profit After Tax (PAT)	178.58	397.42	1,134.17	2,238.47	4,001.02
Add : Depreciation	3.94	7.96	6.37	5.09	4.08
Add : Capex	-	-	-	-	-
Change in Non-Cash Working Capital	(519.87)	(588.40)	(965.20)	(1,044.43)	(2,770.79)
Change in Borrowing	363.42	(615.00)	-	-	-
Free Cash Flow	26.07	(798.03)	175.34	1,199.13	1,234.30
Discount Rate	17.38%	17.38%	17.38%	17.38%	17.38%
Discount Period	0.25	1.00	2.00	3.00	4.00
Discount Factor	0.96	0.85	0.73	0.62	0.53
Present Value of Free Cash Flows	25.05	(679.84)	127.25	741.37	650.10





Summary

Particulars	Amount (INR in Lacs)
Sum of Present Value of Future Cash Flow	
<i>Cash Flows during explicit period</i>	863.93
<i>Present Value of Terminal Value</i>	5,051.41
Add : Cash & Cash Equivalent	1.99
Equity Value (INR Lacs)	5,917.33
No of Outstanding Shares as on September 30, 2023	247,111,618.00
Equity Value per share (INR)	2.39

The Value per share of Rs. 2.39 is arrived based on the key assumptions listed below:

Key Assumptions:

a. Tax Expenses

The tax expenses are calculated based on the tax rate of 25.17%.

b. Terminal Value

The Terminal Value is computed by considering the growth rate to be 4% and using Gordon Growth Model.

$$\frac{\text{Last year free cash flow} \times (1 + \text{terminal growth rate})}{(\text{Discount Rate} - \text{Terminal Growth Rate})}$$

c. Computation of Cost of Equity (CAPM):

Cost of Equity through CAPM:	30-Sep-23
Risk Free Rate (Rf) from investing.com	7.21%
Equity Risk Premium (Rm - Rf)	8.50%
Relevered Beta (β)	0.96
Cost of Equity	15.38%
Company Specific Risk Premium (CSRP)	2.00%
Adjusted Cost of Equity	17.38%





Sources:

a. Risk Free Rate (Rf) is taken based on the 10 years yield of Government bond (<https://in.investing.com/rates-bonds/india-10-year-bond-yield-historical-data>)

b. Beta:

Beta is a measure of volatility, or systematic risk of the return on a particular security to the return on a market portfolio. As the Company is recently listed and Company's business model is unique and business activity. Accordingly, having regard to management representations and generally accepted valuation principles, I have conservatively considered the Beta of **0.96** for the purposes of valuation based on **Drugs (Pharmaceutical)** Industry from <http://www.damodaran.com> website.

