

**Valuation Report on Value of shares  
Of**

**M/s. OXYGENTA PHARMACEUTICAL LIMITED  
(Formerly known as M/s. S.S. ORGANICS LIMITED).**

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## Valuation Summary

|                      |                                                                                                                      |
|----------------------|----------------------------------------------------------------------------------------------------------------------|
| Valuation Date       | 31-01-2023                                                                                                           |
| Subject of valuation | To Determine Value Per Share of M/s. OXYGENTA PHARMACEUTICAL LIMITED (Formerly known as M/s S.S. ORGANICS LIMITED)   |
| Purpose of Valuation | Preferential Allotment                                                                                               |
| Valuation Method     | Market price method under Market Approach and Net Asset Replacement Cost Method under Cost Approach                  |
| Valuation Conclusion | Value per Share of M/s. Oxygenta Pharmaceutical Limited (Formerly known as M/s S.S. Organics Limited) is Rs. 14.86/- |
| Appendix-A           | Statement of Assumptions and Limiting Conditions                                                                     |

| Approach                     | Method                             | Applicability  | Remarks                                                                   | Value per Share | Weights | Wt Value     |
|------------------------------|------------------------------------|----------------|---------------------------------------------------------------------------|-----------------|---------|--------------|
| Cost Approach                | Net Assets Replacement Cost Method | Applicable     |                                                                           | 2.79            | 0.50    | 1.40         |
| Market Approach              | Market Price Method                | Applicable     |                                                                           | 26.92           | 0.50    | 13.46        |
| Income Approach              | Profit Earning Capacity Method     | Not Applicable | Since the Company has incurring losses we have not considered this method | -               | -       | -            |
| <i>Value of equity share</i> |                                    |                |                                                                           |                 |         | <b>14.86</b> |

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## Preamble

I, Mrs. Annamreddy Sravanthi, Independent Registered Valuer Registered with IBBI , Vide in Registration Number **IBBI/RV/05/2019/12377** and Practicing Chartered Accountant, have been appointed by M/s. Oxygenta Pharmaceutical Limited (Formerly known as M/s S.S. Organics Limited) to determine the value of its Equity Shares for the purpose of Preferential Allotment pursuant to and in compliance with the guidelines / regulations issued by SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 and subsequent amendments thereto ('Regulations') and also as per the provisions of the Companies Act 2013.

## **Brief About M/s. OXYGENTA PHARMACEUTICAL LIMITED (Formerly known as M/s S.S. ORGANICS LIMITED)**

M/s Oxygenta Pharmaceutical Limited (Formerly known as M/s S.S. Organics Limited) having its Registered Office at Survey No.252/1, Aroor village, Sadasivapet Mandal, Medak District, Medak, TG-502291 was incorporated on 27/11/1990. The CIN of S.S. Organics Limited is L24110TG1990PLC012038. The Company is engaged in the business of Manufacturing of all classes and kinds of Drugs including Pharmaceutical preparation, and Organic Fine Chemicals.

As on Valuation date, the Authorized Share Capital of the company is Rs. 22,00,00,000 comprising of 2,20,00,000 equity shares of Rs. 10/- each and the Issued, Subscribed and Paid up Equity Share Capital is Rs.14,20,13,000 comprising of 1,42,01,300 Equity Shares of Rs. 10/- each. The Equity Shares of M/s Oxygenta Pharmaceutical Limited (Formerly known as M/s S.S. Organics Limited) are listed on Bombay Stock Exchange Limited (BSE).

BSE: OXYGENTAPH | 524636 | INE102E01018

The Equity Shares of Oxygenta Pharmaceutical Limited (Formerly known as M/s S.S. Organics Limited) are listed on Bombay Stock Exchange Limited (BSE)

The shares of the Company were infrequently traded on BSE



**Board of Directors of the Company as on Valuation Date**

- VANKINENI SAI SUDHAKAR
- SANAGARI KONDAL REDDY
- GANGI REDDY NARRAVULA
- VIDYASAGAR DEVABHAKTUNI
- PADMAJA SURAPUREDDY
- GUNREDDY KRISHNA REDDY
- RAJASEKHAR REDDY PUCHAKAYALA
- RAGHAVENDER RAO KANUGANTI



## Valuation Methodology

As per the SEBI (Issue of Capital and Disclosure Requirement ) Regulations, 2018 and subsequent amendments thereto (‘Regulations’), the price determined by the issuer shall be taken into account for valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of shares of such companies.

The assessment of value necessarily involves selecting the method or approach that is suitable for the purpose and based on the specific circumstances of the case, a particular methodology or a combination of methodologies may be adopted.

We have considered the Valuation Approaches and Methodologies as per the International Valuation standards issued by IVSC in valuing the Equity shares of M/s. Oxygenta Pharmaceutical Limited (Formerly known as M/s. SS Organics Limited).

### Valuation Approaches

A valuer can make use of one or more of the processes or methods available for each approach.

1. Market Approach
2. Income Approach
3. Cost Approach

The appropriateness of a valuation approach for determining the value of an asset would depend on valuation bases and premises. In addition, some of the key factors that a valuer shall consider while determining the appropriateness of a specific valuation approach and method are:

- (a) nature of asset to be valued;
- (b) availability of adequate inputs or information and its reliability;
- (c) strengths and weakness of each valuation approach and method; and
- (d) valuation approach/method considered by market participants.





### **Market Approach**

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

The following are some of the instances where a *valuer* applies the market approach:

- (a) where the asset to be valued or a comparable or identical asset is traded in the active market;
- (b) there is a recent, orderly transaction in the asset to be valued; or
- (c) there are recent comparable orderly transactions in identical or comparable asset(s) and information for the same is available and reliable.

### **Income Approach**

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

This approach involves discounting future amounts (cash flows/income/cost savings) to a single present value.

The following are some of the instances where a *valuer* may apply the income approach:

- (a) where the asset does not have any market comparable or comparable transaction;
- (b) where the asset has fewer relevant market comparables; or
- (c) where the asset is an income producing asset for which the future cash flows are available and can reasonably be projected.



### Cost Approach

**Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).**

In certain situations, historical cost of the asset may be considered by the *valuer* where it has been prescribed by the applicable regulations/law/guidelines or is appropriate considering the nature of the asset.

Examples of situations where a *valuer* applies the cost approach are:

- (a) an asset can be quickly recreated with substantially the same utility as the asset to be valued;
- (b) in case where liquidation value is to be determined; or
- (c) income approach and/or market approach cannot be used.

There are several commonly used and accepted methods for determining the fair value of the shares of a company which are mentioned hereunder:

- Net Asset Value Method
- Dividend Yield Method
- Market Price Method
- Profit Earning Capacity Value Method
- Discounted Cash Flow Method





We have considered the merits and demerits of the methods referred to above to determine the most appropriate methods suitable for the valuation of Shares in the present circumstances

**Net Asset Replacement Cost Method under Cost Approach:**

The valuation of the Equity shares of the Company under this method is arrived at by determining Net worth of the business undertaking on the business of the Financial Statements duly adjusted for extra ordinary items if any

**Net Asset Replacement Cost Method**

The value per Equity share of M/s. Oxygenta Pharmaceutical Limited (Formerly known as SS Organics Limited) as per the Net Asset Replacement Cost Method under Cost Approach based on the Unaudited and Limited review Financial Statements for the period ended 31<sup>st</sup> December 2022 is Rs. 2.79/-. The working under Net Asset Replacement Cost Method is enclosed as Annexure I to this Report.

**Market Price Method under Market Approach:**

The market price method is generally one of preferred method of valuations in case of Equity shares of companies listed on Stock Exchanges as that the market value is reflection of earnings, growth rate of the company which are primary factors of valuation.

We have valued the equity share of M/s. Oxygenta Pharmaceutical Limited (Formerly known as SS Organics Limited) under the Market price method on the basis of the VWAP for 12 months preceding the relevant date i.e., February 2022 to January 2023.

The Value of Equity Share of M/s. Oxygenta Pharmaceutical Limited (Formerly known as SS Organics Limited) under Market Price Method is **Rs. 26.92/-**

The working under Market Price Method is enclosed as Annexure II to this Report.

**Profit Earning Capacity Value Method under Income Approach**

The Company has incurring losses since five financial years. Hence we ignored the Profit Earning Capacity Value Method under Income Approach for arriving value per Equity shares



**Value per Share**

For the purpose of determining the Value per Equity Share of M/s M/s. Oxygenta Pharmaceutical Limited (Formerly known as SS Organics Limited), we have considered the value per share as per Net Assets Replacement Cost Method under Cost Approach and Market price method under Market Approach. The same is presented hereunder.

| Method                             | Value | Weights | Wt Value     | Remarks     |
|------------------------------------|-------|---------|--------------|-------------|
| Net Assets Replacement Cost Method | 2.79  | 50%     | 1.40         | Annexure I  |
| Market Price Method                | 26.92 | 50%     | 13.46        | Annexure II |
|                                    |       | 1.00    | 14.86        |             |
| <i>value per equity share</i>      |       |         | <b>14.86</b> |             |

As per the above table, the value per Equity share is Rs. 14.86/-.

**Place: Hyderabad**

**Date: 27-02-2023**

**UDIN: 23239567BGYZGX1140**



*A. Sravanthi*  
**ANNAMREDDY SRAVANTHI**

**REGISTERED VALUER**

**IBBI/RV/05/2019/12377**

### Appendix A-Statement of Assumptions and Limiting Conditions

The primary assumptions and limiting conditions pertaining to the value estimate conclusion(s) stated in the detailed Valuation report are summarized below. Other assumptions are cited elsewhere in the report.

- 1) The conclusion of value arrived at herein is valid only for the stated purpose and incidental matters and requirements under other laws as of the date of the valuation 31<sup>st</sup> January 2023
- 2) The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). I do not accept liability for losses arising from such subsequent changes in value. All opinions and estimates in this publication or report are, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report and are **subject to change without notice**.
- 3) We have performed a valuation engagement and present our detailed report in conformity with the **“International Valuation Standards” (IVS)** issued by the **International Valuation Standards Council (IVSC)**. IVS sets out that the objective of a valuation engagement is “to express an unambiguous opinion as to the of a business, business ownership interest, security or intangible asset which opinion is supported by all procedures that the appraiser deems to be relevant to the valuation.” Also according to the Standard in a valuation engagement the valuer can apply valuation approaches or methods deemed in the analyst’s professional judgment to be appropriate under the circumstances. In a valuation engagement the conclusion is expressed as either a single amount or a range.





- 4) By reason of the operation of privacy laws, the valuer's enquiries in respect of recent transactions have been constrained. Accordingly, the valuer may not have had access to information on recent transactions which has not yet been published in information sources available to the valuer. If other transactions have taken place, knowledge of those transactions may affect the opinions expressed by the valuer. **To the best of my knowledge and belief the statements and opinions in this report are correct and the information provided by others is accurate. However, no responsibility is assumed for its accuracy, which should be checked by appropriate report, search or formal enquiry if required.**
- 5) It should be noted that **I am not an engineer, a plant and equipment, building construction or structural expert and I am therefore unable to certify as to the (structural) soundness of the improvements.** I am not qualified to comment on the structural integrity, defect, rot or infestation of the improvements. Our scope of work does not include an appraisal or valuation of land, **plant and equipment, building construction and any other immovable or movable property individually.**
- 6) We have provided our recommendation of the Valuation based on the information available to us and within the scope of our engagement, others may have a different opinion. **The final responsibility for value/price at which the Proposed Transaction shall take place will be with the Board of Directors of the Company, who should take into account other factors such as their own assessment of the proposed Transaction and input of other advisors.**
- 7) We are not advisors with respect to accounting, legal, tax and regulatory matters for the proposed transaction. This Report does not look into the business/commercial reasons behind the proposed transaction nor the likely benefits arising out of it. Similarly, it does not address the relative merits of the proposed transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.





- 8) 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.
- 9) I owe responsibility to only to the authority/client that has appointed me under the terms of the engagement letters. I 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 liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.
- 10) 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
- 11) The valuation of company and assets is made 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 no indisputable single value and the estimate of the value is normally expressed as falling within a likely range. To comply with the client, I have provided a single value for the overall Value of the Equity of M/s. Oxygen Pharmaceutical Limited (Formerly known as M/s. SS Organics Limited). Whilst, I consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.



- 12) The actual market price achieved may be higher or lower than our estimate of value (or range of value) depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place.
- 13) The client/owner 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 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. I 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, employee or agents.
- 14) I 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.
- 15) 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/business/assets 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 balance sheet provided to us.





- 16) The valuation report is tempered by the exercise of judicious discretion by the RV, 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.
- 17) I was fully aware that based on the opinion of value expressed in this report, I 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 tendering evidence before such authority shall be under the applicable laws.
- 18) 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 client existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of you and the client. Our report is subject to the scope and limitations detailed hereinafter. 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.
- 19) An analysis of such nature is necessarily 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.
- 20) In the course of the valuation, we were provided with both written and verbal 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 purpose of this engagement.





- 21) We are independent of the client/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.
- 22) Our report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. 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.
- 23) This publication or report has been prepared as general information for private use of client to whom the publication or report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor bears the risk of losses in connection with an investment. Before acting on any information in this publication or report, it is recommendable to consult one's financial advisor. The information contained in this publication or report does not constitute advice on the tax consequences of making any particular investment decision.
- 24) I have not conducted any examination in respect of technical feasibility intellectual products owned by the entity
- 25) The risk of investing in certain financial instruments is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance.



- 26) The valuer may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report. To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of the valuer are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of the Group Companies and personal account dealing.
- 27) Our report will not be used for financing or included in a private placement or other public documents and may not be relied upon by any third parties.
- 28) **The valuer does not accept any responsibility or liability for information provided by third parties.** Official confirmation of portfolio holdings with these parties and issues arising from information they have provided must be addressed directly with them.
- 29) I have no financial interest or contemplated financial interest in the companies that are the subject of this report

**Place: Hyderabad**

**Date: 27-02-2023**



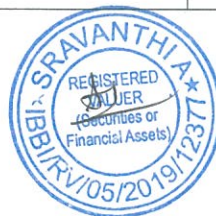
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**ANNAMREDDY SRAVANTHI**  
**REGISTERED VALUER**  
**IBBI/RV/05/2019/12377**



## Annexure – I

**Valuation of Equity share as per Net Asset Replacement Cost Method under Cost Approach**

| OXYGENTA PHARMACEUTICAL LIMITED                          |          |                               |
|----------------------------------------------------------|----------|-------------------------------|
| VALUATION AS PER NET ASSET REPLACEMENT COST METHOD       |          |                               |
| Particulars                                              | Details  | Amount(Rs in Lakhs)31-12-2022 |
| <b>Non Current Assets</b>                                |          |                               |
| Fixed Assets                                             |          |                               |
| Tangible Assets                                          | 7,037.72 |                               |
| Capital work in Progress                                 | 70.01    |                               |
| Non Current Investments                                  | 4.94     |                               |
| Other Financial Assets                                   | 47.81    |                               |
| Trade Receivables                                        | 54.72    |                               |
| Long term loans and advances                             | 41.97    |                               |
| <b>Total (A)</b>                                         |          | <b>7,257.18</b>               |
| <b>Current Assets</b>                                    |          |                               |
| Deposits                                                 |          |                               |
| Inventories                                              | 1,184.91 |                               |
| Trade Receivables                                        | 789.92   |                               |
| Cash & Cash Equivalents                                  | 13.70    |                               |
| Other Financial Assets                                   |          |                               |
| Other Current Asset                                      | 336.38   |                               |
| <b>Total (B)</b>                                         |          | <b>2,324.91</b>               |
| <b>Total Assets C = (A+B)</b>                            |          | <b>9,582.09</b>               |
| <b>Less: Current Liabilities</b>                         |          |                               |
| Short Term borrowings                                    | 20.18    |                               |
| Trade Payables                                           | 1,447.95 |                               |
| Other Current Liabilities                                | 421.63   |                               |
| Short term provisions                                    | 21.71    |                               |
| <b>Total (D)</b>                                         |          | <b>1,911.47</b>               |
| <b>Less: Non-Current Liabilities</b>                     |          |                               |
| Long-Term Borrowings                                     | 6,382.66 |                               |
| Trade Payables                                           | 444.82   |                               |
| Other Liabilities                                        | 300.20   |                               |
| Deferred Tax Liability                                   | 146.11   |                               |
| <b>Total (E)</b>                                         |          | <b>7,273.79</b>               |
| <b>Total Liabilities (F=D+E)</b>                         |          | <b>9,185.26</b>               |
| <b>Net Assets (G=C-F)</b>                                |          | <b>396.83</b>                 |
| <b>Net Assets Attributable to equity shareholders(G)</b> |          | <b>396.8315</b>               |
| No. of Equity Shares                                     |          | 1,42,01,300.00                |
| <b>NAV Per Share</b>                                     |          | <b>2.79</b>                   |





**Note:** We have considered the Fair market value of the Land & Building Rs. 49,52,45,000.00/- based on the valuation report issued by B. Eswara Reddy , Registered Valuer Registered under IBBI.

**Value per share based on Market Price method**

| Month  | No.of Shares | No. of Trades | Total Turnover (Rs.) |
|--------|--------------|---------------|----------------------|
| Feb-22 | 59295        | 421           | 1483306              |
| Mar-22 | 36030        | 233           | 821091               |
| Apr-22 | 38906        | 260           | 943512               |
| May-22 | 51818        | 227           | 1248434              |
| Jun-22 | 22036        | 166           | 526198               |
| Jul-22 | 26509        | 216           | 694468               |
| Aug-22 | 39575        | 256           | 1044713              |
| Sep-22 | 38260        | 320           | 1102828              |
| Oct-22 | 21383        | 149           | 591534               |
| Nov-22 | 19037        | 165           | 509739               |
| Dec-22 | 59854        | 557           | 1662186              |
| Jan-23 | 107904       | 672           | 3388074              |
|        | 520607       |               | 14016083             |
|        |              |               | 26.92                |

