

VALUATION REPORT

on

Fair Value of Equity Shares

Relevant Date / Valuation Date – 3rd January 2025

Report Date: 3rd January 2025

Ajooni Biotech Limited



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Valuation Analysis

We refer to our Engagement Letter as independent valuers of **Ajooni Biotech Limited** (the “Company”). In the following paragraphs, we have summarized our valuation Analysis (the “Analysis”) of the business of the Company as informed by the management and detailed herein, together with the description of the methodologies used and limitation on our scope of work.

1 Context and Purpose

Based on discussion with the management, we understand that the Company is evaluating the possibility of **Fair Value of Equity shares under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018**. In the context of the proposed transaction, the management requires our assistance in determining the **Fair Value of Equity shares** of the Company.

Proposed Transaction:

During the Financial Year 2024-25, Company is evaluating the possibility of issuing securities to prospective investors. In this context, the management of **Ajooni Biotech Limited** (the “Management”) has requested us to estimate the fair value of the Equity Shares. - “Proposed Transaction”.

2 Conditions and major assumptions

Conditions

The historical financial information about the Company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report and it should not be used by anyone to obtain credit or for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country. We have not audited, reviewed or compiled the financial statements and express no assurance on them.

Readers of this report should be aware that a business valuation is based on future earnings potential that may or may not be materialised.

This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.

We acknowledge that we have no present or contemplated financial interest in the Company. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

We have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not to require to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.

Assumptions

The opinion of value given in this report is based on information provided by the management of the Company and other sources as listed in the report. This information is assumed to be accurate and complete.

We have relied upon the representations contained in the public and other documents in our possession and any other assets or liabilities except as specifically stated to the contrary in this report.

We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.

We have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry. This report presumes that the management of the Company will maintain the character and integrity of the Company.

We have been informed by the management that there are no significant lawsuits or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

3 Background of the Company

The Company is engaged in the business of providing animal health care solutions for improving the productivity of dairy farmers and sustainably increase livestock yields. Being among the lead players in the Compounded Animal Feed and feed supplements in India the company offers a wide range of Quality Cattle feed, Cattle feed Chips, Camel Feed, Cotton Oil Cake, Mustard Oil Cake and wide range of Feed supplements to cover the entire life-cycle of an animal.

Company URL: - <https://www.ajoonibiotech.com/>

Further data of the company is as under:

CIN	L85190PB2010PLC040162
Company Name	AJOONI BIOTECH LIMITED
ROC Name	ROC Chandigarh
Registration Number	40162
Date of Incorporation	17-02-2010
Email Id	ajooni118@gmail.com
Registered Address	D-118, Industrial Area Phase-7, Mohali, Mohali, Punjab, India, 160059
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)	40,00,00,000
Paid up Capital (Rs)	34,44,87,196
Date of last AGM	17-09-2024
Date of Balance Sheet	31-03-2024
Company Status	Active

Directors and Key Managerial Persons:

DIN/PAN	Name	Designation	Date of Appointment
1937631	Jasjot Singh	Managing Director	02-08-2017
****5766D	Jasjot Singh	CFO	14-08-2021
7870398	Simmi Chhabra	Director	02-08-2017
2209675	Gursimran Singh	Whole-time director	13-08-2020
****6582D	Swati Vijan	Company Secretary	12-02-2020
7864006	Partek Singh	Director	30-06-2017
7896086	Ramandeep Singh	Director	02-08-2017
7864007	Imtешwar Singh Bhatia	Director	02-08-2017

Shareholding pattern as on the date of report:

Particulars	No. of Shares	% Holding
Promoter & Promoter Group		
Jasjot Singh	1,89,68,521	11.01%
Parmjeet Kaur	56,78,802	3.30%
Upneet Kaur	43,83,540	2.54%
Ashmeet Kaur	31,78,802	1.85%
Ishneet Kaur	20,02,927	1.16%
Healthy Biosciences Limited	1,21,12,174	7.03%
Public	12,59,18,832	73.11%
Total	17,22,43,598	100.00%

Face Value Per Share is Rs. 2.00/-

4 Valuation Premise

The premise of value for our analyses is going concern value as there is neither a planned or contemplated discontinuance of any line of business nor any liquidation of the Company.

5 Valuation Date

The Analysis of the Fair Value of Equity share of **Ajooni Biotech Limited** as on **3rd January 2025** based on the financials as on **30th September 2024**.

6 Valuation Standards

The Report has been prepared in compliance with the internationally accepted valuation standards and valuation standard adopted by ICAI Registered Valuers Organisation.

7 Valuation Methodology and Approach

The standard of value used in the Analysis is "Fair Value", which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for sale on the open market for a reasonable period of time, with both buyer and seller being In possession of the pertinent facts and neither being under any compulsion to act.

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- whether the entity is listed on a stock exchange
- industry to which the Company belongs.
- past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated.
- Extent to which industry and comparable Company information is available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorised as follows:

1. Asset Approach

Net Asset Value Method ("NAV")

The value arrived at under this approach is based on the audited financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted for any contingent liabilities that are likely to materialise.

The Net Asset Value is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern.

2. Market Approach

Comparable Company Market Multiple Method

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The difficulty here in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, profitability and accounting practices.

Whereas no publicly traded company provides an identical match to the operations of a given company, important information can be drawn from the way comparable enterprises are valued by public markets. In case of early-stage company and different business model the problem aggravates further.

Comparable Transactions Multiple Method

This approach is somewhat similar to the market multiples approach except that the sales and EBITDA multiples of reported transactions in the same industry in the recent past are applied to the sales and EBITDA of the business being valued.

3. Income Approach

Discounted Cash Flows - "DCF"

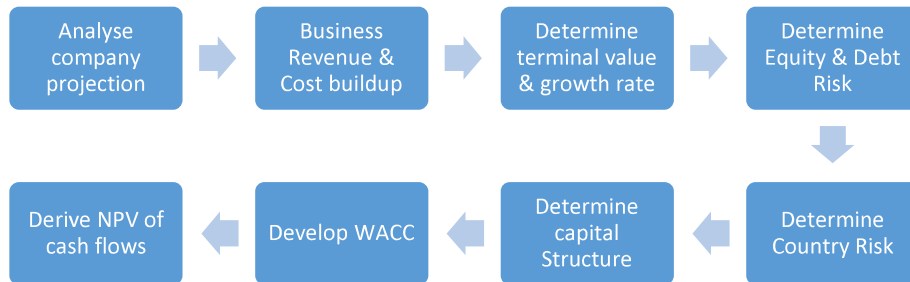
DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

Beta is an adjustment that uses historic stock market data to measure the sensitivity of the Company's cash flow to market indices, for example, through business cycles.

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows in the future. The free cash flows are projected for a certain number of years and then discounted at a

discount rate that reflects a Company's cost of capital and the risk associated with the cash flows it generates. DCF analysis is based mainly on the following elements:

- Projection of financial statements (key value driving factors)
- The cost of capital to discount the projected cash flows



Valuation Methodology

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose.

In this case, the Company being a listed Company, we have considered valuation regulations applicable to preferential issue of Equity Shares as defined in Securities and Exchange Board of India (Issue of Capital & Disclosure) Regulations, 2018, the requirements of the Articles of Association of the Company and the provisions of the Companies (Share Capital and Debentures) Rules, 2014 (as amended).

SEBI Regulations for requirement of Valuation:

SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED

The relevant Regulations under SEBI (ICDR) are reproduced as under:

Regulation 164(1) - Pricing of frequently traded shares

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

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

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.

....

Regulation 166A (1): Other conditions for pricing

Any preferential issue, which may result in a change in control or allotment of more than five per cent. of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price:

Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer, or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable.

Provided further that if any proposed preferential issue is likely to result in a change in control of the issuer, the valuation report from the registered valuer shall also cover guidance on control premium, which shall be computed over and above the price determined in terms of the first proviso.

Regulation 161: "relevant date" means: a) in case of preferential issue of equity shares, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue:

Explanation: Where the relevant date falls on a weekend or a holiday, the day preceding the weekend, or the holiday will be reckoned to be the relevant date.

Our choice of methodology and valuation has been arrived using usual and conventional methodologies adopted for purposes of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of similar nature.

8 Source of Information

The Analysis is based on trading prices and volumes as available in the public domain. Specifically, the sources of information include:

- Historical Data of Trading Price and Volume traded of the stock on National Stock Exchange

Further, we have also been informed by the Company that,

1. The Equity Shares of the Company are listed on the National Stock Exchange.
2. The Equity Shares are frequently traded on the National Stock Exchange and meet the definition of Frequently traded shares as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
3. The Company is proposing to hold Extra-ordinary General Meeting of Members on 3rd February 2025 to approve the proposed preferential issue and hence, the relevant date is 3rd January 2025.
4. The present issue of Equity Shares shall not result in change in control of the Company.

9 Caveats

Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice. The services do not represent accounting, assurance, financial due diligence review, consulting, transfer pricing or domestic/international tax-related services that may otherwise be provided by us.

We have relied on data from Recognized Stock Exchange. This source is considered to be reliable and therefore, we assume no liability for the accuracy of the data.

The valuation worksheets prepared for the exercise are proprietary to the Valuer and cannot be shared. Any clarifications on the workings will be provided on request, prior to finalizing the Report, as per the terms of our engagement.

The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them.

The Valuation Analysis contained herein represents the value only on the date that is specifically Stated in this Report.

We have no present or planned future interest in the Company and the fee for this Report is not contingent upon the values reported herein.

Our Valuation analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction with the Company.

Our Report is not nor should it be construed as our opining or certifying the compliance with the provisions of any law / standards including company, foreign exchange regulatory, accounting and taxation (including transfer pricing) laws / standards or as regards any legal, accounting or taxation implications or issues.

Our Report and the opinion / valuation analysis contained herein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities. This report does not in any manner address, opine on or recommend the prices at which the securities of the Company could or should transact.

10 Distribution of Report

The Analysis is confidential and has been prepared exclusively for **Ajooni Biotech Limited**. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of the valuer. Such consent will only be given after full consideration of the circumstances at the time. However, we do understand that the report will be shared according to the terms of SEBI ICDR Regulation, 2018.

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11 Opinion on Fair Value of Equity Shares

Based on our valuation exercise Fair Value of the Equity Shares as on 3rd January 2025 is as under:

Method	in INR
Price determined from the independent registered valuer	7.65

Method	Value per share (*)	Weight	Product
Asset Approach – NAV Method	5.00	15%	0.75
Income Approach – PECV Method	0.78	5%	0.04
Market Approach - Market Price	8.57	80%	6.86
Weighted Average Value per share			7.65

(*) Refer Annexures for working

Approach	Method	Selection	Rationale for selection
Asset Approach	NAV Method	Selected	Based on the business of the company and availability of reliable data, we have valued the Company using the NAV method. Being the Floor price of the company, we have considered 15% weightage for NAV method for current valuation exercise.
Income Approach	PECV Method	Selected	The Price per share as per the PECV Method is higher than NAV and Market price. Considering this 5% weightage is considered for current valuation exercise.
Market Approach	Market Price	Selected	As the company is frequently traded on the NSE (National Stock Exchange), the Market Price is calculated as per Regulation 164 of SEBI, ICDR. The Calculated price is lower than the Floor price, accordingly 80% weightage is considered for Market Price.

Control Premium

The present issue of Equity Shares shall not result in change in control of the Company. Hence guidance on control premium is not considered under Regulation 166A.

We trust the above meets your requirements. Please feel free to contact us in case you require any additional information or clarifications.

Yours faithfully



Bhavesh M Rathod
Chartered Accountants
M No: 119158
Registered Valuer - Securities or Financial Assets
(Reg No: IBBI/RV/06/2019/10708)
Date: 3rd January 2025
Place: Mumbai

UDIN: **25119158BMGXQL7166**

12 Annexure 1

As per Regulation 164 SEBI, ICDR

Method		in INR
90 trading days' volume weighted average price (*)	A	8.57
10 trading days' volume weighted average price (*)	B	7.94
Higher of A & B	C	8.57

Volume Weighted Average Price for 90 trading Days.

Date	No. of Shares Traded	Total Turnover (Rs.)
02-Jan-25	59,79,375	5,02,64,134
01-Jan-25	6,40,149	52,17,214
31-Dec-24	3,90,653	30,35,374
30-Dec-24	4,71,795	34,89,025
27-Dec-24	3,99,474	28,43,949
26-Dec-24	8,99,266	63,48,187
24-Dec-24	4,32,029	30,95,916
23-Dec-24	6,16,813	43,92,633
20-Dec-24	3,82,137	27,92,714
19-Dec-24	6,20,708	45,57,358
18-Dec-24	3,56,163	26,73,630
17-Dec-24	3,91,140	29,68,652
16-Dec-24	7,04,500	53,74,029
13-Dec-24	5,03,003	38,73,636
12-Dec-24	4,72,835	37,03,997
11-Dec-24	5,85,250	46,30,373
10-Dec-24	5,02,897	40,04,967
09-Dec-24	6,80,119	54,62,410
06-Dec-24	6,85,086	54,38,771
05-Dec-24	5,93,324	47,37,445
04-Dec-24	3,59,743	28,93,439
03-Dec-24	6,77,481	54,53,419
02-Dec-24	6,44,053	50,15,280
29-Nov-24	3,45,654	25,87,760
28-Nov-24	5,35,158	40,93,716
27-Nov-24	5,17,349	40,22,525
26-Nov-24	6,94,340	53,55,304
25-Nov-24	5,42,909	43,01,447
22-Nov-24	9,21,390	70,72,280
21-Nov-24	4,02,726	29,89,071
19-Nov-24	9,51,967	70,74,071

18-Nov-24	3,92,138	28,41,060
14-Nov-24	4,68,045	34,72,094
13-Nov-24	5,69,425	42,29,113
12-Nov-24	3,92,387	30,50,412
11-Nov-24	6,89,221	54,91,258
08-Nov-24	2,89,723	22,98,174
07-Nov-24	8,00,379	64,60,325
06-Nov-24	6,42,873	51,38,704
05-Nov-24	4,91,797	38,58,324
04-Nov-24	6,85,063	54,90,110
01-Nov-24	4,31,129	34,80,292
31-Oct-24	6,85,177	53,55,924
30-Oct-24	5,65,353	41,71,714
29-Oct-24	8,46,501	58,79,219
28-Oct-24	5,59,120	39,32,501
25-Oct-24	6,98,051	49,61,572
24-Oct-24	3,87,212	28,62,443
23-Oct-24	7,02,773	51,44,070
22-Oct-24	7,20,712	54,43,106
21-Oct-24	4,33,904	34,33,579
18-Oct-24	7,88,523	62,65,978
17-Oct-24	5,04,531	41,05,980
16-Oct-24	5,87,217	48,48,179
15-Oct-24	3,93,708	33,52,546
14-Oct-24	5,35,772	46,08,011
11-Oct-24	6,03,408	53,21,003
10-Oct-24	12,53,820	1,09,61,656
09-Oct-24	5,88,836	49,56,033
08-Oct-24	6,73,956	52,03,335
07-Oct-24	9,67,338	75,43,505
04-Oct-24	6,65,122	53,73,126
03-Oct-24	12,68,674	1,02,79,068
01-Oct-24	4,93,226	41,09,142
30-Sep-24	6,36,943	53,08,061
27-Sep-24	10,22,925	85,60,523
26-Sep-24	7,59,862	63,84,523
25-Sep-24	9,87,379	83,29,648
24-Sep-24	6,07,160	52,43,761
23-Sep-24	8,53,943	74,36,190
20-Sep-24	7,89,251	68,34,604
19-Sep-24	16,26,210	1,39,14,219
18-Sep-24	13,11,025	1,16,50,966
17-Sep-24	11,99,519	1,09,89,605
16-Sep-24	11,74,302	1,10,05,998

13-Sep-24	20,13,239	1,94,23,356
12-Sep-24	20,08,101	1,86,43,358
11-Sep-24	33,47,682	3,22,30,482
10-Sep-24	25,76,740	2,33,17,274
09-Sep-24	5,06,581	44,83,242
06-Sep-24	5,18,530	48,32,700
05-Sep-24	17,50,370	1,72,30,375
04-Sep-24	76,25,205	7,82,68,668
03-Sep-24	24,48,844	2,39,92,027
02-Sep-24	67,27,574	6,25,58,034
30-Aug-24	1,53,22,291	13,52,05,640
29-Aug-24	36,38,114	3,20,64,729
28-Aug-24	30,64,127	2,56,92,405
27-Aug-24	51,39,147	4,09,76,391
26-Aug-24	37,82,646	2,86,85,096
Total	11,51,12,310	98,69,46,154

Traded Turnover	98,69,46,154
No. of Share Traded	11,51,12,310
Volume Weighted Average Price for 90 Trading Days	8.57

Volume Weighted Average Price for 10 trading Days.

Date	No. of Trades	Total Turnover (Rs.)
02-Jan-25	59,79,375	5,02,64,134
01-Jan-25	6,40,149	52,17,214
31-Dec-24	3,90,653	30,35,374
30-Dec-24	4,71,795	34,89,025
27-Dec-24	3,99,474	28,43,949
26-Dec-24	8,99,266	63,48,187
24-Dec-24	4,32,029	30,95,916
23-Dec-24	6,16,813	43,92,633
20-Dec-24	3,82,137	27,92,714
19-Dec-24	6,20,708	45,57,358
Total	1,08,32,399	8,60,36,503

Traded Turnover	8,60,36,503
Total No. of Shares Traded	1,08,32,399
Volume Weighted Average Price for 10 Trading Days	7.94

13 Annexure 2

Asset Approach - Net Asset Value Method as on 30th September 2024

(INR Lakhs)

Particulars	Amount	
Assets		
Non-Current Asset		
Property, Plant and Equipment		994.17
CWIP		106.60
Investments		433.91
Deferred Tax Asset (Net)		32.33
Other Non-Current Asset		200.00
Current Asset		
Inventories		1,696.17
Trade Receivables		2,333.43
Cash and bank Balances		1,701.83
Short term Loans & Advances		1,386.88
Other Current Assets		24.32
Total Assets	A	8,909.64
Liabilities		
Non-Current Liabilities		
Long Term Borrowings		219.59
Other Non-Current Liabilities		13.04
Current Liabilities		
Other current liabilities		45.50
Current Tax Liabilities		19.07
Total Liabilities	B	297.20
Networth	(A – B)	8,612.44
No. of shares (*)	C	17,22,43,598
Value per share (INR)	(A - B) / C	5.00

(*) No. of shares as on the date of report

Income Approach - Profit Earning Capitalization Value Method (PECV Method)

(INR Lakhs)

		FY23	FY24	Sep24 TTM	
Reported PBT		157.68	299.61	350.17	
Average PBT					269.15
Less: Tax on Average PBT	25.17%				-67.74
Average PAT					201.41
Capitalization	15.00%				1,342.75
No. of shares					17,22,43,598
Value per share (in INR)					0.78

Capitalization Rate

Organisation Specific Discount Rate

- Cost of Equity of 15.00% is taken as Capitalization rate, calculated using,
 - Historical Market Return of BSE 500 from February 01, 1999, to January 02, 2025, is 14.80%

	Rate	Source
Market Return (Rm)	14.80%	Return of BSE 500 for the period of Feb 01, 1999, to January 02, 2025.

Based on the above parameters, the Cost of Equity has been calculated at **15.00 % (Rounded off)**

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