

***Addendum to Valuation of equity shares of
Aarey Drugs and Pharmaceuticals Limited
as per the provisions of the Securities and
Exchange Board of India (“SEBI”) (Issue of
Capital and Disclosure Requirements)
(Amendment) Regulations, 2022 (“ICDR
Regulations”)***

Relevant Date: 03rd December 2024

Report Date: 17th April 2025

Rashmi Shah FCA

Registered Valuer (Securities or Financial Assets) with IBBI

Registration No.: IBBI/RV/06/2018/10240

Date: 19th March 2025

To,
The Board of Directors
Aarey Drugs and Pharmaceuticals Limited
E-34, MIDC, Tarapur, Boisar, Thane, Maharashtra – 401 506.

Dear Sirs,

Sub: Addendum to Valuation of equity shares of Aarey Drugs and Pharmaceuticals Limited for preferential allotment

Aarey Drugs and Pharmaceuticals Limited (“ADPL” or “the Company”) intends to issue equity shares to certain investors.

In this regard, Rashmi Shah FCA, Registered Valuer with IBBI Registration No. IBBI/RV/06/2018/10240 (‘RVS’ or ‘Independent Valuer’) has been appointed to determine fair value of equity shares of ADPL under Regulation 165 & Regulation 166A of the Securities and Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022 (“ICDR Regulations”) (‘SEBI ICDR Regulations’) (‘Valuation Purpose’).

The Valuation Date as informed to us by the Management of ADPL (‘the Management’) for computation of the value of the said Equity shares to be issued by ADPL is 03rd December 2024 (‘Valuation Date’).

RVS had issued a Valuation Report in this regard dated 27th December 2024. ADPL has an investment in the equity shares of Transmedia Software Limited (‘TSL’). We have now received financials of TSL, which we have considered to determine the NAV of ADPL. The Addendum to the earlier valuation report is being issued to factor the latest financials of TSL provided to us by the Management of ADPL. Please refer to the revised valuation summary as below:

Valuation approach	Value per share (INR)	Weight %
Asset approach - NAV method	48.70	0%
Market approach - Market Price Method (ICDR Pricing)	63.78	100%
Market approach - CCM Method	22.03	0%
Profit Earning Capacity Value (PECV)	7.38	0%
Value per share (INR)	63.78	

We have presented below the valuation of equity shares of ADPL using NAV method due to a revision in value of equity shares of ADPL considering latest financials provided to us for TSL. The valuation working using ADPL using NAV method is as below:

Valuation of equity shares of ADPL using NAV Method

Determination of Net Asset Value of the Aarey Drugs and Pharmaceuticals Limited as per Balance Sheet as of 30th September 2024

Value per share of Aarey Drugs and Pharmaceuticals Limited using NAV method:

Particulars (Amount in INR Lakhs)	Book Value	Fair Value
Assets		
Property, plant and equipment	1,298.84	1,298.84
Non current investments	138.00	192.76
Loans and advances	170.50	170.50
Other Financial Assets	710.48	710.48
Inventories	2,983.50	2,983.50
Trade Receivables	14,240.07	14,240.07
Cash and cash equivalents	148.97	148.97
Short - term loans and advances	2,352.33	2,352.33
Other Current Assets	5,410.12	5,410.12
Total assets	27,452.81	27,507.57
Liabilities		
Deferred tax liabilities	49.10	49.10
Borrowings - Current	3,865.02	3,865.02
Trade payables	8,497.71	8,497.71
Financial liabilities	0.47	0.47
Other current liabilities	1,022.92	1,022.92
Current tax liabilities	50.00	50.00
Provisions	408.48	408.48
Total liabilities	13,893.70	13,893.70
Net asset value (INR Lakhs)	13,559.11	13,613.87
Number of equity shares	27,954,303	27,954,303
Value per share (INR)	48.50	48.70

In light of the above, the value per equity share of ADPL using NAV method is **INR 48.70/-**.

Value per share of Transmedia Software Limited using NAV method:

Particulars (Amounts in INR Lakhs)	Book value	Fair value
Assets		
Non-Current Assets		
Property, Plant and Equipments		
Computer	1.08	1.08
Office equipment	7.56	7.56
Motor car	186.10	186.10
Plant & machinery	79.10	79.10
Furniture & fixture	6.99	6.99
Office furniture	0.06	0.06
Software	0.03	0.03
Non-Current Investment	5.50	5.50
Deffered tax assets	27.74	27.74
Security Deposits	1,912.44	1,912.44
Inventories	1,440.72	1,440.72
Trade receivables	363.26	363.26
Cash & cash equivalent	49.75	49.75
Short term loans & advances	2,838.18	2,838.18
Advances tax & TDS	15.74	15.74
Services tax paid under VCES	30.70	30.70
Othern receivables	139.98	139.98
Prepaid expenses	10.46	10.46
Total assets	7,115.38	7,115.38
Liabilities		
Long term borrowings	4,627.81	4,627.81
Short term borrowings	1,434.06	1,434.06
Due MSME	6.27	6.27
Other than MSME	100.71	100.71
Other liabilities	143.61	143.61
Total Liabilities	6,312.45	6,312.45
Net asset value (NAV)	802.93	802.93
Number of equity shares	1,666,150	1,666,150
Value per share (INR)	48.19	48.19

SCOPE LIMITATIONS AND DISCLAIMERS

- Valuation analysis and results are specific to the purpose of valuation mentioned in this report as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date.
- We owe responsibility to only the management of the client that has retained us and nobody else. We do not accept any liability to any third party in relation to the issue of this valuation report. Our valuation report cannot be used for any other purpose. This report has been prepared only for the sole use and information of ADPL. Without limiting the foregoing, we understand that ADPL may be required to submit this report to the regulatory authorities / stock exchanges in connection with the Proposed Transaction.
- Our analysis is based on the market conditions and the regulatory environment that currently exists. However, changes to the same in the future could impact the company and the industry it operates in, which may impact our valuation analysis.
- We are not responsible for updating this report because of any events or transactions occurring subsequent to the date of this report.
- We have considered and relied on the information provided to us by the Management including financial information, significant transactions and events occurring subsequent to the balance sheet date. We understand that the information provided to us and the representations made to us (whether verbal or written) are reliable and adequate. We have derived our conclusions and recommendation from the information so provided and we are thus reliant on the given information to be complete and accurate in every significant aspect. We are made to believe that the Management have informed us about all material transactions, events or any other relevant factors which are likely to have an impact on our valuation recommendation.
- In the ultimate analysis, valuation will have to capture the exercise of judicious discretion by the Valuer and judgment taking into account all the relevant factors. There will always be several factors which are not evident from the face of the financial statements, but which will strongly influence the worth of a share. Examples of such factors include quality and integrity of the management, capital adequacy, asset quality, earnings, liquidity, size, present and prospective competition, yield on comparable securities and market sentiment, etc. This concept is also recognized in judicial decisions.
- This Report does not look into the business / commercial reasons behind the transaction. We have no present or planned future interest in the company and the fee for this engagement is not contingent upon the values reported herein. Our valuation analysis should not be construed as an investment advice. We do not express any opinion on the suitability or otherwise of entering into any transaction with the Company
- Any discrepancies in any annexure between the total and the sums of the amounts listed are due to rounding-off.

VALUATION ANALYSIS AND CONCLUSION

- The value per equity share of ADPL are 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 of the Companies, having regard to information base, key underlying assumptions and limitations. We have independently applied methods discussed above, as considered appropriate, i.e., Market Price method and Adjusted NAV method for determining value per share of ADPL, as applicable and relevant.
- In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove referred to earlier in this Report for the proposed transaction, in our opinion, we recommend the fair value of equity shares of ADPL at **INR 63.78 per equity share**, computed as below.

Valuation of equity shares of ADPL

Valuation approach	Value per share (INR)	Weight %
Asset approach - NAV method	48.70	0%
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Market approach - CCM Method	22.03	0%
Profit Earning Capacity Value (PECV)	7.38	0%
Value per share (INR)	63.78	

Based on the above, the value of equity shares of ADPL is **INR 63.78/-** as of the said Valuation Date and for the said Valuation Purpose.

Yours truly,



Rashmi Shah FCA

Registered Valuer (Securities or Financial Assets)

IBBI Reg. No.: IBBI/RV/06/2018/10240

Place: Mumbai

Date: 17th April 2025

ICAI UDIN: 25123478BMIPMY8388