VALUATION REPORT	KABRA DRUGS LIMITED [KDL] CIN - L02423MP1989PLC005438 PAN - AAACK8202D
	Registered Office – Shop No. 270, Shastri Market, Indore – 452001
Prepared By ***V S Jadon & Co Valuers LLP [VSJC]***	Valuation Asset - Equity shares of KDL with Face Value of Rs 10 Each
03 December 2024	Valuation Purpose – Report on Floor Price for Preferential Allotment of Equity Shares ('Shares') of Kabra Drugs Limited ("KDL") calculated in accordance with Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
Note	KDL ('the Company') was incorporated in, India under Companies Act, 1956, on August 22, 1989. The company is engaged in the manufacturing and trading of pharma products. It offers products in categories such as cardiovascular drugs, anti-infective drugs, oncology drugs, gastroenterology drugs, hormonal drugs, miscellaneous drugs, and active pharmaceutical ingredients The company was incorporated in 1989 and has its registered office located in Indore, Madhya Pradesh.

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VSJC

To,
Board of Directors,
Kabra Drugs Limited,
Shop No. 270, Shastri Market, Indore – 452001

December 03, 2024

Subject – Report on Floor Price for Preferential Allotment of Equity Shares ('Shares') of Kabra Drugs Limited ("KDL") calculated in accordance with Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Reference - Our appointment for carrying out Valuation vide letter dated November 25, 2024

Sir/s,
We refer to our discussion with management of Kabra Drugs Limited ("KDL" or "the Company") have requested Registered Valuer Entity (RVE) V S Jadon & Co. Valuers LLP to carry out valuation of KDL for the purpose of determination of floor price in accordance with SEBI regulations for the purpose of preferential allotment as on relevant date i.e. December 03, 2024.

We are herewith enclosing the valuation report detailing our estimated fair value of the equity share of KDL, the methodologies employed, and the assumptions considered in the valuation. This report sets out our scope of work, background procedures performed by us, source of information, key value considerations and conclusion of estimated fair value and floor price as per the SEBI regulation of the equity share of the KDL.

We are pleased to submit the valuation report for the aforementioned purpose. We have also annexed documents & workings for the ready reference as detailed in the table of contents. This report is our deliverable for the said engagement and is subject to scope, assumptions, exclusions, limitations, and disclaimers detailed hereinafter. As such the report is to be read in totality and in conjunction with the relevant documents referred to therein.

While every effort has been made to ensure the accuracy and thoroughness of this report, it is important to note that the conclusions drawn are based on the data and assumptions available at the time of analysis. The projections and recommendations are provided for the purposes of informed decision-making and are subject to the inherent uncertainties and risks that may arise from changes in market conditions, regulatory frameworks, or unforeseen developments.

We trust that this report will meet your requirements and assist in the decision-making process. Thank you for your attention to this submission.

Signatory

Dhananjay Chandrakant Walke

Digitally signed by Dhananjay Chandrakant Walke
DN: c=IN, o=Personal, 2.5.4.20=13bc7a48ce5a19ea25773eb10ae2c7b52c00fe7492b7023beb4e4e1c556d6d79, postalCode=411045, st=Maharashtra, serialNumber=6c5ff03203acf1584202014ac6ffb7f7d351e95c50475f5a9d9b723593a2a178, cn=Dhananjay Chandrakant Walke
Date: 2024.12.11 17:46:06 +05'30'

V. S. JADON & CO. VALUERS LLP
IBBI/RV-E/2/2023/191
REGISTERED VALUERS ENTITY

For V S Jadon & Co Valuers LLP	CA Dhananjay Walke	
IBBI Registered Valuers Entity	FCA, IBBI Registered Valuer (SFA)	UDIN – 24127082BKGVYC5548
IBBI/RV-E/2/2023/191	RV No. IBBI/RV/02/2020/13637	

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EXECUTIVE SUMMARY

Introduction

KDL ('the Company') was incorporated in, India under Companies Act, 1956, on August 22, 1989. The company is engaged in the manufacturing and trading of pharma products. It offers products in categories such as cardiovascular drugs, anti-infective drugs, oncology drugs, gastroenterology drugs, hormonal drugs, miscellaneous drugs, and active pharmaceutical ingredients The company was incorporated in 1989 and has its registered office located in Indore, Madhya Pradesh.

KDL listed in the
Bombay Stock Exchange (BSE) BSE: KABRADG | 524322 | INE323K01017

The issued, subscribed and paid-up capital of the Company is Rs. 10,07,91,000/- divided into 1,00,79,100 equity shares of Rs 10/- each.

The Valuer, V S Jadon & Co. Valuers LLP [VSJC] is IBBI Approved Registered Valuation Entity providing valuation appraisal services. We affirm that as on execution of this assignment, we are independent party and that to the best of our knowledge and belief, no member of our firm or partner, nor any employee, or person, has any direct or indirect financial interest in the subject company or its stakeholders including directors. Further, the fee for the Engagement is not contingent upon the results of the Report.

Purpose

As per the discussion held with the management, valuer understand that the Company propose to undertake Preferential Allotment of Equity Shares (‘Shares’) and hence, the management of the Company propose to determine fair value of equity shares, to comply the requirements laid down under Regulation 164 (1), 165 and 166A of Chapter V of SEBI (ICDR) Regulations, 2018 (as amended).

Accordingly, the management of KDL has requested VSJC for appointment as the Registered Valuer (RV) to issue the fair value of equity shares valuation report.

Appointment Date	November 25, 2024
Valuation Date	September 30, 2024 (Being date of latest available financials)
Relevant Date	December 03, 2024
Valuation Report Date	December 03, 2024

Valuation Procedure

Our analysis considers the facts and circumstances present at the Valuation Date. Our opinion would most likely be different if another Valuation Date were used. Our valuation exercise was limited to understanding, limited analysis & valuation of the equity shares of KDL on a standalone basis. The management used assumptions in the preparation of financial projections provided, if any.

The factors we considered include the history of the business, economic outlook, relevant industry outlook, the financial condition of the business, earnings potential, tangible assets, intangible assets, and the valuation indicators for publicly traded companies engaged in the same or similar line of business.

Key Factors affecting valuation

The resulting estimate of value should not be used for any other purpose or by any other party. This valuation engagement was conducted in accordance with the valuation guidelines. The estimate of value that results from a valuation engagement is expressed as a conclusion of estimated fair value.

Approach & Methodologies Considered / adopted

Valuation procedure typically includes valuation using Asset Approach, Market Approach & Income Approach. Valuation approaches & methodologies used under each approach considered for valuation of subject asset considering the characteristics of the asset are as follows.

Valuation Approach	Valuation Method Considered
Asset Approach	Net Asset Value Method
Market Approach	Comparable Company Multiple Method [EV/EBITDA, Price to Book, Price Earnings, Price to Sale Multiples]
Income Approach	Discounted Cash Flow Method

Valuation Conclusion

We have estimated the Fair value for equity shares of KDL as of September 30, 2024, as described within the valuation report. Our conclusion is the estimated fair value of the equity shares of KDL as per various valuation approaches, is as follows on a standalone basis using arm's length pricing methods for valuation in compliance with International Valuation Standards. Further, we have considered the valuation approaches & methods required to be considered by the valuer as per the SEBI pricing guidelines. We have assigned weights to the estimated fair value of the equity computed under all the valuation approaches & methods adopted considering the factors detailed in this report.

Valuation Approach	Valuation Method	Estimated Fair Value of Equity Share [Rs/Equity]	Weights Assigned	Comment
Asset Approach	Net Asset Value	3.26	50%	We have considered unaudited standalone financial statements as on September 30, 2024, being latest available financial statements of the company. We have relied on book value of all the assets and liabilities. Company do not possess any immovable assets that are to be valued separately for arrive at its estimated fair value.

Market Approach	Infrequently Traded Market Price	9.59	50%	As per regulation 165, company being infrequently traded, we have considered market price for company under market approach as per Regulation 164 (1) - for frequently traded shares, the floor price of the equity shares to be allotted pursuant to preferential issue shall be higher of 90/10 trading days' volume weighted average price (VWAP) of the scrip preceding the relevant date. Though the company is infrequently traded category we have considered the same due to lack of information under any other method to estimate the fair value under market approach. Infrequently Traded Market Price is computed based on trading data on BSE being most actively traded platform the for the equity shares of the subject company.
Market Approach	Comparable Market Multiple Method [CMM]	Not Appropriate	NA	Identifying comparable companies for market multiple analysis is challenging due to the company's non-operational status. According to audited financials, the company has not conducted commercial operations or generated revenue since FY 2019 due to various factors. Additionally, it has reported negative earnings for a prolonged period, rendering the use of comparable market multiples impractical.
Income Approach	Discounted Cash Flow Method [DCF]	Not Appropriate	NA	DCF method is not deemed appropriate for valuing KDL due to the inherent challenges detailed by the management in producing cash flow forecast on account of non-operational status of the company & lack of working capital sources to arrive at reliable & justified projected financial statements, making DCF method not appropriate in this case.
Income Approach	Earnings Capitalization Method [ECM]	Not Appropriate	NA	ECM under Income Approach, involves determining the value of a business by capitalizing its historical earnings at an appropriate rate. However, considering no business & continuous negative profit after tax, using ECM method for determination for estimated fair value will result in negative value & hence not appropriate.
Weighted Average		6.42	100%	Weighted Average of Estimated Fair Value of the shares considering the estimated fair value under all approaches

As per Regulation 166A (1) An additional requirement for a valuation report from an independent registered valuer shall be required in case of change in control/ allotment of more than 5% of post issue fully diluted share capital of the issuer company to an allottee or to allottees acting in concert. The same shall be considered for determination of floor price in addition to the methodology brought out above.

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.

There is due limitation on use of Market Price Method being infrequently traded share and since there are no business activities currently being undertaken by the company as on the valuation date, we estimate the fair value of the company equity shares for the purpose of preferential allotment of shares can be considered as face value of Rs 10 per share for issue of equity shares being above the estimated weighted fair value of Rs 6.42 for each equity shares of the company as on the relevant date i.e. December 03, 2024.

This conclusion is subject to the Statement of Assumptions and Limiting Conditions and the Representations presented in the following report. We have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of this report. In arriving at this opinion of value, we have relied on a "value in use" or going-concern premise. This premise assumes that the KDL is an ongoing business enterprise with management operating rationally to maximize shareholders' value.

VALUATION SUBJECT

Entity Background

KDL ('the Company') was incorporated in, India under Companies Act, 1956, on August 22, 1989. The company is engaged in the manufacturing and trading of pharma products. It offers products in categories such as cardiovascular drugs, anti-infective drugs, oncology drugs, gastroenterology drugs, hormonal drugs, miscellaneous drugs, and active pharmaceutical ingredients The company was incorporated in 1989 and has its registered office located in Indore, Madhya Pradesh.

KDL listed in the
Bombay Stock Exchange (BSE) BSE: KABRADG | 524322 | INE323K01017

The issued, subscribed and paid-up capital of the Company is Rs. 10,07,91,000/- divided into 1,00,79,100 equity shares of Rs 10/- each.

Valuation Asset

We have carried out valuation of estimated fair value of equity shares of equity shares of KDL. Details of share issued by KDL as on valuation date is as follows –

Shareholding Pattern as on valuation date

Category of Shareholder	No of Shareholders	No. of shares	% Holding	Face value per share	Share Capital
Promoter & Promoter Group	0	0	0.00%	10	0
Public	7,367	1,00,79,100	100.00%	10	10,07,91,000
Total	7,367	1,00,79,100	100.00%		10,07,91,000

The Company's paid-up capital is equity shares of face value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share held and each share has the same dividend rights. The entity declares and pays dividends in Indian rupees. The dividend proposed by board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Upon liquidation, dissolution or winding up of the Company, all amounts available for distribution out of the assets of the Company to the holders of its Share Capital, whether such assets are capital, surplus or earnings, subject to applicable Law, shall be distributed in the order as prescribed in Articles of Association of the Company.

VALUATION OBJECTIVE

Purpose of valuation

We have been appointed by KDL to carry out valuation of estimated fair value of each equity share of the company as on relevant date i.e. December 03, 2024 for the purpose of determination of Floor Price for Preferential Allotment of Equity Shares ('Shares') of Kabra Drugs Limited ("KDL") calculated in accordance with Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Scope & Appointment Summary

Our analysis considers the facts and circumstances present at the valuation date. Our fair value estimate would most likely be different if another Valuation Date were used. Our valuation exercise was limited to understanding, limited analysis & valuation of the equity shares of KDL.

The factors considered include the history of the business, economic outlook, relevant industry outlook, the financial condition of the business, earnings potential, tangible assets, intangible assets, and the valuation indicators for publicly traded companies engaged in the same or similar line of business.

We affirm that as on execution of this assignment, we are independent party and that to the best of our knowledge and belief, no member of our firm or partner, nor any employee, or person, has any direct or indirect financial interest in the subject company or its stakeholders including directors.

Bases of Value

The standard of value used in our valuation of the equity shares of KDL is Fair value.

IFRS 13 defines fair value as: *"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 measurement date."*

Premise of Value

Our opinion of value relied on a "value in use" or "Current Use" or a going-concern premise. This premise assumes that the KDL and its undertaking is an ongoing business enterprise with management operating rationally to maximize shareholders' value.

VALUATION PROCEDURE

Brief procedure adopted

To arrive at our conclusion of estimated fair value, we have performed the following procedures –

- Identified the nature of the business and reviewed the existing operations of the entity.
- Researched the general economic outlook and the outlook for the specific industry in which the entity operates at the date of the valuation.
- Identified and analysed historical operational & financial performance of the entity.
- Adjusted historical financials to eliminate the effects of exceptional/extraordinary income/expenses, excess and discretionary costs, non-operating revenues and expenses, and non-transferable revenue streams.
- Analysed tangible and other intangible values.
- In concluding value, we considered the Asset, Income, and Market valuation approaches and the following methods under each approach.
    - Asset Approach - Net Asset Value
    - Income Approach - Discounted Future Earnings/Discounted Cash Flow.
    - Market Approach – Price multiples from comparable businesses which are publicly traded on recognised stock exchanges.

Sources of information

For arriving at the estimated fair value, we have relied on the information provided to us by the management, which we believe to be reliable, and our conclusions are dependent upon and subject to such information being complete and accurate in all material respects.

In connection with this exercise, following information has been received from the Management and / or gathered from public domain:

- Audited Financial Statements for FY2022, FY2023 and FY2024
- Interim Financial Statements for period April 01, 2024, to September 30, 2024
- Trading Data of the comparable companies from public domain
- Publicly available data such as company website, company filings, etc.
- Correspondence with the Management.
- Secondary research and market data on comparable companies and information on recent transactions, to the extent readily available; and
- Such other analysis, reviews, and enquiries, as valuer considered relevant.

VALUATION ANALYSIS & ASSESSMENT

Financial Analysis, Inspection & Review

Limited review, analysis & inspections carried out as part of valuation process is as follows –

- We have reviewed all relevant historical financial statements, including balance sheets, income statements, cash flow statements, and notes to the financial statements gain understanding of the entity's financial health, trends, and potential risks.
- We have assessed that the financial data is consistent, credible, and prepared according to applicable accounting standards. Clarifications are sought in case of any discrepancies or inconsistencies noticed during the process of analysis of financial statements.
- We have reviewed key financial & operational performance indicator to identify trends in revenue, expenses, profitability, and cash flow. Understanding these trends is crucial for making projections and assessing the entity's future financial performance.
- We have made necessary adjustments if any to normalize the financial statements, particularly if there are non-recurring items, extraordinary events, or changes in accounting policies that could distort the financial data.
- We have reviewed auditor's reports and notes accompanying the financial statements for significant concerns, such as going concern issues, contingent liabilities, or other matters that could impact the valuation.
- We have cross-verified financial statement along with other relevant data, such as management reports, tax filings, and publicly available information to ensure that the financial statements accurately reflect the entity's operations and market conditions.

Economic Analysis - Indian Economy

The Indian economy is on a robust growth trajectory, expected to reach $3.54 trillion in nominal GDP for 2023-24, with a real GDP growth rate of 8.2%. Over the next 5-10 years, India’s growth will be driven by strong domestic demand, significant public investments, and strategic reforms such as the Goods and Services Tax (GST) and the Production-Linked Incentive (PLI) schemes. The government's focus on infrastructure development, digitalization, and renewable energy is expected to transform key sectors, enhancing productivity, and fostering innovation.

India's demographic dividend, with a large and youthful population, provides a strong foundation for sustained consumption and labour force growth. The rise in urbanization and increasing digital penetration are further expanding the economic base, enabling greater financial inclusion, and enhancing governance through formalization.

However, the economy faces challenges, including inflationary pressures, global economic uncertainties, and regional disparities in development. Managing these risks will require continued policy focus on fiscal prudence, structural reforms, and investments in human capital.

India’s economic fundamentals remain solid, supported by a stable macroeconomic environment and proactive government policies aimed at enhancing competitiveness and ease of doing business. The country's ambition to become a $5 trillion economy by the mid-2030s is on track, with key sectors like manufacturing, services, and technology poised for significant growth.

Industry Analysis –

Pharmaceuticals Industry

India is the third-largest producer of pharmaceuticals by volume and the 14th largest by value globally. It supplies 20% of the world's generic drugs, cementing its position as the "Pharmacy of the World". The Indian pharmaceutical industry is valued at approximately US$ 50 billion as of FY24, with exports contributing over US$ 27 billion. CAGR of 6–8% from FY18 to FY23, driven by a growing domestic market and exports expected to reach US$ 130 billion by 2030 and US$ 450 billion by 2047, signalling long-term growth potential

Strong Manufacturing Base:

- Hosts over 3,000 drug companies and 10,500+ manufacturing units
- The largest number of USFDA-compliant manufacturing plants outside the US, serving over 200 countries

Generic Drug Leadership:

- India manufactures over 60,000 generic drugs across 60 therapeutic categories
- The generic drug market is a major growth driver, supported by patent expirations and a cost-competitive manufacturing ecosystem.

Policy and Government Support:

- Production Linked Incentive (PLI) Scheme: Allocated US$ 2.04 billion to boost manufacturing of APIs, drug intermediates, and medical devices
- Government initiatives like bulk drug parks and medical device parks enhance infrastructure and reduce production costs
- The Jan Aushadhi Scheme aims to provide affordable generic medicines, increasing domestic market penetration

Innovation and R&D:

- Rising investments in R&D, with major companies like Sun Pharma and Cipla focusing on biosimilars and high-end drugs
- The biosimilars market in India is projected to grow at a CAGR of 22% to reach US$ 12 billion by 2025

Growing Healthcare Demand:

- India's healthcare market is growing rapidly, expected to reach over US$ 610 billion by 2026, creating demand for pharmaceuticals
- Focus on Biosimilars and Specialty Drugs: Companies are diversifying into biosimilars, oncology, and chronic disease drugs, capturing emerging markets
- Contract Research and Manufacturing Services (CRAMS): CRAMS is a fast-growing segment, supported by India's cost-competitive skilled workforce and infrastructure

The Indian pharmaceutical industry demonstrates robust growth driven by its dominance in generics, strong export markets, and government support. Companies focusing on innovation, diversification, and operational efficiency are well-positioned to capitalize on emerging opportunities domestically and globally.

Strengths:

- Global Generic Drug Leader: Supplies 20% of global generics with cost-competitive manufacturing and 10,500+ manufacturing units
- Strong Export Market: Exports reached US$ 27.82 billion in FY24, serving over 200 nations
- Government Support: Initiatives like PLI scheme, bulk drug parks, and the Jan Aushadhi Scheme strengthen domestic and export capabilities
- Innovation and R&D: Growth in biosimilars, CRAMS, and specialty drugs, with biosimilars projected at US$ 12 billion by 2025
- Cost Efficiency: Recognized for affordable high-quality drugs, boosting global competitiveness

Weaknesses:

- APIs Dependency: Significant reliance on imported Active Pharmaceutical Ingredients
- Regulatory Burden: Complex compliance increases costs and delays market entry
- Pricing Pressures: Domestic price controls and intense competition in global generics impact margins
- Limited Innovative Drug Footprint: Lower presence in high-margin innovative drug segments

Opportunities:

- Healthcare Demand Growth: A booming healthcare market, projected at US$ 610 billion by 2026, drives drug demand
- Biosimilars Expansion: High growth in biosimilars and specialty drugs, with rising global and domestic demand
- Local Manufacturing Boost: PLI schemes and bulk drug parks reduce import reliance
- New Market Access: Untapped potential in Latin America, Africa, and Southeast Asia
- CRAMS Growth: Increased global outsourcing boosts contract research and manufacturing opportunities

Threats:

- Global Competition: Rising competition from China and other low-cost manufacturing nations
- Patent Expirations: Increased competition post-patent expiry impacts generics pricing
- Price Volatility: Raw material cost fluctuations and import dependency threaten margins
- Trade Barriers: Geopolitical issues and export restrictions affect supply chains and markets
- Alternative Therapies: Advances in biotech and personalized medicine may reduce demand for traditional drugs

VALUATION APPROACHES & METHODOLOGY

Valuation Standards

This valuation report complies with the Companies (Registered Valuers and Valuation) Rules, 2017 & International Valuation Standards (IVS) to ensure that the valuation process aligns with statutory regulations &internationally recognized best practices, promoting consistency, transparency, and credibility. IVS are used in the valuation process which as related to Scope of Work, Bases of Value, Valuation Approaches, Data and Inputs& Documentation and Reporting.

Valuation Approach

Asset Approach

The Asset Approach or the Cost Approach provides an indication of value based on the economic principle that a buyer will not pay more for an asset than the cost to obtain an asset of equal utility, whether by purchase or construction. This approach estimates the value of an asset by determining the current replacement or reproduction cost, and then making deductions for any relevant forms of obsolescence. The use of the Asset Approach depends on several factors such as:

- Re-creatability of the Asset: This approach is most appropriate when participants could easily recreate an asset of similar utility without significant time or legal restrictions.
- Income Generation: The Asset Approach is often used when the asset is not directly income-generating, or when reliable income projections are difficult to obtain, making income-based methods less applicable.
- Market Conditions: In markets where the cost of replacement or reproduction is well understood, this approach can be particularly effective.

Key Considerations and Adjustments for Asset Approach -

- Replacement vs. Reproduction Cost: The valuer must determine whether to use replacement cost (cost to replace with a similar asset) or reproduction cost (cost to reproduce an exact replica).
- Obsolescence: Adjustments must be made for physical, functional, and economic obsolescence. Physical Obsolescence reflects the wear and tear on the asset. Functional Obsolescence accounts for any inefficiencies or inadequacies in the asset relative to current standards or needs. Economic Obsolescence considers external factors, such as market conditions, which reduce the asset’s value.
- Incomplete Assets: For partially completed assets, the value will reflect the costs incurred to date, adjusted for the expectation of future costs, risks, and time required to complete the asset.

The Asset Approach is particularly useful in valuing assets where market data or income projections are limited, and it requires careful consideration of the asset’s current utility, potential for obsolescence, and the cost to replace or reproduce the asset.

Market Approach

The Market Approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. This approach relies on the principle of substitution, which suggests that a buyer will not pay more for an asset than the price of a comparable substitute. Use of the Market Approach depends on several factors such as:

- Availability of Comparable Data: The Market Approach is most effective when there is sufficient data on recent transactions involving identical or similar assets. This data must be reliable, timely, and relevant to the valuation date.
- Market Activity: The approach is particularly useful in active markets where frequent transactions provide a robust dataset of comparable sales or prices.
- Asset Homogeneity: The Market Approach works best when the asset being valued is similar to other assets in the market. Heterogeneous or unique assets may require significant adjustments, reducing the reliability of this approach.

Key Considerations and Adjustments for Market Approach –

- Selection of Comparable: The valuer must carefully select comparable assets, considering factors such as location, condition, size, and functionality. The more similar the comparable, the more reliable the valuation.
- Adjustments for Differences: Adjustments may be needed to account for differences between the subject asset and the comparable. These adjustments should be well-documented and based on objective criteria, such as differences in physical characteristics, market conditions, or economic factors.
- Market Conditions: The valuer must consider the overall market conditions at the time of the comparable transactions. Changes in market dynamics, such as supply and demand fluctuations, can significantly impact the comparability of the data.
- Units of Comparison: The Market Approach often uses units of comparison, such as price per square foot or EBITDA multiples. The valuer should select the most relevant unit of comparison based on market practices and the nature of the asset.

The Market Approach is a widely used valuation method, particularly in markets with active trading of similar assets. It requires careful selection and adjustment of comparable data to ensure that the value derived reflects the true market value of the subject asset.

Income Approach

The Income Approach is a valuation method that determines the value of an asset by converting expected future cash flows into a present value. This approach is based on the principle that the value of an asset is primarily derived from its ability to generate income over time. Income Approach provides an indication of value by converting projected future income, cash flows, or cost savings into a single present value. It is particularly suitable for income-generating assets where the income stream is the critical element affecting value. Applicability of the Income Approach depends on several factors such as:

- Income-Producing Ability: The approach is most appropriate when the asset's value is closely tied to its ability to generate income.
- Availability of Reliable Projections: The approach requires reasonable projections of future income or cash flows. When such projections are uncertain or unavailable, the reliability of this approach may be compromised.
- Market Comparable: In cases where there are no relevant and reliable market comparable, the Income Approach may be the preferred method.

Key Considerations and Adjustments for Income Approach -

- Discount Rate: The selection of an appropriate discount rate is crucial. It should reflect the risk associated with the income stream.
- Projection Period: The length of the projection period should align with the asset's economic life and the predictability of its income.
- Adjustments for Risk: The approach should account for systematic risk (market risk) and unsystematic risk specific to the asset.
- Terminal Value: Estimating the terminal value, which represents the asset's value at the end of the projection period, is essential. It often requires assumptions about the asset's future income potential beyond the explicit forecast period.

The Income Approach requires careful consideration of these factors to ensure that the value derived is both reasonable and reflective of the asset's income-generating potential.

Valuation Methodology Considered under the valuation approach

Asset Approach – Net Asset Value Method

The Net Asset Value (NAV) method is a valuation approach that calculates the value of a business entity by determining the difference between its total assets and total liabilities. Essentially, it represents the equity value of the business if all assets were sold, and liabilities paid off. NAV method is the most appropriate for businesses where the value is primarily driven by the underlying assets rather than earnings, such as in holding companies, investment entities, or real estate firms. It is less suitable for operating businesses where future earnings potential is a key driver of value.

Key Considerations and Adjustments

- Asset Valuation: Each asset should be valued at its fair value. This may require adjustments for depreciation, obsolescence, or market fluctuations.
- Liabilities: All liabilities must be accurately accounted for at their current value.
- Non-Operating Assets: Non-operating or surplus assets should be identified and valued separately, as they can significantly impact the NAV.
- Adjustments for Market Conditions: The valuer should consider current market conditions and potential liquidation costs, which may affect the realizable value of assets.
- Minority Interest Discount: If valuing a minority interest, a discount may be applied to reflect the lack of control.

The NAV method provides a clear snapshot of a company's equity value based on its balance sheet, making it a straightforward yet sometimes limited approach, particularly for income-generating businesses.

We have assessed estimated fair value under Asset Approach – Net Asset Value Method. We have considered unaudited standalone financial statements as on September 30, 2024, being latest available financial statements of the company. We have relied on book value of all the assets and liabilities including for the value of the freehold land, buildings & plant & machinery. According to management, estimated fair value of such assets is not substantially different from the book value.

Market Approach – Comparable Company Multiple Method

The Comparable Company Multiple (CCM) method is a market-based valuation approach that estimates the value of a business by comparing it to similar publicly traded companies. This method uses valuation multiples (e.g., EV/EBITDA, P/E ratio) derived from comparable companies and applies them to the target company's financial metrics to estimate its value. CCM method is best used in industries with numerous publicly traded companies that share similar characteristics with the target business, such as size, growth prospects, and capital structure. It is less effective in niche markets or for unique companies where suitable comparable are hard to find.

Key Considerations and Adjustments

- Selection of Comparable: The accuracy of this method heavily depends on selecting truly comparable companies. Factors like industry, market position, and financial performance must be closely matched.
- Market Conditions: The multiples used should reflect current market conditions, which can fluctuate significantly over time.
- Adjustment for Differences: Adjustments may be necessary to account for differences between the target company and the comparable, such as differing growth rates, margins, or risk profiles.
- Liquidity and Control Adjustments: If the target is a private company, adjustments for lack of liquidity or control (if valuing a minority interest) may be required.

The CCM method provides market-aligned estimate of value but requires careful selection and adjustment of comparable to ensure accuracy.

We have attempted to assess estimated fair value under Market Approach – using actively traded price & Comparable Company Multiple Method. We undertook a process to identify comparable companies with similar business nature, operational scale, and risk exposure. However, the companies identified were not deemed suitable for valuation purposes due to several factors, including diversified business operations, lack of available data as of the valuation date, negative earnings, significant differences in operational scale, and divergent product lines and risk profiles. Given the absence of reliable and comparable company data as of the valuation date, the Comparable Company Multiple Method has been excluded from this valuation analysis to ensure accuracy and adherence to valuation principles.

Income Approach – Discounted Cash Flow Method

The Discounted Cash Flow (DCF) method is an income-based valuation approach that estimates the value of a business by discounting its expected future cash flows to their present value. The discount rate used reflects the risk associated with the cash flows and the time value of money. DCF method is particularly suitable for businesses with stable and predictable cash flows, making it ideal for valuing established companies or projects with reliable financial projections. It is less appropriate for businesses with highly volatile or uncertain cash flows.

Key Considerations and Adjustments

- Cash Flow Projections: Accurate and realistic projections of future cash flows are crucial. These projections should consider the business's historical performance, market conditions, and growth prospects.
- Discount Rate: The discount rate, often the Weighted Average Cost of Capital (WACC), must reflect the risk associated with the business's cash flows. Higher risk leads to a higher discount rate, reducing the present value.
- Terminal Value: The terminal value accounts for the value of cash flows beyond the projection period. It is typically calculated using a perpetuity growth model or exit multiple and requires careful consideration of long-term growth assumptions.
- Sensitivity Analysis: The valuer should perform sensitivity analysis to understand how changes in assumptions, such as growth rates or discount rates, impact the valuation.

The DCF method provides a detailed and forward-looking valuation but requires careful estimation and validation of key inputs to ensure reliability.

In the context of valuing pharmaceutical company such as KDL, the application of the Income Approach, specifically the Discounted Cash Flow (DCF) method, presents key challenge due to non-operational status of the company. As per audited financials, company has not undertaken commercial operations & earned revenue since financial year 2019 due to several reasons.

As detailed by the management, given non-operational status, management is not being able to provide reliable & justified projected financial statements. Thus, use of the DCF method is not possible. Alternative approaches such as the Market Approach or the Cost Approach are considered more appropriate for this valuation, given the nature of the company's business operations and the specific risks involved.

Further, Earnings Capitalization Method [ECM] under Income Approach, involves determining the value of a business by capitalizing its historical earnings at an appropriate rate. However, considering no business & continuous negative profit after tax, using ECM method for determination for estimated fair value for the KDL will result in negative value & hence not appropriate.

Valuation Premiums & Discounts

The International Valuation Standards (IVS) provide guidance on application of premiums and discounts &how these adjustments should be considered and applied to ensure that the valuation reflects the true value of the business under various conditions.

Key Types of Premiums and Discounts

- Control Premium is applied when a buyer gains control over a business, allowing them to make key strategic decisions. This premium reflects the added value of controlling the business, and it is important to assess whether the valuation assumes a controlling or minority interest.
- Minority Discount: A minority discount (or lack of control discount) is applied when valuing a minority interest, which has limited influence over business decisions. The discount reflects the reduced power and control, and ensures it is proportionate to the degree of control that is lacking.

- Marketability Discount: A marketability discount accounts for the lack of liquidity in a business interest, particularly in private companies where shares are not easily traded. Factors such as transfer restrictions and market conditions to determine an appropriate discount.
- Synergistic Premium: This premium is applied when the combination of the business with another entity creates additional value through synergies like cost savings or increased revenues. Application of this premium is only when specific and achievable synergies are evident.
- Liquidity Discount: Similar to marketability discounts, a liquidity discount reflects the ease with which a business interest can be converted into cash, often applied in distressed sales or when a quick sale is required.

Considerations for Applying Premiums and Discounts
The application of premiums and discounts should be consistent with the purpose of the valuation. The basis of value used in the valuation should align with the application of any premiums or discounts. Any premiums or discounts applied must provide a clear rationale for the application, size, and impact of each premium or discount, including the data and assumptions used to determine them. Further, these should be market evidence when determining the size of premiums and discounts which includes analysis of comparable transactions, empirical studies, or market conditions. The use of market data helps ensure that the adjustments are grounded in reality and reflect current market behaviour. Finally, application of premiums and discounts should be consistent throughout the valuation process ensuring that adjustments are not applied selectively or in a manner that would lead to an inaccurate or biased valuation outcome.

We have not assessed application of suitable discounts to be applied under income approach as it is being ignored due to the factors details above.

Valuation Weightage (if included in the valuation conclusion based on engagement requirement)

We may assign the weightages to the estimated fair value computed under the different valuation approaches & methods considered in the valuation process. Assigning weights may be required due to the purpose of the valuation engagement or mandate required by law as the case may be. Assigning weightages is an estimated to be applied to the estimated fair value computed under the different valuation approaches & methods which requires professional judgement.

Factors considered in the Professional Estimate of Weightages to be assigned to the Valuation Approaches or Methods as follows –

- Nature of the Asset or Liability: The inherent characteristics of the asset or liability being valued, including its uniqueness, liquidity, and marketability, play a crucial role in determining the weight assigned to different approaches. For example, tangible assets may warrant higher weight on cost or market approaches, while intangible assets often rely more on the income approach.

- Market Data Availability: The quantity and quality of observable market data significantly influence the weighting decision. In cases where reliable market data is abundant, the market approach may be weighted more heavily. Conversely, when such data is sparse, the income or cost approach may be emphasized.

- Intended Use of the Valuation: The purpose of the valuation (e.g., financial reporting, transactional activity, regulatory compliance) can determine the relevance of specific valuation approaches. For instance, a transaction-based valuation may prioritize methods closely aligned with market participant behaviour.

- Strengths and Limitations of Each Approach: Each valuation method has inherent strengths and weaknesses. The valuer must evaluate the appropriateness of each method based on the specific circumstances of the valuation. For example, the cost approach may not reflect market sentiment, while the income approach may require assumptions that introduce subjectivity.

- Reliability of Inputs: The availability and reliability of inputs (e.g., cash flow projections, discount rates, comparable transactions) are critical factors. Methods relying on subjective or uncertain inputs may receive lower weights compared to those grounded in robust and verifiable data.

- Consistency with Market Participant Behaviour: The approaches and methods used should align with those typically employed by market participants for the type of asset or liability being valued. This ensures that the valuation reflects market realities and expectations.

- Level of Divergence in Indications of Value: When different methods yield significantly divergent value indications, the analysis is undertaken to understand the reasons behind the variations. Greater weight may be given to the method that provides a more reliable or defensible estimate under the circumstances.

- Degree of Uncertainty and Risk: The uncertainty associated with assumptions and projections in each method influences the weighting decision. Approaches with lower uncertainty and higher confidence in their assumptions and outcomes are generally assigned higher weights.

- Compliance with IVS and Jurisdictional Requirements: The selection and weighting of valuation methods must comply with IVS guidelines and any jurisdictional regulations that may prescribe specific approaches.

Cost of Capital

We have assessed cost of capital using Capital Asset Pricing Model (CAPM) is a widely used financial model that estimates the cost of equity by relating the expected return on equity to the risk-free rate, the equity market premium, and the asset's beta (a measure of its systematic risk). The cost of debt is typically determined by the yield on the company's debt or similar debt instruments, adjusted for tax benefits.

Key Considerations and Adjustments

- Risk-Free Rate: The risk-free rate represents the return on risk-free investments, such as government bonds. The choice of government bonds (e.g., 10-year) should reflect the investment horizon.
- Beta (β): Beta measures the asset's volatility relative to the overall market. Industry beta averages or adjustments for financial leverage may be necessary if a specific beta is not available.

- Market Risk Premium: This reflects the expected market return above the risk-free rate. Historical data or forward-looking estimates are typically used.
- Cost of Debt: The cost of debt is calculated based on the current yield on the company's debt, adjusted for the tax shield, as interest expenses are tax-deductible.
- Adjustments: If using CAPM for a private company, adjustments may be necessary to account for lack of marketability or differences in risk profiles.

CAPM provides a structured approach to estimating the cost of equity, essential for calculating the overall cost of capital, but requires careful selection and adjustment of inputs to ensure accuracy.

We generally consider comparable company average levered beta & debt to equity ratio to estimate company specific re-levered beta. Company specific adjustments are determined through option pricing model which is applied to cost of equity to consistently obtain fair value estimates under income approach.

Key Factors Affecting Valuation

Under valuation process, several key factors can significantly influence the valuation conclusion across all approaches. these factors are already discussed in each valuation approach herein above. ***Following are the key factors affecting the valuation process & valuation conclusion as on valuation date for the subject asset –***

- ***KDL is, currently, not engaged in any activity and the management is looking for a right opportunity to make the Company operational. Due to scarcity of working capital funds, the Company is not able to perform any business activities. To make the Company operational, the board is making its best effort to implement the cost reduction measures to the extent feasible.***
- ***KDL's article of association do not prescribe adoption of any method for the purpose of issue of preferential shares.***
- ***KDL falls under infrequently traded share company.***
- ***Due to lack of any business or revenue during the recent period, it is not feasible to find comparable company within the comparable segment or operational parameters under the market approach.***
- ***As KDL do not any business activity or have provided any future plan or feasibility of starting any commercial business activity, we have not considered income approach to estimate the fair value of equity shares of the company on account of lack of past or future financials.***
- ***We had to rely on asset or cost approach to estimate the fair value of the equity shares. We have relied latest available limited review financials as on September 30, 2024.***
- ***Due to absence of management business plan and existing business operations, we are unable to comment on guidance on control premium, which shall be computed over and above the price determined***

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VALUATION ASSUMPTIONS & LIMITATION

Valuation Assumptions

We have made certain general assumptions to provide a consistent and credible basis for the valuation. These assumptions help in interpreting the results and ensuring that the valuation reflects the most accurate and reasonable estimate of the company's value.

- Going Concern Assumption - It is generally assumed that the company will continue to operate as a going concern, meaning that it will not be liquidated or cease operations in the foreseeable future. This assumption influences the selection of valuation methods and the interpretation of the company's financial performance.
- Accuracy and Reliability of Financial Data - The valuation assumes that the financial statements and other financial data provided by the company are accurate, complete, and have been prepared according to applicable accounting standards. We assume no material misstatements or omissions in the financial data unless otherwise specified.
- Market Conditions - It is assumed that the current market conditions will prevail over the valuation period. This includes assumptions about the stability of the economic environment, interest rates, and industry-specific conditions. Significant changes in market conditions could affect the valuation outcome.
- Comparable Market Data - When using the Market Approach, the valuation assumes that the comparable market data used is representative of the company being valued. The valuer assumes that the selected comparable companies or transactions are sufficiently similar in terms of size, industry, and financial performance.
- Discounts and Premiums - The valuation may assume the application of discounts for lack of marketability or control, or premiums for control if relevant. These adjustments are based on standard industry practices and reflect the specific characteristics of the interest being valued.
- Projections and Forecasts - In cases where future cash flows or financial performance projections are used (e.g., in the Income Approach), the valuation assumes that these projections are reasonable and achievable, based on management's best estimates and historical performance.
- No Unforeseen Liabilities - The valuation assumes that there are no undisclosed or unforeseen liabilities that could significantly impact the company's financial position or valuation outcome. This includes legal, regulatory, or environmental liabilities that could arise in the future.
- Regulatory Compliance - It is assumed that the company is in compliance with all relevant laws, regulations, and licensing requirements, and that no pending legal or regulatory issues will materially affect the company's operations or value.

Valuation Limitations or Disclaimers

These limitations highlight the challenges inherent in valuation assessment. While every effort is made to ensure accuracy and reliability, these constraints should be clearly communicated in the valuation report to provide transparency and context for the valuation conclusions. Recognizing these limitations helps stakeholders understand the potential risks and variances in the valuation outcome.

- The current engagement, its contents and the results herein are specific to (1) the purpose of the engagement as agreed as per the terms of our engagement letter and (2) date of the report and (3) the latest available financial statements of the Companies and other information provided by the management or taken from public sources.
- We have relied on explanations and information provided by the management and accepted the information provided to us as accurate. Although we have reviewed such information for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided. Therefore, we assume no liability for the accuracy of the data underlying the valuation.
- It is assumed that other than as given above, there are no events and/ or demands, decisions – legal or otherwise against the company, which are likely to affect materially the state of the balances of accounts and / or the future maintainable profits of the company.
- This report and the conclusion of value arrived at herein are for the exclusive use of users as captured in this report for the sole and specific purposes as noted herein.
- The scope of our engagement is completed with issuance of this report. Further, we are not required to attend any meetings, court proceedings or any other such depositions with respect to the entity being valued. In no event shall we be liable for the loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or wilful defaults on part of parties, their directors, employees, or agents. In no circumstances shall the liability of the valuer, its partners, directors, or employees, relating to the services provided in connection with engagement set out in this report shall exceed the amount paid to such valuer in respect of the fees charged by them for these services.
- The engagement contemplates facts and conditions existing as of the valuation date. Events and conditions occurring after that date have not been considered, and we have no obligation to update our report for such events and conditions.
- An engagement of this nature is necessarily based on the information made available to us as of, the date hereof and the prevailing market conditions, if impacting the company. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.
- This Report does not in any manner address the prices at which equity shares will trade following consummation of the Transaction and we express no opinion or recommendation as to how the shareholders of either Companies should vote at any shareholders' meeting(s) to be held in connection with the Transaction.
- Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it nor may it be used for any purpose by anyone other than those enumerated in this report without our written consent.
- It may be mentioned that the client has been provided an opportunity to review the draft report for the current engagement to ensure that the factual inaccuracies, omissions etc. are avoided in the report.

VALUATION CONCLUSION

Purpose

We have been appointed by KDL to carry out valuation of estimated fair value of each equity share of the company as on relevant date i.e. December 03, 2024 for the purpose of determination of Floor Price for Preferential Allotment of Equity Shares ('Shares') of Kabra Drugs Limited ("KDL") calculated in accordance with Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Valuation Conclusion

We have estimated the Fair value for equity shares of KDL as of September 30, 2024, as described within the valuation report. Our conclusion is the estimated fair value of the equity shares of KDL as per various valuation approaches, is as follows on a standalone basis using arm's length pricing methods for valuation in compliance with International Valuation Standards. Further, we have considered the valuation approaches & methods required to be considered by the valuer as per the SEBI pricing guidelines. We have assigned weights to the estimated fair value of the equity computed under all the valuation approaches & methods adopted considering the factors detailed in this report.

Valuation Approach	Valuation Method	Estimated Fair Value of Equity Share [Rs/Equity]	Weights Assigned	Comment
Asset Approach	Net Asset Value	3.26	50%	We have considered unaudited standalone financial statements as on September 30, 2024, being latest available financial statements of the company. We have relied on book value of all the assets and liabilities. Company do not possess any immovable assets that are to be valued separately for arrive at its estimated fair value.
Market Approach	Infrequently Traded Market Price	9.59	50%	As per regulation 165, company being infrequently traded, we have considered market price for company under market approach as per Regulation 164 (1) - for frequently traded shares, the floor price of the equity shares to be allotted pursuant to preferential issue shall be higher of 90/10 trading days' volume weighted average price (VWAP) of the scrip preceding the relevant date. Though the company is infrequently traded category we have considered the same due to lack of information under any other method to estimate the fair value under market approach. Infrequently Traded Market Price is computed based on trading data on BSE being most actively traded platform the for the equity shares of the subject company.
Market Approach	Comparable Market	Not Appropriate	NA	Identifying comparable companies for market multiple analysis is challenging due to the company's non-operational status. According to audited financials, the company

	Multiple Method [CMM]			has not conducted commercial operations or generated revenue since FY 2019 due to various factors. Additionally, it has reported negative earnings for a prolonged period, rendering the use of comparable market multiples impractical.
Income Approach	Discounted Cash Flow Method [DCF]	Not Appropriate	NA	DCF method is not deemed appropriate for valuing KDL due to the inherent challenges detailed by the management in producing cash flow forecast on account of non-operational status of the company & lack of working capital sources to arrive at reliable & justified projected financial statements, making DCF method not appropriate in this case.
Income Approach	Earnings Capitalization Method [ECM]	Not Appropriate	NA	ECM under Income Approach, involves determining the value of a business by capitalizing its historical earnings at an appropriate rate. However, considering no business & continuous negative profit after tax, using ECM method for determination for estimated fair value will result in negative value & hence not appropriate.
Weighted Average		**6.42**	**100%**	**Weighted Average of Estimated Fair Value of the shares considering the estimated fair value under all approaches**

As per Regulation 166A (1) An additional requirement for a valuation report from an independent registered valuer shall be required in case of change in control/ allotment of more than 5% of post issue fully diluted share capital of the issuer company to an allottee or to allottees acting in concert. The same shall be considered for determination of floor price in addition to the methodology brought out above. 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.

There is due limitation on use of Market Price Method being infrequently traded share and since there are no business activities currently being undertaken by the company as on the valuation date, we estimate the fair value of the company equity shares for the purpose of preferential allotment of shares can be considered as face value of Rs 10 per share for issue of equity shares being above the estimated weighted fair value of Rs 6.42 for each equity shares of the company as on the relevant date i.e. December 03, 2024.

This conclusion is subject to the Statement of Assumptions and Limiting Conditions and the Representations presented in the following report. We have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of this report. In arriving at this opinion of value, we have relied on a "value in use" or going-concern premise. This premise assumes that the KDL is an ongoing business enterprise with management operating rationally to maximize shareholders' value.

ANNEXURES

Annexure 1

Computation of Minimum Offer Price under Reg 164(1) of ICDR – Actively Traded Market Price – BSE

Trading Days	No of Share	Total Turnover	Price Per Share
A	B	C	D = C / B
90	23,195	2,10,847	9.09
10	3,081	29,546	9.59
Share Price			**9.59**
Start Date	**End Date**	**No of shares traded**	**Total Number of Shares**
12-12-2023	02-12-2024	1,74,257	1,00,79,100
Percentage of traded shares in last 240 trading days			1.73
Whether actively traded as per SEBI Guideline			No*

***As per SEBI guidelines, company is not actively traded company**

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Annexure 2

Computation of Net Asset Value under Asset Approach

No	As per unaudited financials for September 30, 2024, on standalone basis	Rs Lakhs	Remarks
1	Equity - Equity Share Capital	1,007.91	Fully subscribed & paid up. No different classes of equity.
2	Other Equity - Retained Earnings	(679.81)	Accumulated losses
3	Other Equity - Capital Reserve	0.00	NIL
4	Other Equity - Securities Premium	0.00	NIL
4	Other Equity - Forfeited Shares reserve	0.00	NIL
4	Other Equity - General Reserve	0.00	NIL
5	**Net Asset Value (1+2+3+4)**	**328.10**	
	Adjusted For		
a	**Less - Book Value of**		
1	Property Plant & Equipment - Buildings	0.00	No immovable assets, company PPE mainly consist of vehicles
2	Property Plant & Equipment - Land	0.00	No immovable assets, company PPE mainly consist of vehicles
3	Investments in Quoted Shares	0.00	NIL
4	Investments in Unquoted Shares	0.00	NIL
5	Deferred Tax Assets	0.00	Ignored uncertainty in realization as on valuation date due to its non-operating nature & being subject to changes in tax laws.
b	**Add - Estimated fair Value of**		
1	Property Plant & Equipment - Buildings	0.00	As per unaudited financials for September 30, 2024, on standalone basis
2	Property Plant & Equipment - Land	0.00	As per unaudited financials for September 30, 2024, on standalone basis
3	Investments in Quoted Shares	0.00	As per unaudited financials for September 30, 2024, on standalone basis
4	Investments in Unquoted Shares	0.00	As per unaudited financials for September 30, 2024, on standalone basis
5	Deferred Tax Assets	0.00	As per unaudited financials for September 30, 2024, on standalone basis
6	**Adjusted Net Asset Value (5-a+b)**	**328.10**	
7	No of outstanding shares (Number in Crores)	100.79	
8	**Net Asset Value per share (Rs Per Share)**	**3.26**	

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Annexure 3

Computation of estimated fair value as per Historical Earnings Capitalization Method under Income Approach

Historical Standalone Profit & Loss Statement (Rs Lakhs)	**31-Mar-21**	**31-Mar-22**	**31-Mar-23**	**31-Mar-24**	**30-Sep-24**
Net Revenue	0.00	0.00	0.00	0.00	0.00
Operating Cost	0.00	0.00	0.00	0.00	0.00
Cost of Materials Consumed	0.00	0.00	0.00	0.00	0.00
Purchases of Stock-in-trade	0.00	0.00	0.00	0.00	0.00
Changes in Inventories / Finished Goods	0.00	0.00	0.00	0.00	0.00
Employee Benefit Expense	4.80	8.93	23.16	40.04	24.90
Other Expenses	10.08	8.61	11.27	33.57	69.22
Total Operating Cost	**14.88**	**17.54**	**34.43**	**73.61**	**94.12**
Operating Profit (EBITDA)	**(14.88)**	**(17.54)**	**(34.43)**	**(73.61)**	**(94.12)**
Other Income	0.00	0.00	0.64	0.00	0.00
Depreciation and Amortization Expense	3.13	1.00	0.00	0.00	0.05
Profit Before Interest and Tax	**(18.00)**	**(18.54)**	**(33.79)**	**(73.61)**	**(94.17)**
Finance Costs	0.00	0.00	0.00	0.00	0.00
Profit Before Tax and Exceptional Items Before Tax	**(18.00)**	**(18.54)**	**(33.79)**	**(73.61)**	**(94.17)**
Exceptional Items Before Tax					
Profit Before Tax	**(18.00)**	**(18.54)**	**(33.79)**	**(73.61)**	**(94.17)**
Income Tax	0.00	0.00	0.00	0.00	0.07
Profit for the Period from Continuing Operations	**(18.00)**	**(18.54)**	**(33.79)**	**(73.61)**	**(94.24)**
Profit from Discontinuing Operations After Tax	0.00	0.00	0.00	0.00	0.00
Minority Interest and Profit from Associates and Joint Ventures	0.00	0.00	0.00	0.00	0.00
Profit for the Period*	**(18.00)**	**(18.54)**	**(33.79)**	**(73.61)**	**(94.24)**

**Due to lack of business operation revenue & continuous negative earnings, ECM based on historical financials is not practical as it will result in negative value.*

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END OF REPORT

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