# Valuation Analysis of Equity Shares

# ZENITH DRUGS LIMITED

Strictly Private & Confidential

**Board of Directors/Audit Committee**
**ZENITH DRUGS LIMITED**
K. No. 72/S, Village Muradpura, Depalpur, Indore, Madhya Pradesh, 453001

**Subject — Fair Valuation of Equity of ZENITH DRUGS LIMITED.**

Dear Sir,

The said valuation assignment has been conducted for the purpose of computing the Value per Equity Share of ZENITH DRUGS LIMITED (herein after referred to as "Company") for the purpose of issue of Convertible Warrants through Preferential Issue of ZENITH DRUGS LIMITED and to estimate the fair value for further issuance of securities, as per Section 42 and Section 62(1)(c) of the Companies Act 2013 read with Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the 'Chapter V - Preferential Issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI (ICDR) Regulations 2018') and the valuation guidelines stipulated under International Valuation Standards.

**Valuation Summary:**

I CA AASHISH GUPTA ("herein-after-referred as "Registered Valuer"), hereby certify the fair value of equity shares of the Company as follows.

| | | |
|---|---|---|
| 1. | Date of Valuation | 22/06/2026 |
| 2. | Date of Audited Financial Statement | 31/03/2026 |
| 3. | Date of appointment | 15/06/2026 |
| 4. | Date of Submission of Report | 26/06/2026 |
| 5. | Relevant Date | 23/06/2026 |

| Name of Instrument | Value per share (INR) |
|---|---|
| **Equity** | **43.43/-** |

This certificate is being issued for compliance with the aforesaid purpose only.

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Registered Valuer

IBBI Reg. No: IBBI/RV/06/2019/12275

ICAI RVO Reg. No.: ICAIRVO/06/RV-P00239/2019-2020

UDIN: 26421047OWORST9169

Date: 26/06/2026

Place: Jaipur

## GLOSSARY OF ABBREVIATIONS

| Abbreviation | Definition |
|---|---|
| Company | **ZENITH DRUGS LIMITED** |
| Management | Management of **ZENITH DRUGS LIMITED** |
| CIN | Corporate Identification Number |
| KMP | Key Managerial Personnel |
| MOA | Memorandum of Association |
| AOA | Articles of Association |
| ROC | Registrar of Companies |
| DIN | Director Identification Number |
| PAN | Permanent Account Number |
| FY | Financial Year |
| DCF | Discounted Cash Flow |
| DFCF | Discounted Free Cash Flow |
| NAV | Net Asset Value |
| CCM | Comparable Companies Multiples |
| BSE | Bombay Stock Exchange |
| INR | Indian Rupee |
| IVS | International Valuation Standard |
| ESG | Environmental, Social, and Governance |
| RVE | Registered Valuer Entity |
| IBBI | Insolvency and Bankruptcy Board of India |
| VRN | Valuation Reference Number |
| PBT | Profit Before Tax |
| EBITDA | Earnings Before Interest, Tax, Depreciation and Amortization |
| EBIT | Earnings Before Interest and Tax |
| WACC | Weighted Average Cost of Capital |
| EV | Enterprise Value |

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## EXECUTIVE SUMMARY

| | |
|---|---|
| Company | ZENITH DRUGS LIMITED |
| Corporate Identification Number (CIN) | U24231KA1989PTC010162 |
| Relevant industry | Pharmaceuticals Industry |
| Net worth as on 31.03.2026 | Rs. 7,332.18 Lakhs |
| Base of Valuation | Fair value |
| Premise of Valuation | Going concern |
| Valuation Approach | Income Approach, Market Approach & Cost Approach |
| Method for Valuation | Discounted Cash Flow Method, Market Price Method, Net Asset Method |
| Value Variation from Standard Assumptions | None |
| Special Assumptions | None |
| Independence | The total fees, including the fee for this assignment earned from the instructing party are less than 5.00% of our total annual revenues. We have had no association with the instructing party during the past five years. |
| Valuation Currency | INR |
| Standard Applied | International Valuation Standard |
| Valuation Process Quality Control (IVS 100) | The valuation process has been conducted with appropriate quality controls to ensure transparency, objectivity, and compliance with IVS 2025. |
| Environmental, Social, and Governance (ESG) Considerations (IVS 104) | No formal ESG framework is in place; however, no material ESG factors were identified that impact the valuation as of the valuation date. |
| The use of valuation models and their validation. | No valuation software or third-party data models were used |

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## INDUSTRY BACKGROUND

The pharmaceutical industry in India is one of the largest globally, contributing significantly to global healthcare needs. India accounts for approximately 20% of the global supply of generic medicines and is a leading exporter of vaccines, supplying over 60% of the world's demand. The industry contributes around 1.7% to the national GDP and plays a vital role in ensuring affordable healthcare while supporting millions of jobs across manufacturing, research, and distribution.

India's pharmaceutical industry has witnessed strong growth over the past decade, driven by increasing domestic demand, rising exports, and supportive government initiatives such as the Production Linked Incentive (PLI) scheme and "Pharma Vision 2020." The market size of the Indian pharmaceutical sector has expanded steadily, with exports reaching over USD 25 billion and the domestic market showing consistent growth.

Major pharmaceutical manufacturing hubs in India include Maharashtra, Gujarat, Telangana, Andhra Pradesh, Himachal Pradesh, and Tamil Nadu. The industry is highly competitive, with key players such as Sun Pharmaceutical Industries Limited, Dr. Reddy's Laboratories, Cipla Limited, Lupin Limited, and Aurobindo Pharma Limited leading both domestic and international markets.

Despite being a global leader in generic medicines, the industry faces challenges such as regulatory compliance, pricing pressures, and dependence on imports of active pharmaceutical ingredients (APIs). The foundation of India's pharmaceutical success was laid through policy support and the growth of domestic capabilities post-independence. Over time, India has evolved into a global pharmaceutical hub, focusing on innovation, research, and large-scale manufacturing.

The government continues to promote the sector through initiatives aimed at boosting domestic production, strengthening supply chains, and encouraging research and development. With increasing global demand for affordable medicines and vaccines, India's pharmaceutical industry is poised for sustained growth and greater global influence in the years ahead.

## COMPANY OVERVIEW

**Zenith Drugs** Limited is a pharmaceutical manufacturing company based in Indore, Madhya Pradesh, with over two decades of industry experience. The company is engaged in the production of a wide range of pharmaceutical formulations, including tablets, capsules, liquid orals, ointments, creams, and ORS products.

Equipped with a WHO-GMP certified manufacturing facility, the company maintains high standards of quality and compliance. It serves both domestic and international markets through branded generics, third-party manufacturing, and institutional sales. Zenith Drugs is recognized as a key manufacturer of ORS products in Central India and has established strong business relationships with reputed pharmaceutical companies and government institutions.

With a focus on affordable healthcare, expansion of product portfolio, and strengthening market presence, the company has demonstrated steady growth. Zenith Drugs Limited is well-positioned to capitalize on increasing demand in the pharmaceutical sector and continue its growth trajectory.

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***<u>The Board of Directors of the company as on valuation date are as follows</u>***

| Sr. No | DIN/PAN | NAME | Designation |
|---|---|---|---|
| 1 | 00539355 | BHUPESH SONI | Director |
| 2 | 00835856 | AJAY SINGH DASSUNDI | Director |
| 3 | 01979256 | RANJANA SURESHKUMAR SEHGAL | Director |
| 4 | 00539347 | SANDEEP BHARDWAJ | Managing Director |
| 5 | 07192307 | ANIL MALIK | Director |
| 6 | 10332223 | DEENDAYAL KUMAWAT | Director |

[redacted]

<u>PURPOSE OF VALUATION</u>

Based on the discussions held with the Management and Key Managerial Personnel (KMPs) of the Company, this valuation is done for the purpose of computing the Value per Equity Share of ZENITH DRUGS LIMITED (herein after referred to as "Company") for the purpose of issue of Convertible Warrants through Preferential Issue of ZENITH DRUGS LIMITED and to estimate the fair value for further issuance of securities, as per Section 42 and Section 62(1)(c) of the Companies Act 2013 read with Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the 'Chapter V - Preferential Issue' of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI (ICDR) Regulations 2018') and the valuation guidelines stipulated under International Valuation Standards.

- The company is looking to assess its fair value for the proposed Issue of Preferential Allotment of Equity Shares In accordance with Regulations 164 and 166A of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 ("ICDR") using latest available audited report on Financial Results as on 31/03/2026.

- There is no change in control, however, allotment to the Proposed allottees is more than five percent of the post issue fully diluted share capital of the issuer, therefore, the pricing Issue of Preferential allotment of shares/securities of the Company shall be determined as higher of

  - the price determined as per Regulation 164 of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 or

  - the price determined as per Valuation Report of an Independent Registered Valuer as per Regulation 166A of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 or

- the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable.

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- For the purposes of price to be determined as per Regulation 164 of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018, the Issue of Preferential allotment of shares/securities of the company are frequently traded on the stock exchange, on NSE platform and thus Regulation 164(2) becomes applicable.
- For the purposes of valuation under Regulation 166A, detailed valuation methodology has been explained in this report.

Regulation 164: Pricing of frequently traded shares

1. If the issue of Convertible Warrants through Preferential Issue: of the issuer have been listed on a recognized stock exchange for a period of 90 trading days or more as on the relevant date, the price per warrants / share in the said issue of convertible warrants through preferential issue: to be allotted shall be not less than higher of the following:

   (a) The go trading days' volume weighted average price of the related issue of Convertible Warrants through Preferential Issue quoted on the recognised stock exchange preceding the relevant date; or

   (b) The 10 trading days' volume weighted average prices of the related issue of Convertible Warrants through Preferential Issue quoted on a recognised stock exchange preceding the relevant date.

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

2. If the Issue of Convertible Warrants through Preferential Issue of the issuer have been listed on a recognised stock exchange for a period of less than 90 trading days as on the relevant date, the price per share / warrants pursuant to Issue of Convertible Warrants through Preferential Issue to be allotted pursuant to the Preferential issue (for cash consideration) shall be not less than the higher of the following:

   (a) The price at which Issue of Convertible Warrants through Preferential Issue were issued by the issuer in its initial public offer or the value per share / warrant arrived at in a scheme of compromise, arrangement and amalgamation under sections 230 to 234 the Companies Act, 2013, as applicable, pursuant to which the Issue of Convertible Warrants through Preferential Issue of the issuer were listed, as the case may be; or

   (b) the average of the volume weighted average prices of the related Issue of Convertible Warrants through Preferential Issue quoted on the recognised stock exchange during the period the Issue of Convertible Warrants through Preferential Issue have been listed preceding the relevant date; or

   (c) the average of the 10 trading days volume weighted average prices of the related Issue of Convertible Warrants through Preferential Issue quoted on a recognised stock exchange during the two weeks preceding the relevant date.

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Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for Issue of Convertible Warrants through Preferential Issue to be allotted pursuant to the preferential issue (for cash consideration).

3. Where the price of the Issue of Convertible Warrants through Preferential Issue is determined in terms of sub-regulation (2), such price shall be recomputed by the issuer on completion of 90 trading days from the date of listing on a recognised stock exchange with reference to the 90 trading days volume weighted average prices of the related equity shares quoted on the recognised stock exchange during these 90 trading days and If such recomputed price is h1gher than the price paid on allotment, the difference shall be paid by the a1lottees to the Issuer.

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

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

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for Issue of Convertible Warrants through Preferential Issue to be allotted pursuant to the preferential issue (for cash consideration):

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

(a) rights under a shareholder's agreement or voting agreement entered into with promoters or promoter group;
(b) veto rights; or
(c) right to appoint any nominee director on the board of the issuer.

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

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

Explanation: For the purpose of this regulation, 'stock exchange' means any of the recognised stock exchange(s) in which the Issue of Convertible Warrants through Preferential Issue of the issuer are listed and in which the highest trading volume in respect of the Issue of Convertible Warrants through Preferential Issue of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.
Regulation 166A: Allotment of more than five per cent of the post issue fully diluted share capital of the Issuer

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

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

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

The Companies Act, 2013

Relevant Extract of Section 62: Further issue of share capital

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

(c) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed

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## APPOINTING AUTHORITY

The management of the **ZENITH DRUGS LIMITED** appointed **CA AASHISH GUPTA** (Registered Valuer) for the valuation of Equity Shares.

## IDENTITY OF VALUER

AASHISH GUPTA
Registered Valuer
IBBI Reg. No: IBBI/RV/06/2019/12275
ICAI RVO Reg. No.: ICAIRVO/06/RV-P00239/2019-2020
Place: Jaipur

"I, CA AASHISH GUPTA, are a 'Registered Valuer' under Section 247 of the Companies Act, 2013, and registered with the Insolvency and Bankruptcy Board of India (IBBI) under Rule 13(1) of the Companies (Registered Valuers and Valuation) Rules, 2017. This valuation has been conducted to the relevant provisions, rules, and standards prescribed under the Act and applicable regulatory framework."

## NATURE AND SOURCES OF INFORMATION

We have reviewed the following documents including but not limited to

- Discussions with the KMPs.
- Audited Financial statement as on 31/03/2026
- Audited Financial Statements as on 31" March, 2025, 31" March, 2024 and 31st March, 2023.
- Management Representation Letter
- MOA & AOA
- GST Certificate
- Management-signed projection From FY 2027 to 2031

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## EXTENT OF THE INVESTIGATION UNDERTAKEN

We have exercised due care in performing the valuation procedures, including the application of appropriate discount rates based on the risk profile of the business plan. However, we expressly state that, although we have reviewed the financial data for the purpose of this valuation, we have not conducted an audit and have relied on the historical and projected financial statements (P&L Account and Balance Sheet) prepared and submitted by the company's management. While we have conducted inspections and investigations within the scope of available information, a comprehensive verification of all assets and liabilities was not undertaken. The projections provided may not materialize as forecasted; however, the management has represented that due care was taken in preparing these financial forecasts, and they reflect a true and fair view of the expected business plan of the company.

## VALUATION M ETHODOLOGIES AND VALUE CONCLUSION

**There are three approaches to Valuation namely Income, Asset, and Market Approaches.**

| Approach | Valuation Methodologies | Consideration |
|---|---|---|
| Asset | Net Asset Value (NAV) Method | The Asset-based method views the business as a set of assets and liabilities that are used as building blocks of a business value. The business value is the difference in the value of these assets and liabilities on a Book Value basis or Realizable Value basis or Replacement Cost basis. However, this methodology recognizes the historical cost of net assets only without recognizing its present earnings, the comparative financial performance of its peers, their enterprise values, etc. Therefore, in general, Net Asset Value only reflects the minimum proxy value of the company.<br><br>We have considered the Net Asset Method to calculate the fair equity value of the company by determining the fair market value of its assets and liabilities basis. This approach provides a valuation based on the company's net asset position, reflecting its financial strength and asset base. |
| Market | Market Method<br>[90/10 days] | This methodology uses the valuation ratio of a publicly traded company and applies that ratio to the company being valued. The valuation ratio typically expresses the valuation as a function of a measure of financial performance or Book Value (e.g., Revenue, EBITDA, EBIT, Earnings per Share or Book Value). A key benefit of Comparable Company Market Multiple analysis is that the methodology is based on the current market stock price. The current stock price is generally viewed as one of the best valuation metrics because it is based on observable inputs. |

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|---|---|---|
| | | **In the instant case, we have considered the VWAP Basis [90/10 days] method of the market approach. The Volume Weighted Average Price (VWAP) method is commonly used to assess the fair market value of a company's shares based on actual trading prices over a defined period. By analyzing the VWAP over 90 and 10 days, this method ensures that short-term market fluctuations are smoothed out, providing a more accurate reflection of the company's market value. The market approach relies on real market transactions, making it a widely accepted valuation technique for publicly traded securities and ensuring a fair representation of investor sentiment.** |
| Income | Discounted Free Cash Flow (DFCF) Method | The DFCF method expresses the present value of the business as a function of its future cash earnings capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. The value of the firm is arrived at by estimating the Free Cash Flows (FCF) to Firm and discounting the same with Weighted Average cost of capital (WACC). The DFCF methodology is the most appropriate basis for determining the earning capability of a business. In the DFCF approach, the appraiser estimates the cash flows of any business after all operating expenses, taxes, and necessary investments in working capital and Capex are being met.<br><br>We have considered this methodology for calculation of fair equity value of the Company based on its cash flows. Aher considering its business plan, we have calculated the Enterprise value and then derived the Equity value by adjusting its debt, cash and cash equivalents and surplus assets on the date of valuation. |

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## HISTORICAL FINANCIAL STATEMENT

| (Amounts in INR Lakhs)<br>Particulars<br>Months | Audited<br>31-Mar—23<br>12 | Audited<br>31—Mar-24<br>12 | Audited<br>31—Mar-25<br>12 |
|---|---|---|---|
| Revenue from Operations | 11,451.91 | 13,161.97 | 13,332.00 |
| Other Income | 123.92 | 212.22 | 260.57 |
| Total Revenue | 11,575.82 | **13,374.19** | **13,592.57** |
| *Revenue Growth %* | 4% | *4%* | *-9%* |
| | | | |
| Cost of materials consumed | 7,866.37 | 8,414.52 | 8,807.12 |
| | *68.69%* | *63.93%* | *61%* |
| *Opening Stock* | *383.03* | *437.28* | *301.08* |
| *Closing Stock* | *437.28* | *301.08* | *360.13* |
| | *3.82%* | *2.29%* | *27%* |
| Change in inventory | -54.24 | 136.20 | -59.05 |
| | | | |
| Employee Benefit Expenses | 496.15 | 608.56 | 733.03 |
| | *4.33%* | *4.62%* | *6.01%* |
| Other expenses | 2,238.61 | 2,455.75 | 2,517.69 |
| | *19.55%* | *18.66%* | *16%* |
| **TOTAL EXPENSES** | **10,546.88** | **11,615.03** | **11,998.79** |
| | | | |
| **EBITDA** | **1,028.94** | **1,759.16** | **1,593.78** |
| *EBITDA Margin %* | *8.98%* | *13.36%* | *11.49%* |
| | | | |
| Depreciation & Amortisation | 130.46 | 130.23 | 296.63 |
| **EBIT** | 898.48 | **1,628.93** | **1,297.15** |
| *EBIT Margin %* | *7.85%* | *12.38%* | *9.02%* |

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| | | | |
|---|---|---|---|
| Interest expense, net | 232.72 | 299.71 | 371.08 |
| Profit Before Tax (PBT) | **665.76** | **1,329.22** | **926.07** |
| *PBT Margin %* | *5.81%* | *10.1SS0%* | *6.99%* |
| Less: Tax | 175.81 | 384.94 | 237.25 |
| Less: Deferred Tax | (5.12) | (23.77) | 5.40 |
| Less: Earlier Year Tax Expense | 6.95 | 14.37 | (32.64) |
| Profit After Tax (PAT) | **488.12** | **953.68** | **716.06** |

| (Amounts in INR Lakhs)<br>Balance sheet<br>Months | 31-Mar—23<br>12 | 31-Mar-24<br>12 | 31—Mar-25<br>12 |
|---|---|---|---|
| Share Capital | 40.00 | 1,714.88 | 1,714.88 |
| Reserve & Surplus | 1,733.20 | 4,506.98 | 5,223.04 |
| share application pending for allotment | | | |
| Shareholder's fund | **1,773.20** | **6,221.86** | **6,937.92** |
| | | | |
| **Non-Current Liabilities** | | | |
| Long-Term Borrowings | 766.98 | 785.28 | 1,279.55 |
| Other Financial Liability | 0.00 | 0.00 | 0.00 |
| Deferred tax liabilities (Net) | 17.21 | 0.00 | 0.00 |
| | **784.19** | **785.28** | **1,279.55** |
| | | | |
| **Current Liabilities** | | | |
| Short-Term Borrowings | 1,774.91 | 1,608.01 | 3,577.25 |
| Trade Payables | 5,087.37 | 4,263.08 | 4,018.37 |
| Other Financial Liability | 0.00 | 0.00 | 0.00 |
| Other Current Liabilities | 126.67 | 68.24 | 97.38 |
| Short-Term Provisions | 175.81 | 470.69 | 237.25 |
| Current Tax Liability | 0.00 | 0.00 | 0.00 |
| | **7,164.76** | **6,410.02** | **7,930.25** |
| | | | |

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| | | | |
|---|---|---|---|
| **Total Equity and Liabilities** | **9,722.15** | **13,417.16** | **16,147.72** |
| | | | |
| Fixed Assets | | | |
| Fixed Assets | 1,081.19 | 1,093.55 | 4,008.39 |
| Intangible asset | 0.96 | 0.74 | 17.61 |
| Capital Work-In-Progress | 0.00 | 390.67 | 310.16 |
| | **1,082.15** | **1,484.96** | **4,336.16** |
| | | | |
| Long-term loans and advances | 229.52 | 639.58 | 0.00 |
| Other Non-current Financial Asset | 2.55 | 2.55 | 292.72 |
| Deferred tax assets (net) | 0.00 | 6.56 | 1.16 |
| | **232.07** | **648.69** | **293.88** |
| Current Assets | | | |
| Current Investment | | | |
| Inventories | 2,367.31 | 2,575.83 | 3,961.23 |
| Trade Receivables | 4,931.13 | 6,739.45 | 6,057.73 |
| Cash and Cash Equivalents | 19.73 | 874.29 | 26.30 |
| Short-Term Loans and Advances | 755.68 | 795.13 | 1,202.51 |
| Other Current Financial Assets | 0.00 | 0.00 | 0.00 |
| Other Current Assets | 334.08 | 298.82 | 269.90 |
| | **8,407.93** | **11,283.52** | **11,517.67** |
| **Total Assets** | **9,722.15** | **13,417.16s** | **16,147.72sss** |

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## AUDITED FINANCIAL STATEMENT

Audited Balance Sheet as of 31/03/2026

| | Amount in INR Lakhs |
|---|---|
| Share Capital | 1,714.88 |
| Other Equity | 5,617.30 |
| | 7,332.18 |
| Total Non-Current Liabilities | 2,011.47 |
| Total Current Liabilities | 14,967.20 |
| **Total Equity & Liabilities** | **18,751.97** |
| Total Non-Current Assets | 5,861.59 |
| Total Current Assets | 12,890.38 |
| **Total Assets** | **18,751.97** |

Audited Profit and Loss Statement for the period ended 31/03/2026

| Particular | Amount in INR Lakh |
|---|---|
| Gross Revenue | 17,121.98 |
| Other Income | 510.13 |
| Total Income | 17,632.11 |
| Total Expenses | 17,071.84 |
| Profit Before Extraordinary items and Tax | 560.27 |

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## VALUATION OF SHARES OF THE COMPANY

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

| ZENITH DRUGS LIMITED<br>Valuation Approach | | | |
|---|---|---|---|
| | Value per share (INR) | Weight | Total Value (Weight x **Price)** |
| A. Market Approach — 10/90 Days Method (Annexure 1) | 43.43 | 50.00% | 21.72 |
| B. Income Approach — Discounted Cash flow Method (Annexure 3) | 31.00 | 50.00% | 15.50 |
| C. Cost Approach — Net Asset Method (Annexure 2) | 42.75 | 0.00% | 0.00 |
| **TOTAL** | | **100%** | **37.22** |

1. **Market Approach — (10/90 Days Method)**

   The Market Approach reflects how comparable pharmaceutical industry companies are currently valued, capturing prevailing investor sentiment and industry trends. It incorporates market-driven expectations regarding brand strength, scale of operations, distribution reach, and margin sustainability. The 10/90 days method smooths short-term price fluctuations arising from seasonality and raw material price volatility, ensuring a stable valuation base. This approach aligns closely with how valuations in the pharmaceutical sector are generally benchmarked.

   A 50% weightage is assigned as market-based evidence is a relevant and reliable indicator of value for a growth-oriented company like ZENITH DRUGS LIMITED.

2. **Income Approach — (Discounted Cash Flow Method)**

- The DCF method assesses the company's intrinsic value by discounting expected future cash flows. It captures long-term financial potential, considering growth prospects, margin improvements, and scalability of operations. Since the method involves assumptions regarding growth rates and discount factors, results may be sensitive to changes in inputs. Therefore, it provides important insight but must be applied cautiously.

  A 50% weightage is given as DCF adds value by reflecting future potential but should not dominate due to inherent estimation uncertainties.

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**3. Cost Approach — (Net Asset Value Method)**

- The Cost Approach measures the company's value based on its net asset base but does not fully capture intangible factors such as brand equity, customer relationships, distribution network, and product goodwill —key drivers of value in the Pharmaceutics products sector. As a result, NAV may understate the true worth of a Pharmaceutics company. It primarily serves as a floor value, representing the minimum realizable worth of the company's tangible assets.

  A 0% weightage is assigned as the Cost Approach is the least reflective of earning potential and growth prospects in the Pharmaceutics business and is therefore used only as a conservative benchmark.

## CONCLUSION

Pricing Summary for Preferential Allotment

| **Particulars** | Regulatory Reference | Price per Share (Rs.) | **Remarks** |
|---|---|---|---|
| Minimum Issue Price (for companies listed 10 and 90 days) | Regulation 164(2) of SEBI ICDR Regulations, 2018 | 43.43 | Formula-based price computed as on the Relevant Date (23/06/2026) |
| Valuation Price by Registered Valuer | Regulation 166A of SEBI ICDR Regulations, 2018 | 37.22 | Applicable due to change of control / allotment beyond threshold; valuation mandatory |
| Price to be Considered for Preferential Allotment | As per SEBI requirements | 43.43 | Higher of the two prices must be taken in case of difference |

Since the price determined under Regulation 164(2) (43.43) is higher than the price determined under Regulation 166A (37.22), the issue price **for the proposed Preferential Allotment shall be Rs. 43.43 per share** to ensure full compliance with SEBI ICDR Regulations.

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**Valuation Method - VWAP Basis [90/10 days]**

Regulation 164(I)

- At least 10% of the total Issue of Convertible Warrants through Preferential Issue have been traded on the NSE in 240 trading days preceding the Valuation Date, therefore, Issue of Convertible Warrants through Preferential Issue of the company shall be treated as frequently traded.

- "Stock Exchange" means the recognised stock exchange where the highest trading volume in respect of the equity shares of the Company has been recorded during the 90 trading days preceding the Valuation Date. The Company is listed on both BSE Limited and the National Stock Exchange of India Limited (NSE). Since the highest trading volume during the relevant period is observed on NSE, the NSE data has been considered for all relevant computations and valuation purposes.

- For the purpose of valuation, we have relied on the data of NSE in accordance to the amended Regulations 164 and 166A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended vide Notification No. SEBI/LAD-NRO/GN/2022/63 dated 14 January, 2022.

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Annexure -1

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

| DATE | VWAP | VOLUME | VALUE |
|---|---|---|---|
| 22-Jun-26 | 43.29 | 13,600 | 5,88,680.00 |
| 19-Jun-26 | 41.18 | 10,400 | 4,28,240.00 |
| 18-Jun-26 | 42.52 | 5,600 | 2,38,120.00 |
| 17-Jun-26 | 40.93 | 4,800 | 1,96,440.00 |
| 16-Jun-26 | 41.2 | 1,600 | 65,920.00 |
| 15-Jun-26 | 43.28 | 4,800 | 2,07,720.00 |
| 12-Jun-26 | 43.92 | 8,800 | 3,86,520.00 |
| 11-Jun-26 | 41.2 | 1,600 | 65,920.00 |
| 10-Jun-26 | 43.12 | 21,600 | 9,31,360.00 |
| 09-Jun-26 | 41.57 | 22,400 | 9,31,160.00 |
| VWAP of 10 Trading 'days | | | **42.44** |

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

| DATE | VWAP | VOLUME | VALUE |
|---|---|---|---|
| 22-Jun-26 | 43.29 | 13,600 | 5,88,680.00 |
| 19-Jun-26 | 41.18 | 10,400 | 4,28,240.00 |
| 18-Jun-26 | 42.52 | 5,600 | 2,38,120.00 |
| 17-Jun-26 | 40.93 | 4,800 | 1,96,440.00 |
| 16-Jun-26 | 41.2 | 1,600 | 65,920.00 |
| 15-Jun-26 | 43.28 | 4,800 | 2,07,720.00 |
| 12-Jun-26 | 43.92 | 8,800 | 3,86,520.00 |
| 11-Jun-26 | 41.2 | 1,600 | 65,920.00 |
| 10-Jun-26 | 43.12 | 21,600 | 9,31,360.00 |
| 09-Jun-26 | 41.57 | 22,400 | 9,31,160.00 |
| 08-Jun-26 | 41.44 | 6,400 | 2,65,240.00 |
| 05-Jun-26 | 41.3 | 1,600 | 66,080.00 |
| 04-Jun-26 | 41.55 | 2,400 | 99,720.00 |
| 03-Jun-26 | 40.73 | 24,000 | 9,77,520.00 |
| 02-Jun-26 | 42.46 | 34,400 | 14,60,640.00 |

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| | | | |
|---|---|---|---|
| 01-Jun-26 | 44.23 | 18,400 | 8,13,800.00 |
| 29-May-26 | 46.79 | 46,400 | 21,71,160.00 |
| 27-May-26 | 45.91 | 14,400 | 6,61,160.00 |
| 26-May-26 | 45.15 | 67,200 | 30,33,960.00 |
| 25-May-26 | 39.48 | 3,200 | 1,26,320.00 |
| 22-May-26 | 38.05 | 18,400 | 7,00,120.00 |
| 21-May-26 | 39.95 | 800 | 31,960.00 |
| 20-May-26 | 38.88 | 1,600 | 62,200.00 |
| 19-May-26 | 38.9 | 4,800 | 1,86,720.00 |
| 18-May-26 | 38.56 | 14,400 | 5,55,200.00 |
| 15-May-26 | 41 | 2,400 | 98,400.00 |
| 14-May-26 | 40.68 | 4,800 | 1,95,280.00 |
| 13-May-26 | 40.58 | 4,000 | 1,62,320.00 |
| 12-May-26 | 39.5 | 2,400 | 94,800.00 |
| 11-May-26 | 39.97 | 7,200 | 2,87,800.00 |
| 08-May-26 | 41.2 | 17,600 | 7,25,080.00 |
| 07-May-26 | 43.31 | 5,600 | 2,42,560.00 |
| 06-May-26 | 43.55 | 4,000 | 1,74,200.00 |
| 05-May-26 | 41.28 | 8,000 | 3,30,240.00 |
| 04-May-26 | 39.65 | 800 | 31,720.00 |
| 30-Apr-26 | 39.35 | 8,800 | 3,46,240.00 |
| 29-Apr-26 | 39.46 | 18,400 | 7,26,080.00 |
| 28-Apr-26 | 40.61 | 13,600 | 5,52,240.00 |
| 27-Apr-26 | 41.33 | 1,600 | 66,120.00 |
| 24-Apr-26 | 42.92 | 4,800 | 2,06,000.00 |
| 23-Apr-26 | 44.94 | 3,200 | 1,43,800.00 |
| 22-Apr-26 | 44.08 | 2,400 | 1,05,800.00 |
| 21-Apr-26 | 45.35 | 800 | 36,280.00 |
| 20-Apr-26 | 43.3 | 800 | 34,640.00 |
| 17-Apr-26 | 44.93 | 3,200 | 1,43,760.00 |
| 16-Apr-26 | 44.18 | 2,400 | 1,06,040.00 |
| 15-Apr-26 | 43.23 | 7,200 | 3,11,280.00 |
| 13-Apr-26 | 43.23 | 3,200 | 1,38,320.00 |
| 10-Apr-26 | 42.44 | 3,200 | 1,35,800.00 |

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| | | | |
|---|---|---|---|
| 09-Apr-26 | 41.91 | 4,800 | 2,01,160.00 |
| 08-Apr-26 | 41.16 | 8,800 | 3,62,240.00 |
| 07-Apr-26 | 39.41 | 16,000 | 6,30,600.00 |
| 06-Apr-26 | 40.48 | 1,600 | 64,760.00 |
| 02-Apr-26 | 38.88 | 6,400 | 2,48,840.00 |
| 01-Apr-26 | 39.02 | 18,400 | 7,18,000.00 |
| 30-Mar-26 | 35.6 | 36,800 | 13,10,080.00 |
| 27-Mar-26 | 38.47 | 46,400 | 17,85,080.00 |
| 25-Mar-26 | 41.54 | 17,600 | 7,31,160.00 |
| 24-Mar-26 | 40.78 | 24,800 | 10,11,400.00 |
| 23-Mar-26 | 39.5 | 11,200 | 4,42,440.00 |
| 20-Mar-26 | 40.72 | 12,000 | 4,88,680.00 |
| 19-Mar-26 | 42.21 | 30,400 | 12,83,200.00 |
| 18-Mar-26 | 40.6 | 8,000 | 3,24,760.00 |
| 17-Mar-26 | 38.8 | 18,400 | 7,14,000.00 |
| 16-Mar-26 | 39.23 | 50,400 | 19,77,360.00 |
| 13-Mar-26 | 41.77 | 2,400 | 1,00,240.00 |
| 12-Mar-26 | 41.25 | 20,800 | 8,57,920.00 |
| 11-Mar-26 | 44.66 | 24,800 | 11,07,680.00 |
| 10-Mar-26 | 44.54 | 6,400 | 2,85,080.00 |
| 09-Mar-26 | 42.67 | 10,400 | 4,43,800.00 |
| 06-Mar-26 | 45.4 | 16,800 | 7,62,720.00 |
| 05-Mar-26 | 46.66 | 7,200 | 3,35,920.00 |
| 04-Mar-26 | 46.05 | 12,800 | 5,89,400.00 |
| 02-Mar-26 | 48.05 | 50,400 | 24,21,600.00 |
| 27-Feb-26 | 50.82 | 4,000 | 2,03,280.00 |
| 26-Feb-26 | 49.91 | 13,600 | 6,78,840.00 |
| 25-Feb-26 | 49.13 | 16,800 | 8,25,320.00 |
| 24-Feb-26 | 49.23 | 46,400 | 22,84,240.00 |
| 23-Feb-26 | 45.39 | 20,800 | 9,44,040.00 |
| 20-Feb-26 | 47.14 | 6,400 | 3,01,680.00 |
| 19-Feb-26 | 48.8 | 8,000 | 3,90,400.00 |
| 18-Feb-26 | 49.96 | 3,200 | 1,59,880.00 |
| 17-Feb-26 | 47.7 | 88,000 | 41,97,960.00 |

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| | | | |
|---|---|---|---|
| 16-Feb-26 | 46.06 | 15,200 | 7,00,160.00 |
| 13-Feb-26 | 46.5 | 10,400 | 4,83,560.00 |
| 12-Feb-26 | 46.85 | 13,600 | 6,37,160.00 |
| 11-Feb-26 | 48.26 | 7,200 | 3,47,440.00 |
| 10-Feb-26 | 49.29 | 6,400 | 3,15,440.00 |
| 09-Feb-26 | 47.46 | 32,000 | 15,18,600.00 |
| 06-Feb-26 | 48.72 | 4,800 | 2,33,840.00 |
| **VWAP of 90 Trading 'days** | | | **43.43** |
| | | | |

VWAP Basis (90/ 10 Days)

| **Particulars** | Price |
|---|---|
| VWAP for the 10 trading days preceding the Relevant Date (A) | 42.44 |
| VWAP for the 90 trading days preceding the Relevant Date (B) | **43.43** |
| Minimum Price (Higher of A or B) | 43.43 |

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Annexure -2

Cost Approach Net Asset Method as on 31.03.2026

| | | |
|---|---|---|
| | | |
| | | |
| **Computation of the Net Worth as on 31.03.2026** | | |
| | | |
| A | **Book value of all the assets in the balance sheet** | |
| | **Non-Current Assets:** | |
| 1 | Tangible Assets | 4,687.95 |
| 2 | Intangible Assets | 417.23 |
| 3 | Other Non-current Financial Asset | 732.87 |
| 4 | Deferred Tax Asset (Net) | 17.54 |
| | **Total Non-Current Assets** | **5,855.59** |
| | | |
| | **Current Assets:** | |
| 1 | Inventories | 4,242.20 |
| 2 | Trade Receivables | 7,335.48 |
| 3 | Cash & Cash Equivalents | 26.11 |
| 4 | Short-Term Loans and Advances | 1292.59 |
| 5 | Other Current Assets | 0.00 |
| | **Total Current Assets** | **12,896.38** |
| | | |
| | | |
| B | **Book value of all the Liabilities in the balance sheet** | |
| | **Non-Current Liabilities:** | |
| | Long Term Borrowings | 2,011.47 |
| | Other Financial Liability | 0.00 |
| | Long Term Provisions | 0.00 |
| | **Total Non-Current Liabilities** | **2,011.47** |

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| | | |
|---|---|---|
| | | |
| | **Current Liabilities:** | |
| 1 | Short Term Borrowing | 3,499.05 |
| 2 | Trade Payables | 5,558.89 |
| 3 | Other Financial Liability | 0.00 |
| 4 | Other Current Liabilities | 189.97 |
| 5 | Short Term Provisions | 160.40 |
| | Total Current Liabilities | 9,408.31 |
| | | |
| B | Book Value of all the Liabilities | 11,419.78 |
| | | |
| | Net Worth [A-B] | 7,332.19 |
| | Number of shares outstanding as on Date of Valuation | 1,71,48,800 |
| | Value per share | 42.75 |

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Annexure -3

**Method of Valuation**
**Discounted Cash Flow Method i.e., Discounted Free Cash Flow(DFCF)**
**(Figures in INR lakhs)**

| PARTICULAR | | FY27 | FY28 | FY29 | FY30 | FY31 | Terminal |
|---|---|---|---|---|---|---|---|
| | | | | Perpetuity Growth Rate | | | 2% |
| *Cash Accrual Timing Factor* | | 1 | 2 | 3 | 4 | 5 | |
| ***Months*** | | 12 | 12 | 12 | 12 | 12 | |
| PBT (Excluding Other Income) | | 2,288.82 | 4,310.44 | 6,497.12 | 9,105.67 | 10,435.39 | |
| Tax @ 25.168% | | 643.18 | 1,155.61 | 1,709.77 | 2.370.30 | 2.709.17 | |
| **EBIT(1-Tax)** | | 1,645.64 | 3,154.82 | 4,787.35 | 6,735.37 | 7,726.23 | |
| Add Finance Cost | | 715.14 | 761.15 | 715.85 | 678.91 | 645.76 | |
| Add Book depreciation | | 610.00 | 615.00 | 590.00 | 575.00 | 550.00 | |
| (Inc)/Dec in Working Capital | | (1,759.97) | (2,760.62) | (3,473.30) | (5,506.59) | (6,580.30) | |
| Operating Cash Flows | | 1,210.81 | 1,770.35 | 2,619.90 | 2,482.69 | 2,341.69 | |
| (Inc)/Dec in Fixed Assets | | (300.00) | (200.00) | (1000.00) | (1000.00) | (1000.00) | |
| Free Cash Flows | | 910.81 | 1,570.35 | 1,619.90 | 1,482.69 | 1,341.69 | 9,063.07 |
| Discounting Factor | | 0.85 | 0.73 | 0.62 | 0.53 | 0.45 | 0.45 |
| Present Value of Free Cash Flows | | 777.81 | 1,291.06 | 1,631.60 | 1,320.37 | 609.35 | 4,116.15 |

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| Summary | Amount (In INR Lakhs) |
|---|---|
| Present Value of Total Discrete Period Cash Flows | 5,630.18 |
| Present Value of Terminal Cash Flows | 4,116.15 |
| Enterprise value (EV) | 9,746.33 |
| Less: Debt | 4,461.40 |
| Add: Deffered Tax Assets | 17.54 |
| Add: Cash & Cash Equivalent | 26.11 |
| Equity Value (In INR Lakhs) | 5,328.58 |
| Total No. of Shares Outstanding as on valuation date | 1,71,48,800 |
| Value per share (INR) | 31.07 |
| Value per share (INR) (Round off) | 31.00 |

| Cost of Equity through CAPM: | 31—March—26 |
|---|---|
| Risk Free Rate (Rf) from Investing.com | 6.96% |
| Equity Risk Premium (Rm - Rf) | 8.05% |
| Relevered Beta (β) | 1.45 |
| Cost of Equity | **18.63%** |
| Company Specific Risk Premium (CSRP) | 5.00% |
| Adjusted Cost of Equity | 23.63% |

| WACC: | | | Amount in INR Lacs | | |
|---|---|---|---|---|---|
| | As of March 31, 2026 | Weight | Cost Of Resources | Tax Rate | WACC |
| Equity | 7,332.18 | 62.17% | 23.63% | | 14.69% |
| Debt | 4,461.40 | 37.82% | 8.50% | 25.17% | 2.41% |
| | 11,793.58 | 100.00% | | | 17.10% |

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**DFCF Assumptions**

| | Notes | |
|---|---|---|
| Risk free rate (Rf) as on 31.03.2026 | 6.96% | Considered of long-term Indian government bond rate |
| Market Rate of Return | 15.01% | BSE Sensex return on long term basis |
| Industry Beta... (β) | 1.45 | We have considered an unlevered beta of 0.89 from the Drugs (Pharmaceutical) industry as published on Prof. Aswath Damodaran's website. This unlevered beta was subsequently relevered using the company's target capital structure (debt-to-equity ratio and tax rate) to reflect the company's specific financial leverage. This approach ensures that the beta used in the valuation accurately represents the company' systematic risk in line with industry benchmarks. |
| Additional Company Specific (including Small Company) Risk Premium (unsystematic risk) (CSRP) | 5% | We have given additional risk premium looking into company profile, financial structure and ROI investor will look into while investing in this type of company. This is also dependent upon the level of aggressiveness of the future cash flows and present scenario of the country and company environment in which it is operating. |
| Cost of Equity (Ke) [redacted] | 23.63% | As per Modified CAPM model i.e. [Ke = Rf+ β(Rm-Rf) + CSRP] |
| WACC [redacted] | [redacted] | WACC (Ke * % Equity in Capital Structure) + (Cost of Debt * % Debt in Capital Structure * (1 Tax Rate) |
| Growth Rate | 2% | As the perpetuity growth rate assumes that the Company will continue its historic business and generate Free Cash Flows at a steady state forever. Since terminal value constitutes a major proportion of the entire value of the business, we while deciding the terminal growth rate have given emphasis to economic factors & financial factors like Inflation of the Country, GDP growth of the Country, Projected Financials, Historical Financial Position, Organic & Inorganic growth strategies of the Company, investment opportunity etc. |

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## CAVEATS, LIMITATION AND DISCLAIMERS

1. **Restriction on use of Valuation Report**

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

II. **Responsibility of RVE**

We owe responsibility only to the client that has appointed us under the terms of the engagement letters. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be 1iable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the client or companies, their directors, employees or agents.

III. **Accuracy of Information**

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

IV. **Achievability of the forecast results**

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

v. **Value Estimate**

The valuation of companies/business and assets is not a precise science and is based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is, therefore, no indisputable single value. Whilst, we consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.

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**VI. Post Valuation Date Events**

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

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

The client and its management warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the clients, their management and other third parties concerning the financial data, operational data and maintenance schedule of all plant-machinery-equipment-tools-vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the companies, their directors, employee or agents.

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

We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources or reproduced in its proper form and context.

IX. Compliance with relevant laws

The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not reflected in the balance sheet provided to us.

**X. Multiple factors affecting the Valuation Report**

The valuation report is tempered by the exercise of judicious discretion by the RVE, taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.

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

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

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

XII. Conflict of Interest

We hereby confirm that we have no known present or contemplated interest in the subject company or asset being valued. There is no conflict of interest that would affect our ability to provide an independent and unbiased valuation. In the event any potential conflict arises during or after the course of this engagement, the same shall be disclosed promptly to the client. Our personnel have acted independently and impartially, and the fee for this engagement is not contingent upon the outcome of the valuation or any subsequent event.

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THANKING YOU