

VALUATION REPORT
OF
FAIR VALUE OF EQUITY SHARE
OF M/S. WANBURY LIMITED
FOR PREFERENTIAL ALLOTMENT

20th October 2023

PREPARED BY:

SUMAN KUMAR VERMA
(Registered Valuer)
Membership No.: 28453
Reg. No. IBBI/RV/05/2019/12376



Date: 20th Oct. 2023

To,
The Board of Directors
WANBURY LIMITED
(L51900MH1988PLC048455)
Regd. Office: BSEL Tech Park, 'B; Wing, 10th Floor,
Sector 30A, Opp.Vashi Railway Station, Vashi,,
New Mumbai, Maharashtra, India, 400703

Dear Sir,

Subject:-Report on Valuation of Fair Value of Equity Shares as per Regulation 166A of Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”).

I, Suman Kumar Verma , having a place of business at No.10, Indra Park, Palam Colony, New Delhi-110045, India, Registered Valuer under the Companies Act, 2013 and having its IBBI Regn. No. IBBI/RV/05/2019/12376 (hereinafter referred to as (“Registered Valuer”) has been mandate by the Board of Directors on behalf of the Company M/S WANBURY LIMITED, having CIN:-(L51900MH1988PLC048455). The company is incorporated under the provisions of the Companies Act, 1956 and having its registered office at BSEL Tech Park, 'B; Wing, 10th Floor, Sector 30-A, Opp.Vashi Railway Station, Vashi,, New Mumbai – 400703, Maharashtra, India (hereinafter referred to as “ Company”) for valuation of its Equity Shares for the purpose of proposed issuance of Warrants (each Warrant is convertible into 1 (One) Equity Share of the Company) in form of preferential issue/allotment in accordance with the Companies Act, 2013 and Chapter V of the ICDR Regulations.

The scope of services is to conduct the valuation of Equity Shares to determine the fair value for the limited purpose of compliance under the Regulation 166A of ICDR Regulations and may not be used for any other purpose.

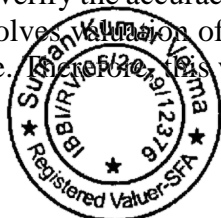
Based on the Discussion with the management, we have considered the valuation cut- off date as closure of business hours of 19th October, 2023.

Scope of the Report:

Our scope of services under this letter is restricted to the services specified in scope of work as above and does not cover any other services including, illustratively, the following:

- Legal advice, opinion and representation in any form;
- Accounting and taxation matters, opinion and representation in any form;
- Any other certification services.

Reliance would be placed on the information that may be provided by the Company. We will not independently verify the accuracy of data provided to us for review. The valuation in the present case involves valuation of Equity Shares of the Company is not envisaged pursuant to the Scheme. This valuation is performed on a limited scope basis.



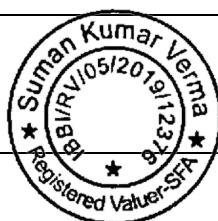
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Company Background information:

Wanbury Limited, one of India's fastest growing pharmaceutical companies amongst the 'Top 50 Companies' in India (as per ORG-IMS), has a strong presence in API global market and domestic branded Formulation. Wanbury's major trust area lies in Active Pharmaceutical Ingredient (API) Sales & Marketing in over 50 countries and Pan-India Formulation presence. Wanbury Limited is a listed company incorporated under the Companies Act, 1956, having its registered office presently at 'B' Wing, 10th Floor, Sector 30-A, Opp. Vashi Railway Station, Vashi, Navi Mumbai – 400703. Wanbury is in the process of issuing Warrants (each Warrant is convertible into 1 (One) Equity Share of the Company) via preferential allotment. Relevant Date is 19th October 2023 as represented by the management of Wanbury Limited. Any change in Relevant Date may impact the valuation.

As per MCA site following information are showing (**Company Master Data**)

CIN	L51900MH1988PLC048455
Company Name	WANBURY LIMITED
ROC Name	ROC Mumbai
Registration Number	048455
Date of Incorporation	11/08/1988
Email Id	jitendra.gandhi@wanbury.com
Registered Address	BSEL Tech Park, 'B; Wing, 10th Floor, Sector 30a, Opp. Vashi Railway Station, Vashi, New Mumbai, Maharashtra, India, 400703
Address at which the books of account are to be maintained	-
Listed in Stock Exchange(s) (Y/N)	Yes
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Public
ACTIVE compliance	ACTIVE Compliant
Authorised Capital (Rs)	50,00,00,000
Paid up Capital (Rs)	32,73,54,980
Date of last AGM	27/09/2023
Date of Balance Sheet	31/03/2023
Company Status	Active
Jurisdiction	
ROC (name and office)	ROC Mumbai
RD (name and Region)	RD, Western Region



Sources of Information:

For the purpose of arriving at the Valuation, we have essentially relied on the information of **WANBURY LIMITED** (L51900MH1988PLC048455), which we believe to be reliable and our conclusions are dependent on such information being complete and accurate in all material respect.

In particular, we were provided with the following information by the management of the company for the purpose of our value analysis:

1. Memorandum and Articles of Association of **WANBURY LIMITED**
2. Financial Statements of **WANBURY LIMITED** for FY 2022-23
3. Present Equity Share Holding Pattern.
4. Other information available in public domain and stock exchanges.

In addition to the above, we have also obtained explanations and other information as considered necessary by us for our exercise from the management of Company.

Procedure adopted and valuation method(s) followed for the assignment:

I. Approach Considered in our Value Analysis:

General Principle for Valuation

There is no single definition of the term 'Value' that is suitable for all purposes or at all times. The value of a particular asset may vary according to different valuation methodologies that are adopted to ascertain the value for a specific purpose. Valuation of securities is an inexact science. It may sometimes involve a set of judgments and assumptions that may be subject to certain uncertainties.

Selection of Valuation Methodology

The objective of the valuation process is to make a best reasonable judgment of the value of the shares of the Company. There are a number of valuation methodologies to value companies / businesses using historical and forecast financials of the company. Commonly used valuation methodologies are as follows:

1. Asset Approach

+ Net Asset Value (NAV) Method

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

As per audited financial statements of the Company for the year ended March 31, 2023, the Net worth of the Company is negative.



In the present case, we have not given any weightage to the NAV Method for the valuation.

2. Income Approach

+ Discounted Cash Flow (DCF) Method

Under DCF Method, the projected free cash flows of the Company/ business are discounted at a discount rate which reflects perceived riskiness of the projected cash flows in order to arrive at their present value. Then, the terminal value of the Company/ business is calculated based on the free cash flow of the last year of the forecast period, which is based on the future long term growth of the revenues. This terminal value is then discounted to get the present terminal value.

In the present case, we have considered DCF method based on the projection provided by the Company with workings provided in Annexure A and given weightage for the valuation as provided below.

3. Market Approach

+ Market Price Method

The company is looking to assess its fair value of equity shares in accordance with Regulations 164 of the SEBI ICDR Regulations .

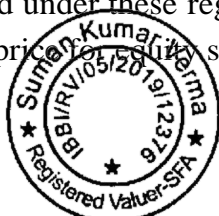
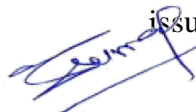
The relevant extract of the Regulation 164 are as under:

Pricing of Frequently traded shares

As per Regulation 164 of Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2018,

- (1) 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:**
- the **90 trading days volume weighted average price** of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or
 - 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 of the equity shares to be allotted pursuant to the preferential issue.



(2) If the equity shares 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 of the equity shares to be allotted pursuant to the preferential issue shall be not less than the higher of the following:

a. the price at which equity shares were issued by the issuer in its initial public offer or the value per share 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 equity shares of the issuer were listed, as the case may be; or

b. the average of the volume weighted average prices of the related equity shares quoted on the recognised stock exchange during the period the equity shares have been listed preceding the relevant date; or

c) the average of the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks 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 equity shares to be allotted pursuant to the preferential issue.

3. Where the price of the equity shares 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 higher than the price paid on allotment, the difference shall be paid by the allottees 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

(4) a. A preferential issue 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 equity shares to be allotted pursuant to the preferential issue:

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 issuer:

- (a) rights under a shareholders' 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

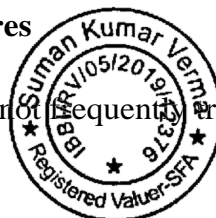
(5) For the purpose of this Chapter, "frequently traded shares" means the shares of the issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the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

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 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.

**Pricing of Infrequently traded shares
As per regulation 165.**

Where the shares of an issuer are not frequently traded, the price determined



by the issuer shall take into account the valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies: Provided that the issuer shall submit a certificate stating that the issuer is in compliance of this regulation, obtained from an independent valuer to the stock exchange where the equity shares of the issuer are listed.

The company is looking to assess its fair value of equity shares in accordance with Regulations 164 of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 (“ICDR”). We have considered the same for arriving at the value of equity shares.

The equity shares of the Wanbury are listed on BSE Limited and NSE Limited.

The relevant "Stock Exchange" is NSE since the trading volume in respect of the equity shares of the Company was higher compared to BSE and hence NSE price is considered for the weighted average computation as required by the Regulation 164 of the SEBI ICDR Regulations.

Based on the trading volumes obtained from NSE websites, we certify that the equity shares are “frequently traded”.

As per regulation 164 of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 (“ICDR”), as stated above,

The price of the equity shares to be allotted pursuant to the preferential issue shall be not less than **higher of the following:**

- i) 90 trading days volume weighted average price (**VWAP**) (INR 58.43/- per share)
- ii) 10 trading days volume weighted average price (**VWAP**) (INR 78.69/- per share)

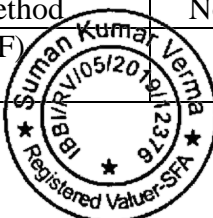
Hence, the floor price of the preferential issue as per Market Approach is **INR 78.69/- per share) (Annexure A attached for detailed working).**

For calculation of price of equity shares of Wanbury as per **Market Approach**, management has requested us to consider **19th October 2023 as the relevant date.**

II. Basis for arriving at Fair Value of Equity Shares: (Conclusion)

The Fair Value of Equity Shares is INR 80.09 / - per Equity Share based on the summary given below and detailed working in the Annexure to this Report:

Sr.no	Approach	Calculated Price (INR) per Equity Share	Weight
1	Net Asset Value (NAV) Method	Not Applicable	Not Applicable
2	Discount Cashflow (DCF) Method	81.49	1



3	Market Price Method	78.69	1
	Fair Value of Equity Shares	80.09*	

*- Average of the Calculated Price of Net Asset Value (NAV) Method and Discount Cashflow (DCF) Method.

III. Valuation of equity shares

We have formed an opinion on the **Fair Value of Equity Shares of ₹ 80.09/-** per Equity Share based on the information provided by the Management of **WANBURY LIMITED**, and our opinion is on Valuation Date. The valuation is subject to the information as made available to us by the management of Company and no specific audit has been carried on the same.

IV. Caveats/ Disclaimer/ Limitations on the Valuation of Equity Shares of the Company

Our report is subject to the scope of limitations detailed hereinafter. As such the report is to be read in totality and not in parts. This report has been prepared solely for the purpose set out in this report and should not be made available to any other person, distributed, published or reproduced (in part or otherwise) in any other document whatsoever, without our written consent save and except for the limited purpose of this report.

Our study did not include the following:-

- Any audit of the financial statements supplied by management and available at MCA site.
- Carrying out a market survey / technical and financial feasibility for the Business of Company.
- Financial and Legal due diligence of Company.
- Any other assurance advisory services in connection with the cash flow and valuation.

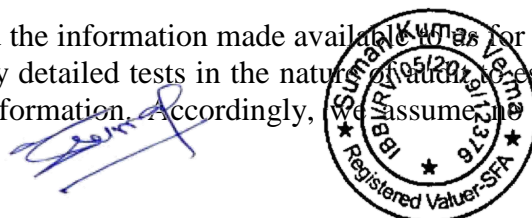
Our valuation is based on the premise that the information provided to us being complete and accurate in all material aspect.

Our value analysis is based on the information made available to us by the management of the Company and the information obtained by us from public domain as mentioned in the report. Any subsequent changes/modifications/revisions (either positive or negative) to the financial parameters and other information provided to us, may alter the result of value analysis set out in this report, positively or negatively.

Our work did not constitute an audit in accordance with Indian GAAP/ International Financial Reporting Standards and all other applicable accounting practices and procedures and examination/review of internal controls or other attestation or review services. Accordingly, we do not express an opinion on the information presented.

It may be noted that in carrying out our work we have relied on the integrity of the information provided to us by the management of **WANBURY LIMITED** and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof.

We have reviewed the information made available to us for overall consistency and have not carried out any detailed tests in the nature of audit to establish the accuracy of such statements and information. Accordingly, we assume no responsibility and make no



representations with respect to the accuracy or completeness of any information provided by management of the Company.

We have not carried out any independent verification of the accuracy and completeness of all information as stated above. We have not reviewed any other documents of **WANBURY LIMITED** other than those stated above. We have not made any independent verification of the physical assets of **WANBURY LIMITED** and accept no responsibility for the same.

It should be noted that for the purpose of determining Fair Value of Equity Shares of **WANBURY LIMITED** as on Valuation date, we have not considered the impact of any events on the valuation of **WANBURY LIMITED** which have occurred post the date of the valuation except mentioned in this report.

Our scope of work does not include verification of data submitted by the management of Company and has been relied upon by us as such.

We understand that the management of Company, during our discussions with them, would have drawn our attention to all such information and matters, which may have had an impact on our valuation. In this report we have included all such information and matters as was received by us from the management of Company. This valuation report should not be regarded as a recommendation to invest in or deal in any form of securities of the Company and should also not be considered as its final equity value.

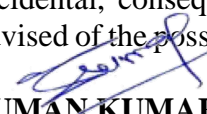
The Management or related parties of the **WANBURY LIMITED**, its Shareholders and its subsidiaries/ associates/ group companies are prohibited from using this report other than for its sole limited purpose and not to make a copy of this report available to any party other than those required by statute for carrying out the limited purpose of this report.

We have not verified the authenticity of the actual purpose for obtaining this valuation report and have done a pure mathematical calculation based on the information provided to us by the management of company. This report is issued at the request of Board of Directors of the Company for the purpose as mentioned in the first paragraph of this report.

We will receive a fee for our services in connection with the delivery of this Valuation Report from Company and our fee is not contingent upon the result of proposed transaction and suitability of valuation to the company and other stakeholders.

This report is not meant for meeting any other regulatory or disclosure requirements, save and except as specified as above, under any Indian or Foreign Law, Statute, Act, Guidelines or similar instructions. We would not be responsible for any litigation or other actual or threatened claims.

In no event, will valuer and its employees, be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this engagement.


SUMAN KUMAR VERMA
(Registered Valuer)
IBBI Regn- IBBI/RV/05/2019/12376
Date: 20th October 2023
Place: New Delhi
UDIN: 2328453ZZONRVK56XZ



Annexure A**1) DCF Method (Income Approach):****Valuation of WANBURY LIMITED****Amount (In Crores)**

Particulars	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Terminal Cashflows
Net Operating Income before Taxes	70.00	90.00	107.00	131.21	151.59	381.30
Deprication	13.00	15.00	17.00	20.00	20.00	
Less: Tax Expenses	18.00	23.00	28.00	36.00	44.00	
Profit after Tax (PAT)	39.00	52.00	62.00	75.21	87.59	
Free Cash Flow for the Period	39.00	52.00	62.00	75.21	87.59	
Discounting factor @ (Ke)	0.7895	0.6233	0.4921	0.3885	0.3068	0.3068
Discounted Cash Flow	30.79	32.41	30.51	29.22	26.87	116.96
Sum of DCF	266.77					
Value of Business of WANBURY LIMITED (In Crores)	266.77					
Value of Business of WANBURY LIMITED (In Absolute Rs.)	2,66,76,88,447.56					

No of Outstanding Share **3,27,35,498**

Value per shares **81.49**

<u>Calculation of Cost of Equity (Ke)</u>	
Risk free rate (10 year India G Sec Yield)	7.37%
Expected Market Return	18.54%
Beta of the Stock	1.10
Equity Risk Premium for the Stock	11.17%
Company Specific Risk Premium	7.00%
Cost of Equity (Ke)	26.66%
Terminal Growth rate	3.00%
<u>Calculation of Expected Market Return</u>	
BSE 500 Index Value as on 01-02-1999	1,000.00
BSE 500 Index Value as on 19-10-2023	67,127.00



Suman Kumar Verma

No. of Years	24.73
CAG Return on BSE 500 Index	18.54%
	0.00%
Expected Market Return	18.54%

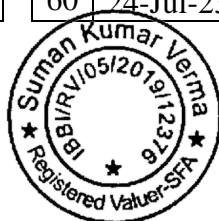
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2) Market Price Method (Market Approach):

A. Average of the volume weighted average price (VWAP) of the Equity Shares of Wanbury Limited quoted on the NSE during the 90 trading days preceding the relevant date (considering relevant date as 19th October, 2023):

Trading Day	Date	volume weighted average price (VWAP)
1	18-Oct-23	85.45
2	17-Oct-23	83.80
3	16-Oct-23	82.20
4	13-Oct-23	80.60
5	12-Oct-23	79.05
6	11-Oct-23	77.50
7	10-Oct-23	75.05
8	09-Oct-23	75.41
9	06-Oct-23	74.65
10	05-Oct-23	73.20
11	04-Oct-23	71.80
12	03-Oct-23	70.40
13	29-Sep-23	69.05
14	28-Sep-23	67.44
15	27-Sep-23	66.40
16	26-Sep-23	65.10
17	25-Sep-23	63.85
18	22-Sep-23	62.65
19	21-Sep-23	61.22
20	20-Sep-23	61.03
21	18-Sep-23	61.59
22	15-Sep-23	60.85
23	14-Sep-23	59.21
24	13-Sep-23	58.55
25	12-Sep-23	60.07
26	11-Sep-23	63.42
27	08-Sep-23	66.24
28	07-Sep-23	63.15
29	06-Sep-23	60.14
30	05-Sep-23	57.30
31	04-Sep-23	54.6
32	01-Sep-23	51.96
33	31-Aug-23	50.66
34	30-Aug-23	51.36
35	29-Aug-23	52.55
36	28-Aug-23	52.03
37	25-Aug-23	51.93
38	24-Aug-23	52.98
39	23-Aug-23	54.33
40	22-Aug-23	55.8
41	21-Aug-23	56.2
42	18-Aug-23	54.97
43	17-Aug-23	54.05
44	16-Aug-23	53
45	14-Aug-23	52
46	11-Aug-23	50.76
47	10-Aug-23	50.08
48	09-Aug-23	50.03
49	08-Aug-23	49.28
50	07-Aug-23	49.36
51	04-Aug-23	50.27
52	03-Aug-23	51.57
53	02-Aug-23	52.04
54	01-Aug-23	51.38
55	31-Jul-23	51.37
56	28-Jul-23	52.4
57	27-Jul-23	53.58
58	26-Jul-23	55.39
59	25-Jul-23	56.73
60	24-Jul-23	54.79
61	21-Jul-23	51.81
62	20-Jul-23	48.46
63	19-Jul-23	47.48
64	18-Jul-23	48.06
65	17-Jul-23	50.28
66	14-Jul-23	49.59
67	13-Jul-23	52.48
68	12-Jul-23	53.02
69	11-Jul-23	54.44
70	10-Jul-23	54.02
71	07-Jul-23	55.66
72	06-Jul-23	54.85
73	05-Jul-23	56.39
74	04-Jul-23	55.49
75	03-Jul-23	55.55
76	30-Jun-23	56.11
77	28-Jun-23	55.31
78	27-Jun-23	55.29
79	26-Jun-23	54.6
80	23-Jun-23	51.95
81	22-Jun-23	55.1
82	21-Jun-23	57.6
83	20-Jun-23	57.91
84	19-Jun-23	56.5
85	16-Jun-23	56.01
86	15-Jun-23	55.88
87	14-Jun-23	55.65
88	13-Jun-23	55.8
89	12-Jun-23	55.91
90	09-Jun-23	57.58
Average Price		58.43



B. Average of the volume weighted average price (VWAP) of the Equity Shares of Wanbury Limited quoted on the NSE during the 10 trading days preceding the relevant date (considering relevant date as 19th October, 2023):

Trading Day	Date	volume weighted average price (VWAP)
1	18-Oct-23	85.45
2	17-Oct-23	83.80
3	16-Oct-23	82.20
4	13-Oct-23	80.60
5	12-Oct-23	79.05
6	11-Oct-23	77.50
7	10-Oct-23	75.05
8	09-Oct-23	75.41
9	06-Oct-23	74.65
10	05-Oct-23	73.20
Average Price		78.69

