

July 16, 2024

To,  
The Board of Directors  
**Bharat Parenterals Limited**  
Survey No. 144A,  
Jarod-Samlaya Road,  
Haripura, Savli,  
Vadodara, Gujarat - 391520.

To,  
The Board of Directors  
**Varenyam Biolifesciences Private Limited**  
Survey No. 144A /146,  
Jarod-Samlaya Road,  
Haripura, Savli,  
Vadodara, Gujarat - 391520.

To,  
The Board of Directors  
**Varenyam Healthcare Private Limited**  
2, Vitrag Apartment,  
VIP Road, Vadodara,  
Gujarat - 390018.

**Subject: Addendum to valuation report dated 10.06.2024 issued for the purpose of determination of fair value of equity shares for preferential issue in accordance with Section 42 and Section 62(1) (c) of the Companies Act 2013 read with Rule 13 of Companies (Share Capital and Debenture) Rules, 2014 along with Chapter V of SEBI (ICDR) Regulations, 2018 (as amended) with respect to acquisition of Varenyam Healthcare Private Limited and Varenyam Biolifesciences Private Limited and recommendation of fair swap ratio.**

Dear Sir,

With reference to the subject, please find herewith addendum to the report dated 10.06.2024.

In this report, valuation has been carried out in accordance with Section 42 and Section 62(1) (c) of the Companies Act 2013 read with Rule 13 of Companies (Share Capital and Debenture) Rules, 2014 and Regulation 164 & 166A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 (as amended), for acquisition of Varenyam Healthcare Private Limited & Varenyam Biolifesciences Private Limited and recommend fair swap ratio.

On the basis of the relevant factors and circumstances discussed and outlined in the attached report, we recommend the following swap ratio:



3,57,420 (Three Lac Fifty-Seven Thousand Four Hundred & Twenty) fully paid-up Equity Shares of face Value of INR 10 each of BPL against 2,50,000 (Two Lac Fifty Thousand) fully paid-up Equity Shares of face value INR 10 each held by shareholders of VHPL.

17,016 (Seventeen Thousand & Sixteen) fully paid-up Equity Shares of face Value of INR 10 each of BPL against 1,80,000 (One Lac Eighty Thousand) fully paid-up Equity Shares of face Value INR 10 held by VHPL in VBPL.

A detailed valuation report is appended herewith.

We are grateful for the co-operation and support extended to us by the management in providing us the required information and details to carry out this exercise.

With best regards,



**CA. Snehal Shah**  
**Registered Valuer**

**Securities or Financial Assets**

M. No.: ICAIRVO/06/RV-P00116/2019-2020

IBBI Regn. No: IBBI/RV/06/2019/11772

ICAI M No. 128640

UDIN: 24128640BKBWGE8589



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## SECTION – 1: BACKGROUND AND PURPOSE

### 1.1 BACKGROUND

#### Bharat Parenterals Limited:

Bharat Parenterals Limited (“BPL”) is a Gujarat based pharmaceutical Company, established in 1992 by Mr. Ramesh Desai, who started the Company with a vision of making world class affordable medicines and to take it to the forefront of contract manufacturing units in Gujarat.

A WHO GMP & an ISO 10002: 2014, 9001: 2015 certified pharmaceutical Company, Bharat Parenterals Limited has traversed a long way in order to be recognized as one of the fastest growing Pharmaceutical Companies in India today. Growing at a fast yet steady pace, the second-generation contract development & manufacturing organization, led by Mr. Bharat Ramesh Desai, is well on its way to becoming a leader in New Age Formulations, both nationally and internationally.

Corporate Identification Number (CIN) of the Company is: L24231GJ1992PLC018237.

Following are the details of share capital structure of BPL as on valuation date:

Share Capital	Amount (Rs.)
<b>Authorized Share Capital</b>	
80,00,000 Equity Shares of Rs.10/- each	8.00.00.000
<b>Total</b>	<b>8.00.00.000</b>
<b>Issued, Subscribed &amp; Paid-up Share Capital</b>	
58,19,666 Equity Shares of Rs.10/- each fully paid up	5,81,96,660
<b>Total</b>	<b>5,81,96,660</b>

Shareholding Pattern of the Company (Based on latest Shareholding filed with stock exchanges):

Sr. No.	Description	No of Shareholders	Total Shares	% of Equity
1.	Promoters and Promoter Group	7	42,63,780	73.27
2.	Public	2,490	15,55,886	26.73
	<b>Total</b>	<b>2,497</b>	<b>58,19,666</b>	<b>100.00%</b>



**Varenyam Healthcare Private Limited:**

Varenyam Healthcare Private Limited (“VHPL”) is a Innovation-centric dynamic organization that operates in the Indian pharmaceutical market. VHPL is poised to be a leader & innovator in the Ethical Sales & Marketing of high-quality specialty injectables to Hospitals & Healthcare Institutions across India through a qualified team of medical sales professionals.

With the strong backing of parent company – Bharat Parenterals Limited, it has access to develop & manufacture in-house, safe & effective medicines under WHO-GMP compliant quality practices. The company has envisioned a steadfast path for Improving Life & is leaping ahead into the future -Innovating Health.

VHPL started its sales and distribution operations in the year 2016, from the states of Gujarat, Maharashtra, Madhya-Pradesh & Rajasthan, as a specialty focused pharmaceutical company with its core competency lying in Anaesthesia & Critical Care. Today the company has expanded its presence nationally & are a trusted provider of high quality injectables offering consistent & proven results.

The Corporate Identification Number (CIN) of the Company is U33300GJ2016PTC092867.

Following are the details of share capital structure of VHPL as on valuation date:

Share Capital	Amount (Rs.)
<b>Authorized Share Capital</b>	
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000
<b>Total</b>	<b>1,00,00,000</b>
<b>Issued, Subscribed &amp; Paid-up Share Capital</b>	
2,50,000 Equity Shares of Rs.10/- each fully paid up	25,00,000
<b>Total</b>	<b>25,00,000</b>

Following are the details of share holding pattern of VHPL as on valuation date:

Sr. No.	Name of Share holder	No of Shares held	% of holding
1.	Bharatkumar R Desai	100	0.04%
2.	Himaben Bharatkumar Desai	1,27,449	50.96%
3.	Bhahim Bharatkumar Desai	62,475	25.00%
4.	Nikita Bhahim Desai	59,976	24.00%
	<b>Total</b>	<b>2,50,000</b>	<b>100.00 %</b>



**Varenyam Biolifesciences Private Limited:**

Varenyam Biolifesciences Private Limited (“VBPL”) will be a contract research, development and manufacturing organization to target regulatory markets like India & Europe as per their respective good manufacturing practices whose global operations will be built around the needs, priorities and objectives of its clients and marketing partners.

A company well equipped with established facilities with the capabilities, experience and quality track records to accomplish large scale commercial products globally. The marketing partner-centered approach will enable them to support various market and supply chain segments, with sterile fill-finish (vials and pre-filled syringes), lyophilized and large volume parenteral dose biological product across the sites.

The company will offer liquid and lyophilized fill-finish (vial and PFS) of sterile injectable products, including terminal sterilization and high containment capabilities for potent biological products (anti-cancer agents, oncology). Their services in large volume parenteral dose biological products will be single and dual chamber sterile bags facility which will be first in India in potent segment for global supply requirements.

When partnering with the company, clients/marketing partners can expect the rare combination of a sizeable CMO, with the flexible, fast decision making of a lean enterprise. Leadership team & operations personnel, have indepth knowledge and experience of biopharmaceutical and contracting industry. The company will provide responsive, flexible, and tailored contract development and manufacturing services to pharmaceutical innovators and biological product developers of all sizes and enable them to bring quality products quickly and efficiently to patients.

VBPL does not have any revenues from its operation since its inception.

The Corporate Identification Number (CIN) of the Company is: U24290GJ2022PTC133332

Following are the details of Share Capital structure of VBPL as on valuation date:

Share Capital	Amount (Rs.)
<b>Authorized Share Capital</b>	
1,00,00,000 equity shares of Rs. 10/- each	10,00,00,000
<b>Total</b>	<b>10,00,00,000</b>
<b>Issued, Subscribed &amp; Paid-up Share Capital</b>	
45,00,000 equity shares of Rs. 10/- each	4,50,00,000
<b>Total</b>	<b>4.50,00,000</b>



Following are the details of share holding pattern of VBPL as on valuation date:

Sr. No.	Name of Share holder	No of Shares held	% of holding
1.	Bharat Parenterals Limited	27,00,000	60.00%
2.	Varenyam Healthcare Private Limited	18,00,000	40.00%
<b>Total</b>		<b>45,00,000</b>	<b>100.00 %</b>

## 1.2 PURPOSE OF VALUATION

As we understand that all the companies are part of same promotor group and having common management, the management of BPL is willing to acquire the shares of VHPL and VBPL so as to make them 100% subsidiary companies with a view to expand its business horizons.

For the said purpose BPL requires to issue equity shares to shareholders of VHPL as it holds 40.00% stake in VBPL. As the transaction requires to determine fair value of equity shares of BPL being preferential allotment pursuant to Section 42 and Section 62(1) (c) of the Companies Act 2013 read with Rule 13 of Companies (Share Capital and Debenture) Rules, 2014 and Regulation 164 & 166A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 (as amended) and determining equity values of VHPL and VBPL to determine swap ratio.

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## SECTION – 2: IDENTITY OF VALUER, SCOPE OF WORK AND BASIS FOR VALUATION

### 2.1. IDENTITY OF VALUER

In the light of above facts & circumstances, BPL has appointed CA Snehal Shah to provide the valuation services to determine fair value of its equity shares. Snehal Shah is a Chartered Accountant & Registered Valuer under asset class - Securities or Financial Assets, as per rule 3 of the Companies (Registered Valuer and Valuation) Rules 2017, holding valid Certificate of Practice from ICAI Registered Valuers Organisation.

#### **Brief details of the Valuer:**

Name of Valuer	Snehal Shah
Address of the Valuer	920, Samanvay Silver Complex, B/s Hotel Royal Orchid, Mujmahuda, Akota, Vadodara – 390020.
Contact Details	M – 8758074411
Email Address	<a href="mailto:office@casnehalshah.in">office@casnehalshah.in</a>
Qualifications	Chartered Accountant, Registered Valuer (SFA)
IBBI Registration No	IBBI/RV/06/2019/11772
ICAI RVO Membership No	ICAIRVO/06/RV-P00116/2019-2020
Disclosure of Interest or Conflict	The undersigned is an independent valuer. There is no conflict of interest. It is further stated that neither the undersigned nor the relatives / associates are related or associated with the Company.

### 2.2. SCOPE OF WORK

Valuation by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Our assessment of the valuation will be on the basic assumption of a going concern entity and would be based on some or all of popular methodologies under Income Approach, Market Approach and Asset Approach.

Please note that this valuation exercise does not constitute an audit of the books and records of the Company under the Companies Act. We will not accept any responsibility for the accuracy or authenticity of the records or information provided to us.

In carrying out the exercise, we have relied upon the information and clarifications provided by BPL. We have also relied upon the Company management's representation as well as other documentation provided to us.





No responsibility is taken to update this report for events and circumstances occurring after the report date of July 16, 2024.

### 2.3. VALUATION STANDARD

The Report has been prepared in compliance with the Valuation Standards issued by the Institute of Chartered Accountants of India and adopted by ICAI Registered Valuers Organisation. We have followed ICAI Valuation Standard 301 during the valuation exercise.

### 2.4. VALUATION BASE

Business valuation can be undertaken in a variety of contexts and for a variety of purposes. To begin with any valuation process, it is most pertinent to identify the type of value relevant to the transaction/case as different valuation bases may lead to different conclusions of value. In the given context, Fair value is considered as the appropriate base for valuation.

Fair Value is defined in ICAI Valuation Standard-101 as: " Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date."

### 2.5. PREMISE OF VALUE

As per ICAI Valuation Standard-101: "Premise of Value refers to the conditions and circumstances how an asset is deployed."

The valuation has been carried out under the fundamental premise of "Going Concern" as this, in our opinion, represents the best use of the business assets of the subject business enterprise.

### 2.6. DATE OF VALUATION

As the report is issued to comply the requirements laid down under Regulation 164 and 166A of Chapter V of SEBI (ICDR) Regulations, 2018 (as amended), the relevant date / valuation date is considered at 31.05.2024 for BPL as informed by the management in line with the compliances of Regulation 161(a). For VHPL and VBPL also valuation date is considered at 31.05.2024.

### 2.7. CIRCULATION OF REPORT

This report is confidential in nature and meant for the use by management of BPL, VHPL, VBPL, SEBI, MCA and any other statutory authority, entity, individual as authorised by the Company.



### **SECTION – 3: CAVEATS, LIMITATIONS AND DISCLAIMERS**

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#### **3.1 RESTRICTIONS ON USE OF VALUATION REPORT**

This valuation report has been prepared for the purpose stated herein and should not be relied upon for any other purpose. Our client is only authorized user of this report and is restricted for the purpose stated. We do not take any responsibility for the unauthorized user of this report. The report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

#### **3.2 OUR RESPONSIBILITY**

We owe responsibility only to our 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 action taken, omissions or advise given by any other person. In no event shall we be liable for any loss, damages, cost or expense arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.

The decision to carry out the transaction (including consideration thereof) lies entirely with the management/ board of directors and our work and our finding shall not constitute a recommendation as to whether or not the management /board of directors should carry out the transaction.

#### **3.3 DECLARATION OF INDEPENDENCE**

We are independent of the company and have no current or expected interest in the company or its assets. The fee paid for our services in no way influenced the results of our analysis.

#### **3.4 ACCURACY OF INFORMATION**

While our work has involved an analysis of financial information 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. Accordingly, we assume no responsibility and make no representation with respect to the accuracy or completeness of any information provided by and on behalf the client. Our report is subject to the scope and limitations detailed in this report. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.



### 3.5 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 variations in value due to factor 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.

### 3.6 RELIANCE ON THE REPRESENTATIONS OF THE CLIENTS, THEIR MANAGEMENT AND OTHER THIRD PARTIES

The company and its management/representatives 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 owners/clients, their management and other third parties concerning the financial data, operational data and any other investments in tangible assets except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employees or agents. The management has represented that the companies have clear and valid title of asset. No investigation on the companies claim to such rights has been assumed to be valid.

### 3.7 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 and /or reproduced in its proper form and context.

### 3.8 COMPLIANCE WITH RELEVANT LAW

The report assumes that the client complies fully with relevant laws and regulations applicable in is area of operations and usages 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 recorded/reflected in the financial statements and other information provided to us. Our report is not, nor should it be construed as me opining or certifying the compliance of the proposed transaction with the provisions of any law including companies,



competition, taxation and capital market related laws or as regards any legal implications or issues arising in India or abroad.

### 3.9 SUBSEQUENT EVENTS

An analysis of such nature is necessary based on the prevailing stock market, financial economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. 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.

### 3.10 FUTURE SERVICES INCLUDING BUT NOT LIMITED TO TESTIMONY OR ATTENDANCE IN COURTS/TRIBUNALS/AUTHORITIES FOR THE OPINION OF VALUES IN THE VALUATION REPORT

We are fully aware that based on the opinion 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 my / our tending evidence before such authority shall be under the applicable laws.

### 3.11 INFORMATION PROVIDED WITH RESPECT TO VALUATION

In the course of the valuation, we were provided with written information. We have however, evaluated the information provided to us by the company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purposes of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by/ on behalf of the company.

We do not make any representation or warranty, express or implied, as to accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for/ or based on or relating to any such information contained in the valuation. No responsibility or liability is accepted for any loss or damage howsoever arising that you may suffer as result of this Report and all responsibility and liability is expressly disclaimed by us.



#### SECTION – 4: INFORMATION SOURCES

For the purpose of this report, the documents and/or information published or provided by managements of BPL, BHPL & VBPL have been relied upon and we do not vouch for the accuracy of the information provided to us.

We have relied on the following information sources:

- Background documents and information about BPL, VHPL & VBPL.
- Audited financial statements of for the financial year 2023-24 for BPL and VBPL.
- Provisional financial statement for the financial year 2023-24 for VHPL.
- Management certified provisional financial statements of up to 31.05.2024 for BPL, VHPL & VBPL.
- MOA and AOA of all 3 the companies.
- Projected financial statement up to FY 2028-29 for BPL, VHPL and VBPL.
- Other relevant details such as its history and other information (including verbal) as required from time to time.
- Information available in public domain and databases such as National Stock Exchange, Bombay Stock Exchange, moneycontrol etc.

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## **SECTION – 5: VALUATION METHODOLOGIES & APPROACH ADOPTED**

### **5.1 VALUATION METHODOLOGIES**

Valuation is not an exact science and is dependent on various factors such as specific nature of business, economic life cycle in which the industry and company is operating, past financial performance of the business, future growth potential of the business, business model, management of the company, relevance of technology in the business model, liquidity of equity and much more. The results of the valuation exercise may vary significantly depending on the basis used, the specific circumstances and the judgement of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue.

ICAI Valuation Standard 103 provides guidance for three main valuation approaches viz. Cost / Asset Approach, Market Approach and Income Approach. Each approach uses different parameters / methodology and are used in different situations as mentioned hereunder:

#### **Asset Based Approach:**

- Net Asset Value Method

#### **Market Based Approach/Relative Valuation Approach:**

- Comparable Companies Multiplier Method
- Market Price Method

#### **Income Based Approach:**

- Discounted Cash Flow Method

### **5.2 ANALYSIS OF VALUATION METHODS & APPROACH ADOPTED**

For the purpose of determining fair value, a valuer may use any of the approaches as per the generally / internationally accepted valuation methodologies which in its opinion are most appropriate based on the facts of each situation. We have analysed following methods for the appropriateness for the current valuation exercise:



**a. Net Asset Value Method**

The asset-based valuation technique is based on the value of underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. The Net Assets Value (NAV) approach considers the underlying value of the Company's individual assets net of its liabilities. In this approach, the book value is adjusted by substituting market value of individual assets (mainly for Land and Building) & liabilities for their carrying value on the balance sheet with consideration given to so call off balance sheet assets & liabilities, including contingent liabilities.

We have used asset approach in our valuation exercise. As the valuation premise is "Going Concern" base and as the actual realization of the operating assets is not contemplated, we have considered it appropriate not to determine the replacement values of the assets.

**b. Comparable Companies Multiple Method**

This Method uses the valuation ratio of publicly traded company and applies this ratio to the company being valued. The valuation is done based on certain multiples (such as Sales, Profits, PE, EBITDA, Book Value etc.) of the publicly listed companies which are in similar business/industry and comparable on parameters like business model, products, sales, geography etc.

The CCM Method is founded on the concept that companies within similar industries or similar positions within their industries will have similar valuations or characteristics upon which a valuation can be based – whether that company is public or private. It is vital to choose the relevant multiple and make necessary adjustments for the differences between circumstances. EV/EBITDA and PE Multiples are the most widely used multiples under this method.

The difficulty in this method is the selection of comparable company as it is rare to find companies with similar product portfolio, size, capital structure, profitability etc. In our analysis, we could not find any such comparable company and hence, we have not used this method.

**c. Market Price (MP) Method**

As BPL is listed on the stock exchange, the pricing guideline of Regulation 164 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR) have been relied upon for valuing the equity share of the Company under the Market Price Method.



ICDR Regulations 2018 provides following guidelines for pricing of the Preferential Issue of frequently traded shares:

If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

- a. the 90 trading days' volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or
- b. the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

Explanation:

- (a) For the purpose of this regulation, 'stock exchange' means any of the recognised stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.
- (b) "Relevant date "in case of preferential issue of equity shares means, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.

As VHPL and VBPL are not publicly listed, we have not used this method for valuing them.

**d. Discounted Cash Flows Method**

Discounted Cash Flow (DCF) method is an income-based approach. Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. The terminal value represents the total value of the available cash flow for all periods subsequent to the horizon period. The terminal value of the business at the end of the horizon period is estimated, discounted to its present value equivalent, and added to the present value of the available cash flow to estimate the value of the business.





DCF analysis involves determining the following:

- Estimating future free cash flows: Free cash flows are the cash flows expected to be generated by the firm that are available to all providers of capital.
- Appropriate discount rate to be applied to cash flows i.e., the cost of capital: This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (viz. shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

To arrive at the total value available to the stakeholders of the company, the value arrived at above under the DCF Method for the company is adjusted for, inter alia, the value of loans, cash, and surplus / non-operating assets/liabilities as deemed appropriate for the purpose of our valuation analysis.

We have used DCF Method in our exercise for BPL, VHPL and VBPL.

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## SECTION – 7: VALUATION, BASIS OF SWAP RATIO & CONCLUSION

The basis of fair share swap ratio would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending a swap ratio, it is necessary to arrive at a single value for the equity share of the Companies. It is however important to note that in doing so we are not attempting to arrive at the absolute values but their relative values to facilitate the determination of a swap ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

The swap ratio has been arrived at on the basis of a relative valuation based on the various approaches/methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses, having regard to information base, key underlying assumptions and limitations. Suitable averaging and rounding off in the values have been done to arrive consensus in swap ratio.

Based on above, we have arrived at following values per share for BPL, VHPL and VBPL:

Company Name	Valuation Approach						Relative Value (Rs. Per Share)
	Income Approach	Weight	Market Approach	Weight	Asset Approach	Weight	
BPL	1455.9	NA	1,479.90	NA	391.14	NA	<b>1,479.90</b>
VHPL	2,595.66	0.80	NA	NA	196.34	0.2	<b>2,115.80</b>
VBPL	18.77	0.5	NA	NA	9.21	0.5	<b>13.99</b>

**Note:**

1. In case of BPL, higher value out of all 3 approaches is considered as floor price in accordance with Regulation 166A of SEBI ICDR Regulations.
2. Market Approach not used in case of VHPL & VBPL as both are unlisted companies. Further, we could not find any comparable listed company during our valuation exercise.

On the basis of above we recommend the following swap ratio:

3,57,420 (Three Lac Fifty-Seven Thousand Four Hundred & Twenty) fully paid-up Equity Shares of face Value of INR 10 each of BPL against 2,50,000 (Two Lac Fifty Thousand) fully paid-up Equity Shares of face value INR 10 each held by shareholders of VHPL.



17,016 (Seventeen Thousand & Sixteen) fully paid-up Equity Shares of face Value of INR 10 each of BPL against 1,80,000 (One Lac Eighty Thousand) fully paid-up Equity Shares of face Value INR 10 held by VHPL in VBPL.

*With best regards,*



**CA. Snehal Shah**  
**Registered Valuer**

**Securities or Financial Assets**

M. No.: ICAIRVO/06/RV-P00116/2019-2020

IBBI Regn. No: IBBI/RV/06/2019/11772

ICAI M No. 128640

Date: 16.07.2024

Place: Vadodara

UDIN: 24128640BKBWGE8589



**Annexure: I**

**Valuation of BPL as per DCF Method:**

**a. Calculation of Equity Value**

Particulars	Amount (Rs. In Crore)
Business Enterprise Value	850.44
Less: Debts	6.47
Add: Cash & Bank Balance (in excess of Working Capital)	3.31
<b>Business Equity Value</b>	<b>847.28</b>
<b>No of Shares</b>	<b>58,19,666</b>
<b>Fair value per share</b>	<b>1,455.90</b>

**b. Calculation of Free Cash Flow (Rs. In Crore)**

Particulars	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29
Year No.	1	2	3	4	5
EBDIT	64.73	75.61	91.10	111.24	131.01
Less Tax	-14.44	-17.23	-21.37	-27.51	-33.71
Cash flow from Operations	50.29	58.37	69.74	83.73	97.31
Add / Less CAPEX	1.59	40.69	4.87	5.06	5.27
Add / Less Change in Working Capital	-3.68	-29.78	-16.92	-19.59	-18.48
Free Cash Flow to Firm	48.20	69.29	57.69	69.20	84.09
Terminal Value	-	-	-	-	1,100.15
Cash Flow to be discounted	48.20	69.29	57.69	69.20	1,184.25
Terminal Growth Rate					5.00%
Discount Period/Year	0.83	1.83	2.83	3.83	4.83
Discount Factor	0.91	0.80	0.71	0.63	0.56
<b>Free Cash Flow to the Company</b>	<b>43.65</b>	<b>55.70</b>	<b>41.17</b>	<b>43.84</b>	<b>666.08</b>



c. Calculation of WACC:

**(A) Working of Cost of Equity & Cost of Debt**

Risk Free Rate (RF) %	7.05 %
Market Rate of Return (RM)%	13.79 %
Market Risk Premium (RP) %	6.74 %
Beta (B)	0.55
<b>Cost of Equity (RF+B*RP)</b>	<b>10.76 %</b>
Pre-Tax Cost of Debt	8.75 %
Tax Rate	25.17 %
<b>Post tax Cost of Debt – (Interest Rate _ net of Tax)</b>	<b>6.56 %</b>

**(B) Weighted Average Cost of Capital**

Particulars / Proportion	COST	WACC
Equity (@97.24% as on 31 <sup>st</sup> May 2024)	10.76%	10.46 %
Debt (@2.76% as on 31 <sup>st</sup> May 2024)	6.56%	0.18 %
Additional Risk Premium		2.00 %
<b>Weighted Average Cost of Capital (WACC)</b>		<b>12.64 %</b>



**Annexure: II**

**Valuation of BPL as per Market Price Method:**

**A. 90 trading days' volume weighted average price (VWAP) of the equity shares of BPL, quoted on the BSE SME, preceding 31.05.2024 (Relevant Date).**

Date	No of Shares	Volume of Shares
(a)	(b)	(c)
30-May-24	171	2,41,049
29-May-24	760	10,46,652
28-May-24	1059	14,74,587
27-May-24	2499	35,75,117
24-May-24	843	12,45,772
23-May-24	2167	31,95,089
22-May-24	1051	15,79,718
21-May-24	3656	55,52,154
18-May-24	2398	36,39,872
17-May-24	980	15,12,696
16-May-24	3131	48,08,791
15-May-24	2276	35,26,136
14-May-24	5405	83,26,826
13-May-24	1920	29,22,876
10-May-24	671	10,24,265
09-May-24	3647	56,72,043
08-May-24	981	15,19,776
07-May-24	2012	30,74,000
06-May-24	2179	35,03,099
03-May-24	5097	84,86,432
02-May-24	14092	2,32,36,455
30-Apr-24	12597	2,22,98,399
29-Apr-24	22401	3,97,20,954
26-Apr-24	6445	1,10,15,406
25-Apr-24	25943	4,28,76,724
24-Apr-24	18209	2,78,14,516
23-Apr-24	4716	72,29,786
22-Apr-24	20611	3,14,41,814
19-Apr-24	10118	1,35,06,022
18-Apr-24	372	4,95,466
16-Apr-24	351	4,64,190
15-Apr-24	914	12,09,419
12-Apr-24	1177	15,93,346
10-Apr-24	729	9,99,548



09-Apr-24	3444	48,34,355
08-Apr-24	6459	85,17,355
05-Apr-24	834	10,66,520
04-Apr-24	1880	23,92,056
03-Apr-24	3807	45,49,032
02-Apr-24	269	3,10,490
01-Apr-24	1446	16,44,876
28-Mar-24	2947	33,31,931
27-Mar-24	450	5,13,068
26-Mar-24	692	7,72,230
22-Mar-24	1153	13,41,561
21-Mar-24	1368	15,98,547
20-Mar-24	279	3,15,431
19-Mar-24	713	8,28,538
18-Mar-24	487	5,81,113
15-Mar-24	301	3,45,476
14-Mar-24	3434	38,00,380
13-Mar-24	4013	43,91,865
12-Mar-24	7661	88,02,337
11-Mar-24	5859	69,74,578
07-Mar-24	2428	30,65,605
06-Mar-24	1360	18,02,777
05-Mar-24	1198	16,64,243
04-Mar-24	4073	57,86,208
02-Mar-24	1480	21,19,291
01-Mar-24	7599	1,04,93,065
29-Feb-24	9635	1,23,47,425
28-Feb-24	2665	30,73,167
27-Feb-24	9225	1,05,04,367
26-Feb-24	2442	25,45,791
23-Feb-24	2248	23,28,674
22-Feb-24	2874	29,35,524
21-Feb-24	2686	28,29,571
20-Feb-24	5073	55,87,655
19-Feb-24	16412	1,76,18,103
16-Feb-24	3709	35,80,145
15-Feb-24	2217	19,79,057
14-Feb-24	3184	27,69,227
13-Feb-24	12581	1,14,98,095
12-Feb-24	3554	30,55,372
09-Feb-24	1038	8,53,177
08-Feb-24	1391	11,46,947



07-Feb-24	1586	12,93,000
06-Feb-24	2839	23,07,765
05-Feb-24	2040	16,61,814
02-Feb-24	1118	9,00,453
01-Feb-24	2064	16,49,708
31-Jan-24	1497	11,87,479
30-Jan-24	2112	17,23,661
29-Jan-24	447	3,62,123
25-Jan-24	1033	8,26,794
24-Jan-24	1679	13,37,339
23-Jan-24	1476	11,60,594
20-Jan-24	547	4,23,602
19-Jan-24	534	4,09,839
18-Jan-24	620	4,73,978
<b>Total</b>	<b>347738</b>	<b>47,20,42,369</b>
<b>90 trading days' Volume Weighted Average Price preceding Relevant Date, i.e., 31.05.2024 [c] / [b]</b>		<b>1,357.47</b>

**B. 10 trading days' volume weighted average price (VWAP) of the equity shares of BPL, quoted on the BSE SME, preceding 31.05.2024 (Relevant Date).**

Date	No of Shares	Volume of Shares
(a)	(b)	(c)
30-May-24	171	2,41,049
29-May-24	760	10,46,652
28-May-24	1059	14,74,587
27-May-24	2499	35,75,117
24-May-24	843	12,45,772
23-May-24	2167	31,95,089
22-May-24	1051	15,79,718
21-May-24	3656	55,52,154
18-May-24	2398	36,39,872
17-May-24	980	15,12,696
<b>Total</b>	<b>15584</b>	<b>2,30,62,706</b>
<b>10 trading days' Volume Weighted Average Price preceding Relevant Date, i.e., 31.05.2024 [C] / [B]</b>		<b>1,479.90</b>

Higher of above two options [(A) Rs. 1,357.47 and (B) Rs. 1479.90] is Rs. 1,479.90 per share is the valuation as per regulation 164 (1) the SEBI ICDR regulation basis Market approach.





**Annexure: III**

**Valuation of BPL as per Book Value Method:**

Particulars	Amount (Rs. in Lac)
<b>ASSETS</b>	
Property, Plant & Equipment	3,923.04
Investment Properties	80.52
Investment in Subsidiaries	4,860.74
Loans	7,595.91
Other Financial Assets	303.96
Deferred Tax Assets	9.67
Other Non-Current Assets	197.57
Inventory (Current Assets)	4,477.51
Financial Assets	16,464.45
Other Current Assets	1,508.08
<b>Total Assets</b>	<b>39,421.45</b>
<b>LESS: LIABILITIES</b>	
Borrowing / Non-current Financial Liabilities	356.62
Provisions for Expenses	214.94
Borrowing / Current Financial Liabilities	7531.9
Trade Payable	6,091.38
Other Financial Liabilities	1,479.89
Other Current Liabilities	983.65
<b>Total Liabilities</b>	<b>16,658.38</b>
<b>Net Asset Value</b>	<b>22,763.07</b>
Shares (Total Numbers of Shares of BPL, as of 31.05.2024)	58,19,666
<b>Value Per Share</b>	<b>391.14</b>



**Annexure: IV**

**Valuation of VHPL as per DCF Method**

**a. Calculation of Equity Value**

Particulars	Amount (Rs. In Crore)
Business Enterprise Value	67.29
Less: Debts	2.40
Add: Cash & Bank Balance (in excess of Working Capital)	0.00
<b>Business Equity Value</b>	<b>64.89</b>
<b>No of Shares</b>	<b>2,50,000</b>
<b>Fair value per share</b>	<b>2,595.66</b>

**b. Calculation of Free Cash Flow (Rs. In Crore)**

Particulars	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29
Year No.	1	2	3	4	5
EBDIT	5.42	6.63	8.13	9.95	12.19
Less Tax	-1.36	-1.73	-2.18	-2.73	-3.41
Cash flow from Operations	4.05	4.90	5.95	7.22	8.77
Add / Less CAPEX	-	-	-	-	-
Add / Less Change in Working Capital	-1.37	-1.68	-2.06	-2.53	-3.09
Free Cash Flow to Firm	2.68	3.22	3.89	4.70	5.68
Terminal Value	-	-	-	-	88.99
Cash Flow to be discounted	2.68	3.22	3.89	4.70	94.67
Terminal Growth Rate					5.00%
Discount Period/Year	0.83	1.83	2.83	3.83	4.83
Discount Factor	0.91	0.82	0.74	0.66	0.59
<b>Free Cash Flow to the Company</b>	<b>2.45</b>	<b>2.64</b>	<b>2.86</b>	<b>3.11</b>	<b>56.23</b>



c. Calculation of WACC:

**(A) Working of Cost of Equity & Cost of Debt**

Risk Free Rate (RF) %	7.05 %
Market Rate of Return (RM)%	13.79 %
Market Risk Premium (RP) %	6.74 %
Beta (B)	0.55
<b>Cost of Equity (RF+B*RP)</b>	<b>10.76 %</b>
Pre-Tax Cost of Debt	8.75 %
Tax Rate	25.17 %
<b>Post tax Cost of Debt – (Interest Rate _ net of Tax)</b>	<b>6.56 %</b>

**(B) Weighted Average Cost of Capital**

Particulars / Proportion	COST	WACC
Equity (@67.16% as on 31 <sup>st</sup> May 2024)	10.76 %	7.22 %
Debt (@32.84% as on 31 <sup>st</sup> May 2024)	6.46 %	2.16 %
Additional Risk Premium		2.00 %
<b>Weighted Average Cost of Capital (WACC)</b>		<b>11.38 %</b>



**Annexure: V**

**Valuation of VHPL as per Book Value Method:**

Particulars	Amount (Rs. in Lac)
<b>ASSETS</b>	
Property, Plant & Equipment	32.00
Deferred Tax Assets	13.60
Other Non-Current Assets	3.92
Inventory (Current Assets)	817.93
Investments	637.71
Trade Receivables	881.37
Cash & Cash Equivalents	3.39
Loans & Advances	2.33
Other Current Assets	60.92
<b>Total Assets</b>	<b>2,453.17</b>
<b>LESS: LIABILITIES</b>	
Borrowing / Non-current Financial Liabilities	240.00
Deferred Tax Liabilities	4.13
Provisions for Expenses	
Borrowing / Current Financial Liabilities	327.19
Trade Payable	1,214.60
Other Financial Liabilities	138.20
Other Current Liabilities & Provisions	38.21
<b>Total Liabilities</b>	<b>1,962.33</b>
<b>Net Asset Value</b>	<b>490.85</b>
Shares (Total Numbers of Shares of VHPL, as of 31.05.2024)	2,50,000
<b>Value Per Share</b>	<b>196.34</b>



Annexure: VI

Valuation of VBPL as per DCF Method

a. Calculation of Equity Value

Particulars	Amount (Rs. In Crore)
Business Enterprise Value	30.21
Less: Net Debts	21.79
Add: Cash & Bank Balance (in excess of Working Capital)	0.03
<b>Business Equity Value</b>	<b>8.45</b>
<b>No of Shares</b>	<b>45,00,000</b>
<b>Fair value per share</b>	<b>18.77</b>

b. Calculation of Free Cash Flow (Rs. In Crore)

Particulars	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29
Year No.	1	2	3	4	5
EBDIT	-0.13	18.94	17.56	17.25	21.64
Less Tax	-	-	-2.18	-5.54	-8.40
Cash flow from Operations	-0.13	18.94	15.38	11.71	13.24
Add / Less CAPEX	-	-	-	-	-
Add / Less Change in Working Capital	0.00	-16.35	-12.44	-14.59	-11.51
Free Cash Flow to Firm	-0.13	2.59	2.94	-2.88	1.74
Terminal Value	-	-	-	-	41.00
Cash Flow to be discounted	-0.13	2.59	2.94	-2.88	42.74
Terminal Growth Rate					5.00%
Discount Period/Year	0.83	1.83	2.83	3.83	4.83
Discount Factor	0.93	0.85	0.78	0.71	0.65
<b>Free Cash Flow to the Company</b>	<b>-0.12</b>	<b>2.20</b>	<b>2.29</b>	<b>-2.05</b>	<b>27.89</b>



c. Calculation of WACC:

**(A) Working of Cost of Equity & Cost of Debt**

Risk Free Rate (RF) %	7.05 %
Market Rate of Return (RM)%	13.79 %
Market Risk Premium (RP) %	6.74 %
Beta (B)	0.55
<b>Cost of Equity (RF+B*RP)</b>	<b>10.76 %</b>
Pre-Tax Cost of Debt	8.75 %
Tax Rate	25.17 %
<b>Post tax Cost of Debt – (Interest Rate _ net of Tax)</b>	<b>6.56 %</b>

**(B) Weighted Average Cost of Capital**

Particulars / Proportion	COST	WACC
Equity (@15.99% as on 31 <sup>st</sup> May 2024)	10.76 %	1.72 %
Debt (@84.01% as on 31 <sup>st</sup> May 2024)	6.46 %	5.51 %
Additional Risk Premium		2.00 %
<b>Weighted Average Cost of Capital (WACC)</b>		<b>9.23 %</b>



Annexure: VII

Valuation of VBPL as per Book Value Method

Particulars	Amount (Rs. in Lac)
<b>ASSETS</b>	
Property, Plant & Equipment	2,660.47
Cash & Cash Equivalents	2.81
Other Current Assets	55.86
<b>Total Assets</b>	<b>2,719.15</b>
<b>LESS: LIABILITIES</b>	
Borrowing / Non-current Financial Liabilities	2,179.32
Trade Payable	122.48
Other Current Liabilities & Provisions	2.70
<b>Total Liabilities</b>	<b>2,304.50</b>
<b>Net Asset Value</b>	<b>414.65</b>
Shares (Total Numbers of Shares of VBPL, as of 31.05.2024)	45,00,000
<b>Value Per Share</b>	<b>9.21</b>

