



GOPAVARAPU MURALI REDDY., FCA

Registered Valuer (Securities or Financial Assets) Under IBBI
Registration No. IBBI/RV/02/2019/11566

Valuation report

for determining the fair equity share exchange ratio in
relation to the arrangement of acquisition of Equity Shares of

ADITA BIO SYS PRIVATE LIMITED

from its existing shareholders by

PHARMAIDS PHARMACEUTICALS LIMITED



Prepared by:
CA GOPAVARAPU MURALI REDDY
(IBBI Registered Valuer)
507, Everest Block, Aditya enclave, Ameerpet,
Hyderabad, Telangana-500038.

RV Registration No – IBBI/RV/02/2019/11566



GOPAVARAPU MURALI REDDY., FCA

Registered Valuer (Securities or Financial Assets) Under IBBI
Registration No. IBBI/RV/02/2019/11566

Date: January 24, 2024

To,

PHARMAIDS PHARMACEUTICALS LIMITED
Unit 201, 2nd Floor, Brigade Rubix,
20/14 HMT Factory Main Road,
Peenya Plantation, Bangalore, Karnataka, India – 560013

To,

ADITA BIO SYS PRIVATE LIMITED
Plot No SPL-26, KSSIDC, Antharasanahally, Tumkur
Karnataka, 572101, India.

Dear Sir,

Sub: Fair Equity Share Exchange Ratio Report pursuant to the arrangement of acquisition of Equity Shares of ABPL from its existing shareholders

I refer to our engagement letter dated January 06, 2024, to recommend a fair share exchange ratio for the proposed acquisition of the Equity shares of **ADITA BIO SYS PRIVATE LIMITED** (here-in-after referred to as "ABPL") from its existing shareholders by **PHARMAIDS PHARMACEUTICALS LIMITED** (here-in-after referred to as "PPL"). In accordance with the terms of the engagement, I am enclosing my report along with this letter. In the attached report, I have summarized my Valuation analysis of the Shares together with the description of methodologies used and limitation on my Scope of Work.

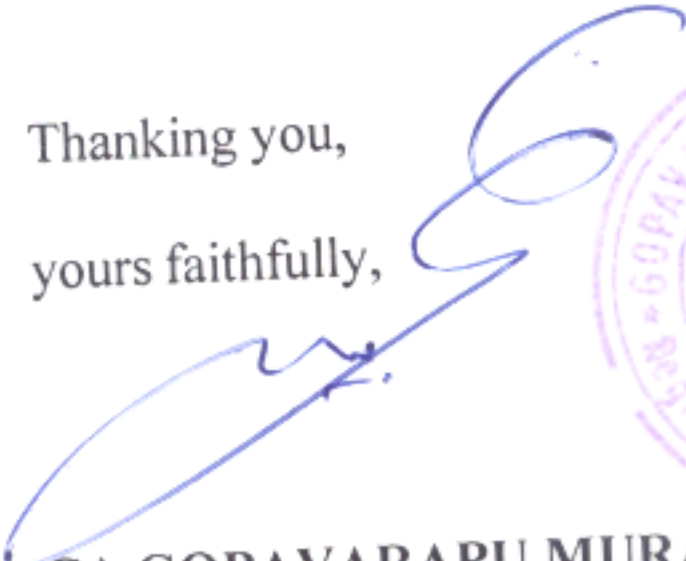
Based on my valuation analysis the Fair Equity Share Exchange Ratio has been arrived as 35 equity shares of PPL of INR 10 each fully paid up for 10 equity shares of ABPL of INR 10 each fully paid up.

This Valuation Analysis is confidential and has been prepared for you for providing the same to government or regulatory authorities and this report can be provided to Shareholders of PPL and Shareholders of ABPL of for enabling compliance under various laws as detailed hereinafter in this report. It should not be used, reproduced or circulated to any other person, in whole or in part, without my prior consent. Such consent will only be given after full consideration of the circumstance at that time. I trust that the above meets your requirements.

Please feel free to contact us in case you require any additional information or clarifications.

Thanking you,

yours faithfully,


CA GOPAVARAPU MURALI REDDY
Registered Valuer
IBBI Reg.No.IBBI/RV/02/2019/11566
UDIN: 24234971BKCJPS2589
VRN: IOV/2023-2024/5921



Place: Hyderabad

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1. BACKGROUND OF THE COMPANIES:

PHARMAIDS PHARMACEUTICALS LIMITED

History:

PHARMAIDS PHARMACEUTICALS LIMITED ("PPL") is Public Limited Company Incorporated under the Companies Act, 1956 on March 1, 1989, having its Registered Office at Unit 201, 2nd Floor, Brigade Rubix, 20/14HMT Factory Main Road, Peenya Plantation, Bangalore, Karnataka, India, 560013. The Company Identification Number (CIN) of the company is L52520KA1989PLC173979. Equity Shares of PPL are listed on Bombay Stock Exchange Limited.

Main Object of the Company are:

To carry on the business as manufacturers, processors, importers, exporters, dealers, sellers, buyers, consignors, consignees, agents, stockiest, suppliers of all classes, kinds, types and nature of chemicals, dyes, dyestuff, Intermediates, alkalies, adds, colours, varnishes, coaltar, salts, glues, mineral and water chemicals, pigments and auxiliaries, including but without limiting the generality of the foregoing, heavy chemicals, fine chemicals, organic and inorganic chemicals, pharmaceuticals, drugs and medicinal chemicals, allied chemicals and boiling agents for textile, textile processing chemicals, paints cosmetics, pharmaceuticals, paper industries, leather, metals, food, pigments and other industries made from whatever substances including minerals and to commercialize, distribute, formulate, derive, supervise, supply, import, export, buy, sell, turn to account and to act as broker, wholesaler, retailer, concessionaires, consignor, job worker, franchiser or otherwise to dealing all varieties, characteristics, descriptions, application and uses of synthetic, natural or blended polymer products, polymer intermediates, raw materials, derivatives, mixtures, compounds, constituents, auxiliary, products, by-products, co-products including polybutenes, elastomers, styrene, butadiene, butyle rubbers, ethylene propylene rubbers, thermoplastic elastomers bases on ethylene, propylene, polypropylene, styrene, butadiene, alpharnethyle styrene, isoprene and any combination thereof; petrochemicals like ethylene, propylene, isobutylene, styrene, isoprene, butadiene, methyl ethyl ketonest propylene oxide, methyl tertialy butyle ethers, epichlorohydrin and their derivatives including polyols and polyurethanes, acids, alkalies organic and inorganic salts and chemicals, paraffinic naphthenc, olefinic and aromatic compounds, thermoplastic and thermosetting resins, plastics and their components, plasticizers, adhesives, carprolactam, terephthalic acid and its eaters, isophtahalic acid and its esters all forms of synthetic fibres polymersed olefins, all types of solvents, Vinyl compounds, explosives and other allied materials, engineering all products, and ancillary parts, pharmaceutical products and its compound solutions and any kinds of products and its derivatives.

Capital Structure of the Company as on relevant date:

Particulars	Amount (in Rs.)
Authorised Share Capital	
3,00,00,000 Equity shares of Rupees 10.00 each	30,00,00,000
Issued, Subscribed Share Capital	
2,14,86,234 Equity Shares of Rs.10/- each Fully Paid-up	21,48,62,340



The stamp is circular and contains the following text: "GOPAVARAPU MURALI REDDY" around the top edge, "1881/RV/02/" in the center, "2019/11566" below that, and "Registered Valuer (SFA)" around the bottom edge.

Board of Directors and Other Key Managerial persons

Name of Person	DIN/PAN	Designation	Date of Appointment
Pattamadai Natarajasarma Vijay	00049992	Director	31/10/2022
Balagangadhara Bidanagere Channathimmaiah	AFUPC3328Q	CFO	13/10/2022
Venu Madhava Kaparthy	00021699	Whole-time director	21/05/2022
Mopperthy Sudheer	00404917	Director	06/01/2021
Mini Manikantan	09663184	Whole-time director	09/07/2022
Kaushik Kumar	CRLPK6331A	Company Secretary	13/10/2022
Methuku Nagesh	01634324	Director	29/11/2022
Shreedhara Shetty	02776638	Director	29/08/2023

ADITA BIO SYS PRIVATE LIMITED**History:**

ADITA BIO SYS PRIVATE LIMITED ("ABPL") is Private Limited Company Incorporated under the Companies Act, 2013 on February 25, 2015, having its Registered Office at Plot No SPL-26, KSSIDC, Antharasanahally, Tumkur, India, Karnataka - 572101. The Company Identification Number (CIN) of the company is U85100KA2015PTC079003.

Main Object of the Company are:

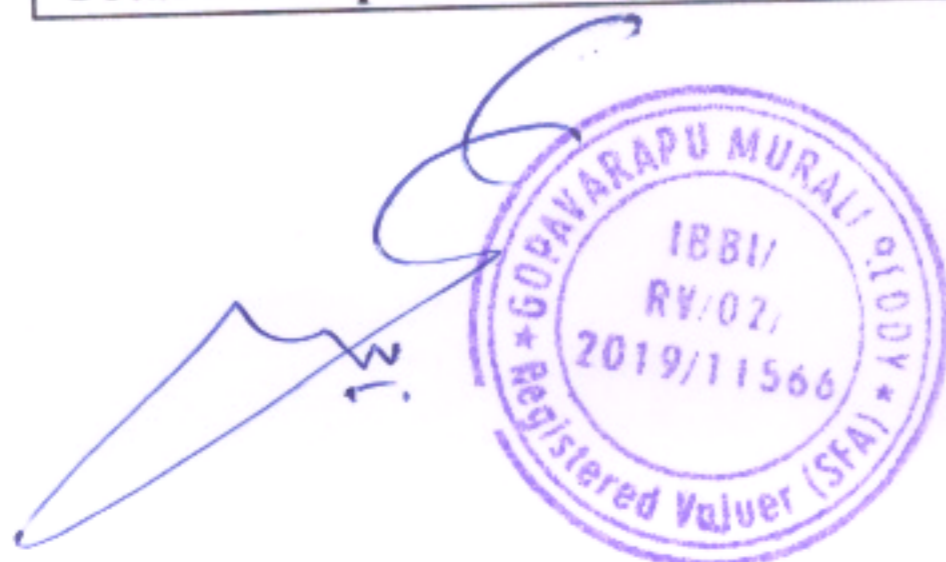
The main objects of the Company as mentioned in the MOA is to provide quality laboratory animals for various institutes, pharmaceutical companies and research centers for conducting projects in development of novel drug molecules.

Board of Directors

Name	DIN/PAN	Designation	Date of Appointment
Samuel Sharmanraj Sourappa	07004978	Director	25-02-2015
Chethan Basavaraju	08154725	Director	20-06-2018
Kondapura Jayadevappa Shivakumar	10249553	Director	14-08-2023

Capital Structure of the Company:

Particulars	Amount
Authorised Share Capital	
37,00,000 Equity shares of Rupees 10.00 each	3,70,00,000
3,00,000 Preference shares of Rupees 100.00 each	3,00,00,000
	6,70,00,000
Issued, Subscribed Share Capital	
36,78,459 Equity Shares of Rs.10/- each Fully Paid-up	3,67,84,590
3,00,000 Preference shares of Rs. 100.00 each	3,00,00,000
Total Paid up Share Capital	6,67,84,590



2. **PURPOSE:**

PPL intends to acquire the majority of the stake in ABPL by acquiring the equity shares of ABPL from its existing shareholders in exchange of Equity shares of PPL. I have been appointed in this regard to determine and recommend the fair equity share exchange ratio for acquisition of ABPL by PPL.

3. **KEY DATES:**

Appointing Authority- Audit Committee of the PPL & Board of Directors of ABPL

Appointment Date: January 6, 2024

Valuation Date/Relevant Date for PPL: January 01, 2024

Valuation Date for ABPL: 29.12.2023

Report Date: January 24, 2024

4. **IDENTITY OF VALUER:**

I am independent Registered Valuer as required under the Companies (Registered Valuer & Valuation) Rules, 2017 registered with Insolvency & Bankruptcy Board of India having registration no. IBBI/RV/02/2019/11566. No other Experts are involved in this valuation exercise.

5. **PECUNIARY INTEREST DECLARATION:**

I do not have pecuniary interest in the Shares of PPL & ABPL, past, present or prospective, and the opinion expressed is free of any bias in this regard. I strictly follow the code of conduct of the Registered Valuation Organization of IBBI.

6. **SOURCES OF INFORMATION:**

I have been provided the following information for the valuation analysis:

- MOA & AOA of PPL and ABPL.
- Annual Report of PPL and ABPL for the year ended on March 31, 2023, March 31, 2022, and March 31 2021.
- Projected Consolidated Financial Statements of ABPL from F.Y.2023-24 to F.Y2028-29.
- Provisional Consolidated Balance sheet and Profit loss account of ABPL for period ended 29.12.2023.
- Un-Audited results for the Quarter ended 30th September 2023 of PPL.
- Provisional Balance sheet and Profit loss account of PPL for period ended 29.12.2023.
- BSE S&P Healthcare Index as on 29.12.2023.
- Written Representations made by the Company in course of the valuation exercise.
- Other related information from various sources.

Besides the above listing, there may be other information provided by the Client which may not have beenperused by me in any detail, if not considered relevant for my defined scope.



Discussions (in person / over call) with the management of PPL and ABPL to: Understand the business and fundamental factors that affect its earning- generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance. During the discussions with the management, I have also obtained explanations and information considered reasonably necessary for this exercise

7. VALUATION APPROACHES

As per the Indian Valuation Standard -103 issued by ICAI, A valuer can make use of one or more of the processes or methods available for each of the following valuation approach.

1. Asset Approach
2. Income Approach
3. Market Approach

The appropriateness of a valuation approach for determining the value of an asset would depend on valuation bases and premises. In addition, some of the key factors that a valuer shall consider while determining the appropriateness of a specific valuation approach and method are:

- (a) nature of asset to be valued;
- (b) availability of adequate inputs or information and its reliability;
- (c) strengths and weakness of each valuation approach and method; and
- (d) valuation approach/method considered by market participants.

The valuation approaches and methods shall be selected in a manner which would maximize the use of relevant observable inputs and minimise the use of unobservable inputs. The price information gathered from an active market is generally considered to be a strong indicator of value.

8. VALUATION METHODS APPLIED FOR PPL

- I. Asset Approach
- II. Income Approach
- III. Market Approach

I. **Asset Approach - Net Asset Value Method (NAV)**

The Net Assets Method represents the value with reference to historical cost of assets owned by the company and the attached liabilities on particular date. Net asset will be calculated starting from the total assets of the company and deducting there from all debts, borrowing and liabilities, including current and Likely contingent Liability and preference capital if any. In other words it should represent true net worth of business after providing for all outside present and potential liabilities. In the case of companies, the net assets value calculated from assets side of the balance sheet in the above manner will be crossed checked with equity share capital plus free reserve and surplus, less likely contingent liabilities.



II. Income Approach : [Discounted Cash Flow (DCF)]

The Discounted Cash Flow (DCF) method is a valuation technique that estimates the intrinsic value of a business by forecasting its future cash flows and discounting them back to present value. This approach assumes that the value of a company is the sum of its expected future cash flows, discounted at an appropriate rate to reflect the time value of money.

In the case of Pharmaids Pharmaceuticals Limited (PPL), I have chosen not to employ the DCF method. Two reasons for this decision is rooted in the fact that the specific characteristics of PPL's financial structure and juncture at which PPL is currently placed and PPL is a publicly listed company, and making detailed projections, especially related to cash flows, is considered Price Sensitive Information (PSI). Due to regulatory and ethical considerations, disclosure of such sensitive information could potentially impact the stock price and may not be in the best interest of the company and its stakeholders. As a result, alternative valuation methods that do not rely on projecting detailed future cash flows have been utilized to arrive at a fair and justifiable valuation for PPL.

III. Market Approach - Comparable Company Multiple Method:

Under this valuation method, any of the specific parameters such as Price/Book Value of the company, Earnings Per Share ('EPS'), Revenue, and EBITDA, are determined. Subsequently, these parameters are multiplied by an appropriate multiple, derived either from an average of close peers or the average of the specific sector. The resulting figure provides the Value per Share.

In the valuation of Pharmaids Pharmaceuticals Limited (PPL), the Multiples Valuation Method has been applied, focusing specifically Price/Book Value of the company. This approach is particularly suitable for PPL's unique circumstances.

Due to certain financial intricacies and the PPL's current situation wherein the management is carrying out several changes like shifting the line of business, venturing on newer business opportunities, Revenue and Profit multiples becomes less pertinent. Consequently, the Price/Book Value Ratio has been chosen as a robust alternative for determining the share price. This decision is underpinned by the specific characteristics of PPL's financial structure and juncture at which PPL is currently placed.

The Price/Book Value Ratio is considered a reliable metric in instances where traditional earnings-based ratios may not be applicable or may not accurately reflect the company's financial health. This ratio provides insights into how the market values the company in relation to its net asset value. In the context of PPL, the choice of the Price/Book Value Ratio aligns with its unique financial profile, contributing to a more accurate and relevant valuation.

We have adopted an industry-average Price/Book Value Ratio, specifically derived from the S&P BSE healthcare sector, the sector in which company operates, as of December 29, 2023, ensures a benchmark that is reflective of the company's industry dynamics and market conditions at the relevant point in time. Since we are adopting the broad-based industry specific index, any bias towards choosing a set of peers is eliminated.

9. VALUATION METHODS APPLIED FOR ABPL

- I. Asset Approach - Net Asset Value Method (NAV)
- II. Income Approach - Discounted Cash Flow Method
- III. Market Approach



I. Asset Approach - Net Asset Value Method (NAV)

The Net Assets Method represents the value with reference to historical cost of assets owned by the company and the attached liabilities on particular date. Net asset will be calculated starting from the total assets of the company and deducting there from all debts, borrowing and liabilities, including current and Likely contingent Liability and preference capital if any. In other words it should represent true net worth of business after providing for all outside present and potential liabilities. In the case of companies, the net assets value calculated from assets side of the balance sheet in the above manner will be crossed checked with equity share capital plus free reserve and surplus, less likely contingent liabilities.

II. Income Approach - Discounted Cash Flow Method:

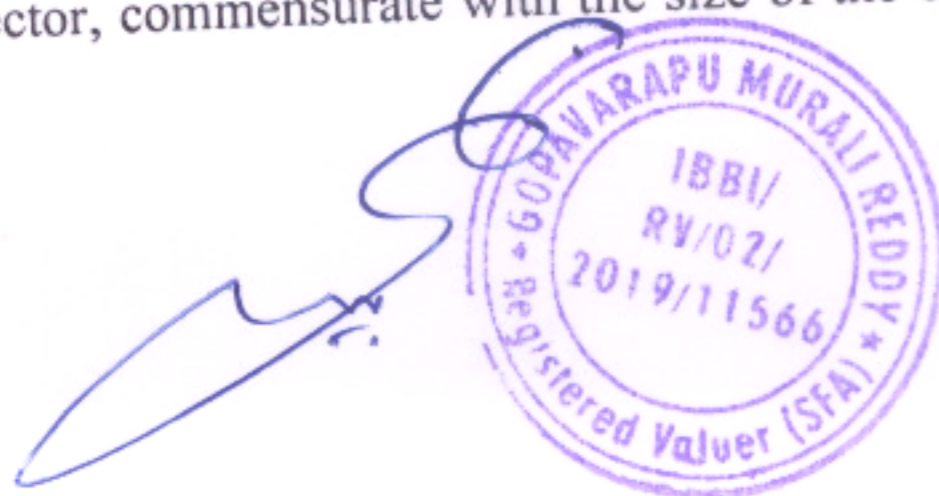
- a. In aligning with the dynamic and transformative phase currently underway at ABPL, the company's forward-looking strategies and recent developments serve as integral considerations for the Discounted Cash Flow (DCF) approach to valuation. ABPL's recent fund raises and acquisitions of two business entities are poised to play a pivotal role in shaping ABPL's future cash flows. By factoring in these strategic moves, the DCF method provides a robust framework for assessing the present value of expected future cash flows, offering a comprehensive and forward-focused valuation perspective that encapsulates the positive impact of the ongoing revamp and acquisition initiatives on ABPL's financial landscape. This approach ensures a thorough examination of the company's potential for sustained growth, capturing the essence of its strategic vision and the anticipated contributions of recent developments to its overall valuation.
- b. Under DCF method, the projected free cash flows from business operations, after considering fund requirements for projected capital expenditure and incremental working capital, are discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the Business.
- c. The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to earnings before interest and tax (i) depreciation and amortizations (non-cash charges), and (ii) any non-operating item. The Cash flow is adjusted for outflows on account of (i) capital expenditure, (ii) incremental working capital requirements and (iii) tax.
- d. WACC is considered the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the company. In other words, WACC is the weighted average of cost of equity and cost of debt of the Company.
- e. To the value so arrived, appropriate adjustments have been made for loan funds, contingent liabilities, value of investments, cash and cash equivalents and value of other assets, to arrive at the equity value.

III. Market Approach:

Under the Market method two methods are internationally accepted valuation methods *i.e.* (i) *Company Comparable Method* and, (ii) *Transaction Comparable Method*.

In the *Company Comparable Method*, the challenge arises in valuing shares based on ratios or multiples of a listed comparable company. Identifying an exact match with similar benchmarks is exceedingly difficult, and obtaining a valuation through such a process poses significant challenges. Therefore, for the purposes of this valuation, we have not considered this approach.

In the *Comparable Transaction method*, it is essential to compare the company with others in the same sector, commensurate with the size of the business. Unfortunately, due to the absence of any observations



within this sector to check against, commensurating with the size of the business becomes unfeasible. Hence, we cannot consider it as an independent transaction, nor can it be used for benchmarking purposes.

In light of the challenges presented in the Company Comparable Method and Comparable Transaction Method, wherein identifying similar listed companies or transactions with appropriate benchmarks has proven difficult, we acknowledge the limitations in applying these approaches for valuation. Therefore, the conclusions drawn in this report are based on the alternative methods employed, recognizing the specific constraints inherent in the comparative methodologies outlined above.

10. VALUATION OF COMPANIES:

VALUATION OF PPL

Sr. No.	Valuation Parameters	Value per Equity Share (in Rupees)
1.	Asset Approach - Net Assets Value Method	10.08
2.	Income Approach - Discounted Cash flow Method	NA
3.	Market Approach - Comparable Company Multiple Method	48.57

For, detailed working calculation of Value of Equity Share, please refer;

Annexure 1 - For Net Assets Value Method

Annexure 2 - For Comparable Company Multiple Method

Sr. No	Method	Value per Equity Share (in Rupees) (A)	Weights (B)	Weighted (C=A*B)
1.	Asset Approach - Net Assets Value Method	10.08	20%	2.02
2.	Income Approach - Discounted Cash flow Method	NA	NA	NA
3.	Market Approach - Comparable Company Multiple Method	48.57	80%	38.85
Total (D)			1	40.87
Fair Value Per Share of PPL (In Rupees) (Total of C / D)				40.87



VALUATION OF ABPL

Sr. No	Method	Value per Equity Share (in Rupees) (A)	Weights (B)	Weighted (C=A*B)
1.	Asset Approach - Net Assets Value	67.87	20%	13.57
2.	Income Approach - Discounted Cash flow Method	162.38	80%	129.91
3.	Market Approach	NA	NA	NA
Total (D)			1	143.48
Fair Value Per Share of ABPL (In Rupees) (Total of C / D)				143.48

For, detailed working calculation of Value of Equity Share, please refer;

Annexure 3 - For Net Assets Value Method

Annexure 4 - For Discounted Cash Flow Method

11. BASIS OF FAIR EQUITY SHARE EXCHANGE RATIO

The basis of the fair equity shares exchange ratio pursuant to the Scheme would have to be determined after taking into consideration all the factors and methods mentioned hereinabove and to arrive at a final value for the shares of each company. It is, however, important to note that in doing so, I am not attempting to arrive at the absolute values of the Companies, but their relative values to facilitate the determination of the fair equity share exchange ratio.

I have applied the methods discussed above, as considered appropriate, and arrived at the assessment of value per share of PPL and ABPL. To arrive at the consensus of the fair equity share exchange ratio, rounding off has been done in the values (up to two decimals).

The fair equity share exchange ratio has been arrived at on the basis of a relative valuation based on the various approaches/methods explained above, key underlying assumptions and limitations. For this purpose, I have assigned appropriate weights to the values arrived at under each approach/method.

12. CAVEATS, LIMITATIONS AND DISCLAIMERS:

My report is subject to the scope limitations detailed hereinafter.

As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. My engagement for this valuation consulting work does not include any procedures designed to discover any defalcations or other irregularities, should any exist.

I have provided an assessment of the value based on the information available, application of certain formula and within the scope and constraints of our engagement, others may place a different value to the same. However, I independently did not verify such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.

The company and its representatives warranted to us that the information supplied to us was complete and accurate to the best of their knowledge and that the financial information properly reflects the business



conditions and operating results for the respective periods in accordance with generally accepted accounting principles. Information supplied to us has been accepted as correct without any further verification. I have not audited, reviewed, or compiled the historical provided to us and, accordingly, i do not express any audit opinion or any other form of assurance on this information. Because of the limited purpose of the information presented, it may be incomplete and contain departures from generally accepted accounting principles. In the course of the valuation, i were provided with both written and verbal information. I have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement.

My conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company. I assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise.

The draft of the present report was circulated to the Management for confirming the facts stated in the report and to confirm that information or facts stated are not erroneous and the assumptions used are reasonable.

No investigation on the Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the liabilities in the books. Therefore, no responsibility is assumed for matters of a legal nature.

My work does not constitute an audit or certification of the historical financial statements including the working results of the Company referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation mentioned in the report and it is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

I have no responsibility to update this report for events and circumstances occurring after the date of this report. My fees is not contingent to the results or output of this report. I will not be responsible to appear in front of Companies act, income tax, RBI or any other regulatory authority in relation to the said valuation.

The decision to carry out the transaction (including consideration thereof) on the basis of this valuation lies entirely with the PPL and my work and my finding shall not constitute a recommendation as to whether or not PPL should carry out the transaction. The report and conclusion of value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The conclusion of value represents my opinion, based on information furnished to us by the client and other sources. Any person/party intending to provide finance/invest in the shares/business of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

My report is meant for the purpose mentioned in point 2 of this report and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared.

I acknowledge that I am independent valuer and have no present or contemplated financial interest in the Company. My fees 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. I have not been engaged by the Company in any unconnected transaction during last five years.

Neither me, nor any managers, employees of my firm makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.



13. CONCLUSION

Based on the foregoing data, considerations and steps followed, I consider the recommendation of fair equity share exchange ratio as follows:

Valuation Approach	PPL		ABPL	
	Value per share	Weights	Value per share	Weights
Asset Approach (Net Asset Value Method)	10.08	20%	67.87	20%
Market Approach (Comparable Company Multiple Method)	48.57 *	80%	NA**	NA
Income Approach (Discounted Cash Flow Method)	NA***	NA	162.38	80%
Relative Value per Equity Share	40.87		143.48	
Fair Equity Share Exchange Ratio (Rounded off)	3.5:1			
35 (Thirty Five) equity shares of PPL INR 10 each fully paid up for 10 (Ten) equity shares of ABPL of INR 10 each fully paid up				

Notes to the above table for computation of fair equity share exchange ratio:

- NA means Not Adopted / Not Applicable.

* PPL Equity Shares are listed on Bombay Stock Exchange Limited (BSE) for a period of more than 90 trading days as on the relevant date i.e. 01st January, 2023 and are infrequently traded in accordance with SEBI ICDR Regulations. Hence market price method not applied.

** ABPL is not listed on any Indian Stock Exchange; consequently, Market Price Method under Market Approach is not used. Under the Market Approach other two methods are internationally accepted valuation methods (i) Company Comparable Method and, (ii) Transaction Comparable Method.

In the Company Comparable Method, the challenge arises in valuing shares based on ratios or multiples of a listed comparable company. Identifying an exact match with similar benchmarks is exceedingly difficult, and obtaining a valuation through such a process poses significant challenges. Therefore, for the purposes of this valuation, we have not considered this approach.

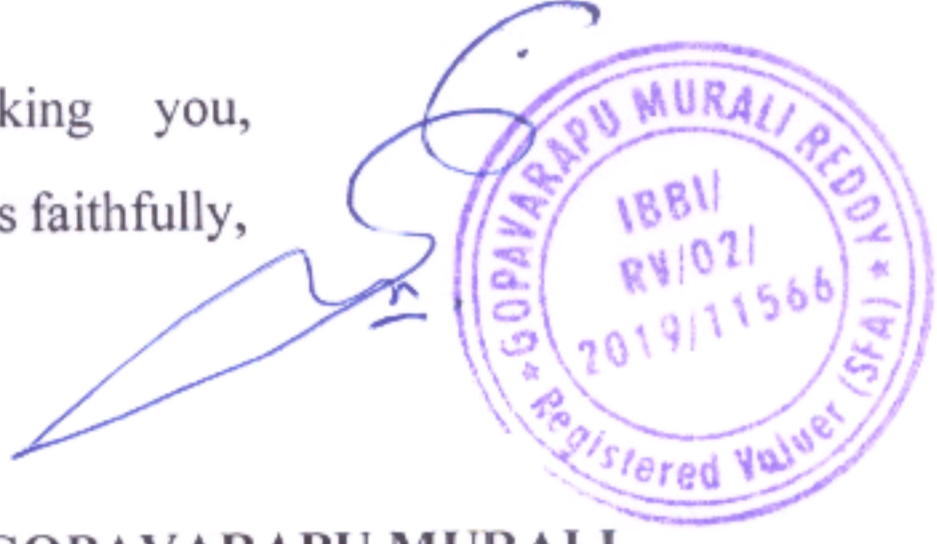
In the Comparable Transaction method, it is essential to compare the company with others in the same sector, commensurate with the size of the business. Unfortunately, due to the absence of any observations within this sector to check against, commensurating with the size of the business becomes unfeasible. Hence, we cannot consider it as an independent transaction, nor can it be used for benchmarking purposes.

In light of the challenges presented in the Company Comparable Method and Comparable Transaction Method, wherein identifying similar listed companies or transactions with appropriate benchmarks has proven difficult, we acknowledge the limitations in applying these approaches for valuation. Therefore, the conclusions drawn in this report are based on the alternative methods employed, recognizing the specific constraints inherent in the comparative methodologies outlined above.

*** Discounted Cash Flow Method under the Income Approach has not been considered as the PPL is listed on the BSE Stock Exchange and information related to future profit and loss account, balance sheet and cash flows is price sensitive and not made available to us.



Thanking you,
Yours faithfully,



CA GOPAVARAPU MURALI
(IBBI Registered Valuer)
Flat No.507, Everest Block, Aditya enclave, Ameerpet,
Hyderabad, Telangana-500038.

RV Registration No – IBBI/RV/02/2019/11566

Annexure-1

Valuation of Equity Shares of PPL under NAV Method:

Calculation of Net Assets Value of the Company as at 29th December, 2023

Particulars	Amount in Rs.
Total Assets	22,92,84,714
Total Liabilities	1,27,92,269
Net worth	21,64,92,445
No. of Equity Shares Issued, Subscribed	2,14,86,234
Book Value	10.08

Annexure-2

Valuation of Equity Shares of PPL under Comparable Company Multiple:

a. Average PB of BSE Health Care Index as on 29-12-2023	4.82
b. PPL Book Value	10.08
Market Value of PPL (a x b)	48.57



Valuation of Equity Shares of ABPL under NAV Method:

Calculation of Net Assets Value of the Company as at 29th December, 2023

Particulars	Amount in Rs.
Total Assets	33,68,14,058
Total Liabilities	8,71,71,715
Net worth	24,96,42,344
No. of Equity Shares Issued, Subscribed	36,78,459
Book Value	67.87




Annexure-4

Discounted Cash Flows	2024	2025	2026	2027	2028	2029
Date	31-03-2024	31-03-2025	31-03-2026	31-03-2027	31-03-2028	31-03-2029
Time Periods	1.00	2.00	3.00	4.00	5.00	6.00
Year Fraction	0.26	1.00	1.00	1.00	1.00	1.00
EBIT	(184.80)	(97.23)	93.26	353.18	632.90	1,107.77
Less: Cash Taxes	-	-	-	-	(84.77)	(266.42)
Plus: D&A	15.11	123.07	127.18	121.86	121.54	121.54
Less: Capex	(145.72)	(200.00)	-	-	-	-
Less: Changes in WC	(98.25)	(49.77)	(79.56)	(150.65)	(254.36)	11.66
Future Free Cash Flows to Firm ("FCFF")	-103.42	-223.93	140.87	324.38	415.32	974.55
Discount Period	0.26	1.26	2.26	3.26	4.26	5.26
Discounting Factor	0.97	0.85	0.75	0.67	0.59	0.52
PV of FCFF	-100.17	-191.44	106.29	216.03	244.13	505.59

We have arrived 3 months period value of -103.42 proportionately from full year value of -413.66
 (- 413.66*3/12)

Calculation of Terminal Value (Amounts in Lakhs)

Particulars	
Present Value of FY 2029 (A)	505.59
Cost of Capital (B)	13.30
Terminal Growth Rate Assumed (C)	3.50%
Terminal Value {A{1+C}/(B-C)}	5,339.87

Valuation Summary (Amounts in Lakhs)

Equity Value	
Total PV of FCFF of Explicit Period	780.44
PV of Terminal Period	5,339.87
Gross Enterprise Value	6,120.31
Plus: Cash & Cash Equivalents	1,565.91
Less: Debt /Preference Share Capital	-658.97
Less: Contingent Liabilities	-
Enterprise Value	7,027.25
Less: Illiquid Discount @15%	1,054.09
Net Enterprise Value	5,973.16
Number of Equity Shares	36,78,459
Value Per Share	162.38