

**A. SOMESWARA RAO**  
**Registered Valuer-Securities or Financial Assets**  
**IBBI No: IBBI/RV/02/2019/11544**  
**Office:** Flat no.301, Wayside residency, Tirumala hills colony, Manikonda,  
Hyderabad-500089  
**Email:** somesha2000@gmail.com , somesh\_a2000@yahoo.com  
**Mob:** +91-9394 690 760, +91-8374 879 630

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Hyderabad, 09<sup>th</sup> April 2024  
The Chief General Manager  
Listing Operation,  
BSE Limited,  
20<sup>th</sup> Floor, P.J.Towers,  
Dalal Street,  
Mumbai – 400 001.

Dear Sir,

**Sub: Registered Valuer Certificate towards valuation of the equity shares of Oxygenta Pharmaceutical Limited for the purposes of issue and allotment of 20,00,000 (Twenty Lakh) Equity Shares on preferential basis under Regulation 28(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.**

1. I, A Someswara Rao, Registered Valuer – Securities or Financial Assets bearing Regd No. IBBI/RV/02/2019/11544) hereby certify that the minimum issue price for the proposed preferential issue of Oxygenta Pharmaceutical Limited, bearing CIN L24110TG1990PLC012038, having its registered office at Survey no. 252/1, Aroor Village, Sadasivapet Mandal, Sangareddy District, Telangana State - 502291, based on the pricing formula prescribed under Regulation 164 / 165 of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 has been worked out at **Rs.15.86/- (Rupees Fifteen and eighty six paise only)**.
2. The relevant date for the purpose of said minimum issue price was April 09, 2024.
3. The workings for arriving at such minimum issue price or valuation report is been attached herewith.
4. 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 on BSE Limited: **Not applicable as the shares of the company are In-Frequently Traded.**
5. We hereby certify that the Articles of Association of the issuer does not provide for a method of determination which results in a floor price higher than that determined under ICDR Regulations, 2018.



OR

~~We hereby certify that the Articles of Association of the issuer provides for a method of determination which results in a floor price higher than that determined under ICDR Regulations, 2018 then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue. Accordingly, we have calculated the floor price which worked out as Rs. \_\_\_\_\_ [kindly provide the detailed working of the same]~~

Thanking you,

Regards,

*A. Someswara Rao*

**A Someswara Rao**

Registered Valuer – Securities or Financial Assets

(Regd No. IBBI/RV/02/2019/11544)

UDIN: A018979F000061879

Hyderabad, 09-Apr-2024



**A. SOMESWARA RAO**  
**Registered Valuer-Securities or Financial Assets**  
**IBBI No: IBBI/RV/02/2019/11544**  
**Office:** Flat no.301, Wayside residency, Tirumala hills colony, Manikonda,  
Hyderabad-500089  
**Email:** [somesha2000@gmail.com](mailto:somesha2000@gmail.com) , [somesh\\_a2000@yahoo.com](mailto:somesh_a2000@yahoo.com)  
**Mob:** +91-9394 690 760, +91-8374 879 630

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Hyderabad, 8 April 2024

**The Board of Directors**

Oxygenta Pharmaceutical Limited  
CIN - L24110TG1990PLC012038  
Survey No.252/1, Aroor village,  
Sadasivapet Mandal,  
Medak District, Medak  
Telangana

Dear Sir,

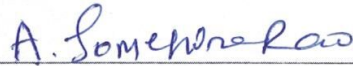
**Sub: Fair Valuation Certificate of Equity shares of Oxygenta Pharmaceutical Limited ("Oxygenta") for the purposes of Open Offer and Preferential Allotment**

We have been engaged by Oxygenta Pharmaceutical Limited ("Company" or "Oxygenta") for the purpose of assessing fair Value of shares of the company, for the purpose of Open Offer and Preferential Allotment of equity shares in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018 and Companies Act, 2013.

Based on the information provided by the Management I, A Someswara Rao, Registered Valuer (IBBI/RV/02/2019/11544), hereby certify that I have arrived at the "Fair Value" ("Valuation or "Value") of the shares of the company. Based on our assessment, the fair market value of equity share of company is **Rs 15.86 (Rupees Fifteen and Eighty-six paise)**. The detailed valuation report including computation of Fair Value of the company has been attached in subsequent pages.

Thanking you,

Regards,



**A Someswara Rao**  
Registered Valuer – Securities or Financial Assets  
(Regd No. IBBI/RV/02/2019/11544)  
UDIN: A018979F000053541



**STRICTLY PRIVATE AND CONFIDENTIAL**

**Valuation Summary**

<b>Valuation Date</b>	03-Apr-2024
<b>Subject of Valuation</b>	To determine value per share of M/s. Oxygenta Pharmaceutical Limited
<b>Purpose of valuation</b>	Open Offer and Preferential Allotment of equity shares
<b>Valuation method</b>	Market price method under Market Approach and Net Asset Replacement Cost Method under Cost Approach
<b>Valuation conclusion</b>	Value per share of M/s. Oxygenta Pharmaceutical Limited is Rs. 15.86 ( <i>Rupees Fifteen and Eighty-six paisa</i> )
<b>Appendix - A</b>	Statement of Assumptions and Limiting Conditions

<b>Approach</b>	<b>Method</b>	<b>Applicability</b>	<b>Value per Share (Rs.)</b>	<b>Weights</b>	<b>Wt. Value (Rs.)</b>
<b>Cost Approach</b>	Net Asset Replacement Cost Method	Applicable	3.69	2	7.38
<b>Market Approach</b>	Market price method	Applicable	40.20	1	40.20
<b>Income Approach</b>	Profit Earning Capacity Method	Not Applicable*	-	-	-
				<b>3</b>	<b>15.86</b>

*\*Since the company has been incurring losses for the past five financial years, the valuation under this method is not considered.*

**Preamble**

We have been engaged by Oxygenta Pharmaceutical Limited ("*Company*" or "*Oxygenta*") for the purpose of assessing fair Value of shares of the company, for the purpose of Open Offer and Preferential Allotment of equity shares in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018 and Companies Act, 2013.

**Brief about Oxygenta Pharmaceutical Limited**

M/s. Oxygenta Pharmaceutical Limited having its registered office at Survey No.252/1, Aroor Village, Sadasivapet Mandal, Medak District, Medak - 502 291, Telangana was incorporated on 27-Nov-1990. The CIN of the company is L24110TG1990PLC012038. The Company is engaged in the business of manufacturing of all classes and kinds of drugs including pharmaceutical preparations and organic fine chemicals.



As on Valuation date, the Authorised Share Capital of the Company is Rs. 35,00,00,000 (Rupees Thirty-Five Crore only) comprising of 3,50,00,000 (Three crore fifty lakhs only) equity shares of Rs. 10.00 (Rupees Ten only) each and the Issued and Subscribed Capital is Rs. 34,98,35,000 (Rupees Thirty-four crore ninety-eight lakh thirty five thousand only) comprising of 3,49,83,500 (Three crore forty nine lakhs eighty three thousand five hundred only) equity shares of Rs. 10.00 (Rupees Ten only) and the Paid-up Share capital is Rs. 33,48,35,000 (Rupees Thirty-three crore forty-eight lakhs thirty-five thousand only) comprising 3,34,83,500 (Three crore thirty-four lakh eighty-three thousand five hundred only) equity shares of Rs. 10.00 (Rupees Ten only) each. The equity shares of M/s. Oxygenta Pharmaceutical Limited are listed on Bombay Stock Exchange Limited (BSE) bearing Scrip ID: OXYGENTAPH (524636), INE102E01018.

The equity shares of the company are **INFREQUENTLY TRADED** on BSE as of 31-Mar-2024.

#### Board of Directors as on the valuation date

Sl. No	Name of the Director	DIN	Designation
1	Mr. Vankineni Sai Sudhakar	00733001	Managing Director & CFO
2	Mr. Sanagari Kondal Reddy	02530466	Director
3	Ms. Padmaja Surapureddy	05358127	Director
4	Mr. Vidyasagar Devabhaktuni	05317783	Director
5	Mr. Kanuganti Raghavender Rao	08766586	Director
6	Mr. Sunil Vishram Chawda	02369151	Director
7	Ms. Sravani Reddy Gantla	08809876	Director
8	Mr. Bharat Reddy Guntuku	09737242	Director

#### Sources of Information

In connection with this exercise, we have used the following information received from the Management and/or representatives and/or gathered from public domain:

1. Explanations and details provided by the Management and representatives of the Company;
2. Limited reviewed and Un-audited financial Statements for the period ended 31-Dec-2023 submitted by the Company;
3. Data Extracted from Publicly available sources;
4. Market and Industry Information

#### Scope Limitations, Assumptions, Qualifications, Exclusions and Disclaimers

- a. Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting, or tax related services.
- b. This Report, its contents and the results herein are specific to (i) the purpose of valuation



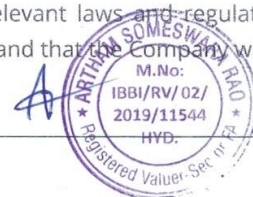
agreed as per the terms of our engagement; (ii) the date of this Report and (iii) the latest available financial statements of the Company and other information provided by the Management or taken from public sources till the date of this Report.

- c. It should be noted that we are not engineers, a Blanton equipment, building, construction, or structural expert, and we are therefore unable to certify as to the structural soundness of the improvements. We are 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 removable or marble property individually. Therefore, we were submitted with the independent valuation for the FAIR MARKET VALUE OF PROPERTY (LAND & FACTORY / NON-FACTORY SHEDS / BUILDINGS) of the Company for an independent Registered Valuer and is considered for the purposes of arriving at the valuation of the equity shares of the company.
- d. The conclusion of value arrived at heroine is valid only for the stated purpose and incidental matters and requirements under other laws as of the rate of this valuation. Next point, the value assessed here in may significantly and unexpectedly over a relatively short period including a result of general market movements or factor specific to the particular property. We do not accept liability for losses arising from such subsequent changes in value. All opinions and intimates in this publication or report or regardless of source, given in good faith, and may only be valued as of the stated date of this publication or report and or subject to change without notice we have performed a valuation engagement and present our detailed report in confirmative with the International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC). IVS sets out that the objective of evaluation engagement is to express an unambiguous opinion as of the business, ownership, interest, security, or intangible asset, which opinion is supported by all procedures that the appraiser deemed to be relevant to the valuation. Also, according to the standard in evaluation engagement, the valuer can apply valuation approaches or methods deemed in the analysis, professional judgement to be appropriate under the circumstances. In evaluation engagement, the conclusion is expressed as either single amount or a range.
- e. An analysis of this nature is necessarily based on the prevailing 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 at the date hereof. Events and transactions 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.
- f. The ultimate analysis will have to be tempered by the exercise of judicious discretion by the Valuers and judgment taking into accounts all 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 are not evident from the face of the balance sheet but which will strongly influence the worth of a share.
- g. The recommendation(s) rendered in this Report only represent our recommendation(s) based



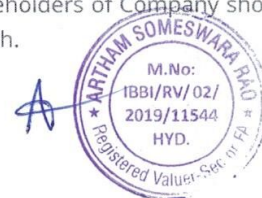
upon information furnished by the Company (or its executives/representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). Also we do not provide any assurance on the achievability of the results forecasted by company.

- h. The determination of share Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no single business valuation. While we have provided our recommendation of the based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the share Valuation will be with the Board of Directors who should take into account other factors such as their own assessment.
- i. In Accordance with the terms of our engagements, we have assumed and relied upon, without independent verification (i) the accuracy of the information that was publicly available (ii) the accuracy of the information made available to us by the company. In accordance with our engagement letter and in accordance with the customary approach adopted in valuation exercise, we have not audited, reviewed, or otherwise investigated the historical financial information provided to us. We have not independently investigated or otherwise verified the data provided by the companies. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management of the Companies that they have not omitted any relevant and material factors about the Company. Our conclusions are based on the assumptions and information given by and on behalf of the Companies and reliance on public information. The Management of the Company has indicated to us that they have understood that any omissions, inaccuracies, or misstatements may materially affect our valuation analysis/results.
- j. While carrying out this engagement we have relied extensively on historical information made available to us by the management of the Company or available in public domain. We did not carry out any due diligence with respect to the information provided/extracted or carry out any verification of the assets save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.
- k. Accordingly, we assume no responsibility for any errors in the information furnished by the Company or obtained from public domain and their impact on the Report. Nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report.
- l. The Report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Company will be



managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies. Our conclusion of value assumes that the assets and liabilities of the Company, reflected in respective latest balance sheet remain intact as of the Report date.

- m. This Report does not look into the business/ commercial reasons behind the Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Transaction as compared with any other alternative business transaction or other alternatives or whether or not such alternatives could be achieved or are available.
- n. No investigation of the Companies' claim to title of assets has been made for the purpose of this Report and the Company's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. The fee for the engagement is not contingent upon the results reported.
- o. We owe responsibility to only the Boards of Directors of the Company that has appointed us under the terms of our engagement letters and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Company, their directors, employees or agents. In no circumstances shall the liability of a Valuer, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.
- p. We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion on the Share Valuation. This Report is not a substitute for the third parties own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.
- q. This Valuation Report is subject to the laws of India. We have not prepared the Report for inclusion in a registration statement under the US Securities Act of 1933 and would not be referred to as an 'expert' in any regulatory filings under the US Securities Act of 1933 or under any of the securities laws/ regulations of any other state or jurisdiction in the United States/ UK.
- r. We express no opinion or recommendation as to how the shareholders of Company should vote at any shareholders' meeting(s) to be held in connection with.





## **STANDARD AND PREMISE OF VALUE**

**Standard of Value:** This Valuation report relies upon the use of fair value as the standard of value. Ind AS 113 defines fair value as - **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 measurement date.**

Premise of Value - the Valuation exercise was performed under:

1. **The Going concern premise of value** – i.e. the Value of a business enterprise that is expected to continue to operate in future.
2. **Highest and best use of the subject business assets** – i.e. physically possible, legally permissible, and financially feasible of the assets.

### **Valuation Approach & Methodology**

Our opinion is based on, among other things, our estimates of the risks facing the Company and the return on investment that would be required on alternative investments with similar level of risk.

In order to value the Company, we considered three approaches to valuation –

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

We have reviewed and analyzed above methods and their results to determine which methods would generate the most reasonable opinion of the value of the Company's operations as on the Valuation.

Valuation under different methods has been presented below:

#### **1. Cost Approach**

The asset-based (net underlying assets) approach is a form of the cost approach. The sum of the individual asset values represents the total asset value of the enterprise. The enterprise's liabilities related to working capital are deducted to arrive at an Indication of value for the invested capital of the business. **It reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).**

An asset's book value is equal to its' carrying value on the balance sheet, and companies calculate it netting the asset against its accumulated depreciation.



There are several commonly used and accepted methods for determining the fair value of the shares of a company which are mentioned here under – (a) Net Asset value method; (b) Dividend Yield Method, (c) Market Price Method, (d) Profit Earning Capacity Value Method, and (e) Discounted Cash Flow Method. We have considered the merits and demerits of the methods referred to about to determine the most appropriate methods suitable for the valuation of the shares in the presence circumstances.

#### **Net asset re-placement 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 extraordinary items. If any.

The value per equity share of M/s. Oxygenta Pharmaceutical Ltd as per the Net Asset Replacement Cost Method Under Cost Approach based on the un-audited and limited review financial statements for the period ended 31 December 2023 is **Rs. 3.69 (Rupees Three and Sixty-nine paisa)**. The working under net asset replacement cost method is enclosed as annexure 1 to this report.

#### **2. Market Approach**

Under market approach, the value of equity shares of a company is arrived at by using multiples derived from the valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to the valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. A search for publicly traded comparable companies with similar core business, scale, size, and other attributes.

The market price method is generally one of the 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 measure oxygen of pharmaceutical Ltd under the market price method on the basis of VWAP for 12 months preceding the relevant date that is 31 March 2024. In this connection we have arrived at the VWAP from April 2023 until March 2024 as obtained from Bombay Stock Exchange. The value of equity share of M/s. Oxygenta Pharmaceutical Ltd under market price method is rupees -. The working under market price method is enclosed as an **Annexure -2** to this report.

#### **3. Income Approach**

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 at the value per equitation.



Annexure – I

Valuation of Equity Shares as per the Net Asset Replacement Cost Method under Cost Approach.

<b>Oxygenta Pharmaceutical Limited</b>	
<b>Particulars</b>	<b>31-Dec-23</b>
<b>Non-current Assets</b>	
Fixed Assets	
Tangible Assets*	6,676.28
Capital work-in-progress	5.07
Non-current investments	4.94
Other financial assets	47.93
Trade receivables	116.00
Long term loans and advances	41.97
<b>Total (A)</b>	<b>6,892.19</b>
<b>Current Assets</b>	
Deposits	56.36
Inventories	1,134.20
Trade Receivables	1,072.85
Cash & Cash equivalents	0.31
Other financial assets	
Other current assets	67.04
<b>Total (B)</b>	<b>2,330.76</b>
<b>Total Assets C=A+B</b>	<b>9,222.95</b>
<b>Current Liabilities</b>	
Short term borrowings	773.93
Trade payables	1,618.25
Other Current Liabilities	273.90
Short term provisions	104.58
<b>Total (D)</b>	<b>2,770.66</b>
<b>Non-Current liabilities</b>	
Long term borrowings	4,934.90
Trade payables	225.58
Other liabilities	56.25
Deferred tax liability	
<b>Total (E)</b>	<b>5,216.73</b>



<b>Total liabilities F=D+E</b>	<b>7,987.39</b>
<b>Net Assets G=C-F</b>	<b>1,235.56</b>
Net Assets attributable to equity shareholders	1,235.56
No. of equity shares	3,34,83,500
<b>NAV Per Share (Rs.)</b>	<b>3.69</b>

Note: \*We have considered the fair market value of the Land & building as Rs. 44.81 cr based on the valuation report issued by Mr. B. Eshwar Reddy, registered valuer registered under IBBI.



Annexure - 2

Value per share based on Market Price Method

Oxygenta Pharmaceutical Limited							
Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)
Apr-23	36.00	36.00	29.83	31.37	6,033.00	42.00	1,96,010.00
<b>May-23</b>	29.82	32.79	27.50	32.78	11,294.00	45.00	3,34,669.00
<b>Jun-23</b>	32.78	47.27	29.62	47.02	1,36,614.00	597.00	55,04,824.00
<b>Jul-23</b>	44.67	49.85	37.13	40.50	82,726.00	511.00	36,00,902.00
<b>Aug-23</b>	38.50	43.00	32.53	36.27	91,123.00	423.00	33,43,354.00
<b>Sep-23</b>	37.99	39.39	31.35	33.18	29,530.00	226.00	10,29,569.00
<b>Oct-23</b>	33.16	34.83	25.02	28.03	88,942.00	388.00	25,72,396.00
<b>Nov-23</b>	29.43	34.34	26.72	31.99	98,275.00	439.00	30,20,283.00
<b>Dec-23</b>	32.30	35.40	29.00	31.16	90,013.00	579.00	28,88,097.00
<b>Jan-24</b>	31.78	39.45	30.01	34.36	1,53,277.00	1,112.00	52,78,283.00
<b>Feb-24</b>	34.90	52.27	26.01	36.19	13,63,262.00	7,099.00	6,06,36,132.00
<b>Mar-24</b>	36.91	37.99	27.62	28.99	2,83,375.00	2,082.00	94,63,266.00
<b>TOTAL</b>					<b>24,34,464.00</b>		<b>9,78,67,785.00</b>
<b>VWAP of the Equity Share (Rs.)</b>							<b>40.2</b>

