

Ernst & Young Merchant Banking Services LLP Registered Valuer Registration No. IBBI/RV-E/05/2021/155 14th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, India.	Armslength Advisors Private Limited Registered Valuer Entity (RVE Reg. No. IBBI/RV-E/14/2024/212) G-3, Second Floor, Janpura Extention, New Delhi -110 014 India
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Dated: 20 March 2025

To,

The Audit Committee/ The Board of Directors, Kopran Limited Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai, Maharashtra 400018	The Audit Committee/ The Board of Directors, Kopran Laboratories Limited Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai, Maharashtra 400018
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Sub: Recommendation of fair equity share exchange ratio for the proposed amalgamation of Kopran Laboratories Limited into Kopran Limited

Dear Sir / Madam,

We refer to respective engagement letters of Ernst & Young Merchant Banking Services LLP (“EY”) and Armslength Advisors Private Limited (“ALA”), whereby EY is appointed by Kopran Limited (“KL”) and ALA is appointed by Kopran Laboratories Limited (“KLL”), for recommendation of fair equity share exchange ratio for the proposed amalgamation of KLL into KL (“Proposed Amalgamation”).

KL and KLL are hereinafter jointly referred to as “Companies” or “Clients”.

EY and ALA are hereinafter jointly referred to as “Valuers” or “we” or “us” in this report.

The fair equity share exchange ratio for this report refers to number of equity shares of KL which would be issued to the equity shareholders of KLL pursuant to the Proposed Amalgamation.

Our deliverable for this engagement would be a report recommending fair equity Share Exchange Ratio for the Proposed Amalgamation (“Report”) with 19 March 2025 being the Valuation Date.

For the purpose of this valuation, the basis of value is ‘Relative Value’ and the valuation is based on ‘Going Concern’ premise.



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SCOPE AND PURPOSE OF THIS REPORT

Kopran Limited is engaged in the manufacture and marketing of active pharmaceutical ingredients and finished dosage forms in India and internationally. KL offers its products in various dosage forms, including tablets, capsules, syrups, dry powder, suspension, and injectables, as well as branded and generic formulations. KL was incorporated on 26 April 1958 under the Companies Act, 1956 and has its registered office at Mumbai, India. For financial year 2024, KL reported consolidated revenue from operations of INR 6,145.9 mn and consolidated net profit of INR 509.6 mn.

Kopran Laboratories Limited is engaged in carrying out the business of trading of medical equipment, reagents and consumables, providing laboratory automation solutions and delivering projects in hospital infrastructure. KLL was incorporated on 12 August 1986 under the Companies Act, 1956 and has its registered office at Mumbai, India. For financial year 2024, KLL reported revenue from operations of INR 1,024.0 mn and net profit of INR 182.9 mn.

We understand that the management of the Companies (hereinafter collectively referred to as “the Management”) are evaluating a merger of KLL with KL through a Composite Scheme of Arrangement under the provisions of Sections 230-232 and the other applicable provisions of the Companies Act, 2013.

As per the Scheme, the shareholders of KLL will be issued and allotted equity shares of KL as a consideration for Proposed Amalgamation. Further, the existing equity shares of KLL would stand cancelled following the issuance of shares of KL.

In this connection, the Board of Directors of KL have appointed EY and Board of Directors of KLL have appointed ALA, the Registered Valuers, to recommend Share Exchange Ratio, for issue of KL equity shares to the equity shareholders of KLL to be placed before the Audit Committee/ Board of Directors of the Companies.

We understand that the appointed date for the Proposed Amalgamation shall be 01 January 2025 or such other date as may be approved by the Board of Directors of the Companies.

The scope of our services is to conduct a valuation of equity shares of the Companies on a relative basis and recommend Share Exchange Ratio for the Proposed Amalgamation.

The Valuers have worked independently in their analysis. The Valuers have independently arrived at different values per share of the Companies. However, to arrive at the consensus on the Share Exchange Ratio for the Proposed Amalgamation, appropriate minor adjustments/rounding off have been done in the values arrived at by the Valuers.

We have been provided with the consolidated limited reviewed financials of KL and audited financials of KLL for the nine months ended 31 December 2024. We have taken into consideration the current market parameters in our analysis and have made adjustments for additional facts made known to us till the date of our Report. Further, we have been informed that all material information impacting the Companies have been disclosed to us.

We have been informed by the Management that:

- a) there would not be any capital variation in the Companies till the Proposed Amalgamation becomes effective, except issuance of Employee Stock Options in normal course of the business of the Companies. In the event that either of the Companies restructure their equity share capital by way



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of share split / consolidation / issue of bonus shares before the Proposed Amalgamation becomes effective, the issue of shares pursuant to the fair equity Share Exchange Ratio recommended in this Report shall be adjusted accordingly to take into account the effect of any such corporate actions.

- b) till the Proposed Amalgamation becomes effective, neither Companies would declare any substantial dividends having materially different yields as compared to past few years.
- c) there are no unusual/abnormal events in the Companies materially impacting their operations/financial position after 31 December 2024 till the Report date except as disclosed elsewhere in this report.

KLL as at 31 December 2024 had investments in equity shares of associate companies. The management of KLL has informed us that, such investments have been disposed of on 29 January 2025 for a cash consideration of INR 49.48 mn (net of tax). Correspondingly, investments and cash inflow for such sale of investments have been adjusted in the 31 December 2024 balance sheet provided to us for this valuation.

As of January 21, 2025, KL had allotted 36,200 shares under its Employee Stock Option Plan (ESOP) at an exercise price of INR 179 per share. The corresponding cash inflow from exercise of such stock options has been accordingly adjusted in the 31 December 2024 balance sheet used in our valuation workings. Furthermore, the Company has an outstanding ESOP grant of 246,000 shares as of the Valuation Date, each at an exercise price of INR 179. Given that the exercise price is lower than the closing share price on the Valuation Date, these shares have not been included in our valuation analysis while determining the total number of shares outstanding.

We have relied on the above while arriving at the Share Exchange Ratio for the Proposed Amalgamation.

This Report is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality and not in parts.

BACKGROUND OF VALUERS

ERNST & YOUNG MERCHANT BANKING SERVICES LLP

Ernst & Young Merchant Banking Services LLP is a Limited Liability Partnership registered under The Limited Liability Partnership Act, 2008 having its registered office at The Ruby, 14th Floor, 29 Senapati Bapat Marg, Dadar West, Mumbai – 400028. We are also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/05/2021/155.

ARMSLENGTH ADVISORS PRIVATE LIMITED

Armslength Advisors Private limited is privately held company registered under the Companies Act 2013 and having its registered office at G 40, Lower Ground Floor, Mayfield Garden, Sector 50, Gurugram. Armslength, a specialized valuation service provider, is a progressive consulting firm run by professional like Registered Valuers, Chartered Accountants, Chartered Engineers, Lawyers, Engineers- Civil, Electrical & Mechanical, MBAs with collective experience of over 120 years. ALA is a registered Valuer entity ('RVE'), registered with Insolvency & Bankruptcy Board of India ('IBBI') in all three assets class.



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SOURCES OF INFORMATION / MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING THE VALUATION

In connection with this exercise, we have received/obtained the following information about the Companies from the Management:

- Draft Scheme of Amalgamation for the Proposed Transaction
- Consolidated Annual reports of KL for years ended 31 March 2021 to 31 March 2024.
- Annual reports of KLL for years ended 31 March 2021 to 31 March 2024.
- Consolidated limited reviewed financial statements of KL for nine months ended 31 December 2024.
- Audited financial statements of KLL for nine months ended 31 December 2024.
- Consolidated financial forecasts of KL and financial forecasts of KLL for 3 months ending 31 March 2025 and from 1 April 2025 to 31 March 2030.
- Number of equity shares of the Companies as on the Valuation Date on a fully diluted basis.
- Details of Employee Stock Options of KL outstanding as at the Valuation Date.
- Details of contingent liabilities of KL and KLL along with the probability of their devolving into an actual liability, as at Valuation Date.
- Other relevant information and documents for the purpose of this engagement provided through emails or hard copy of documents or during discussion.

In addition, we have obtained information from public sources/ proprietary databases including quarterly results.

During discussions with the Management, we have also obtained explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise. The Clients have been provided with the opportunity to review the draft report (excluding the recommended Share Exchange Ratio) as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Report.

PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information, and clarifications regarding past financial performance of the Companies.
- Considered data available in public domain related to the Companies and its peers.
- Discussions (physical/over call) with the Management to:
 - Understand the business and fundamental factors that affect its earning-generating capability and historical financial performance of the Companies as available in public domain.
 - Understand the assumptions and the basis of key assumption used by the Management in developing projections.
- Undertook Industry Analysis:
 - Researched publicly available market data including economic factors and industry trends that may impact the valuation.
 - Analysed key trends and valuation multiples of comparable companies using proprietary databases subscribed by us or our network firms.
- Selected internationally / well accepted valuation methodology/(ies) as considered appropriate by us.
- Arrived at valuation of Companies in order to conclude our analysis on Share Exchange Ratio for the Proposed Amalgamation.



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SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

This report is subject to the limitations detailed in the respective engagement letters. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

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 that may otherwise be provided by us or our affiliates.

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.

This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our Clients are the only authorized users of this report and use of the report is restricted for the purpose indicated in the respective engagement letters. This restriction does not preclude the Clients from providing a copy of the Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for the unauthorized use of this Report.

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's existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

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 Report Date; (iii) Consolidated limited reviewed financials of KL for nine months ended 31 December 2024; (iv) Audited financials of KLL for nine months ended 31 December 2024; and (v) other information obtained by us from time to time. We have been informed that the business activities of the Companies have been carried out in the normal and ordinary course between 31 December 2024 and the Report date and that no material changes have occurred in their respective operations and financial position between 31 December 2024 and the Report date.

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.

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 Clients or Companies, their directors, employees or agents.

The Clients/owners 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, if any, concerning the financial data, operational data and other information, except as specifically stated to the contrary in the



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report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the companies, their directors, employee or agents.

Valuers are not aware of any contingency, commitment or material issue which could materially affect the Companies' economic environment and future performance and therefore, the equity value of the Companies.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies 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 litigation and other contingent liabilities that are not disclosed in the audited / unaudited balance sheets of the Companies, if any provided to us.

This Report does not look into the business/ commercial reasons behind the Proposed Amalgamation nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

We do not provide assurance on the achievability of the results forecast by the Management as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

The valuation analysis and result are governed by concept of materiality.

It has been assumed that the required and relevant policies and practices have been adopted by the Companies and would be continued in the future.

The fee for the engagement is not contingent upon the results reported.

We have also relied on data from external sources 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.

Any person/ party intending to provide finance/ invest in the shares/ businesses of the companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Client) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to us.

The Valuers will owe the responsibility only to the Board of Directors of the Companies who have been appointed under the terms of their respective engagement letters. We 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.



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DISCLOSURE OF RV INTEREST OR CONFLICT, IF ANY AND OTHER AFFIRMATIVE STATEMENTS

We do not have any financial interest in the Clients, nor do we have any conflict of interest in carrying out this valuation.

Further, the information provided by the Management have been appropriately reviewed in carrying out the valuation. Sufficient time and information was provided to us to carry out the valuation.

SHAREHOLDING PATTERN

Kopran Limited

The issued and subscribed equity share capital of KL as of 21 January 2025 is INR 482.9 mn consisting of 48,285,605 equity shares of face value of INR 10/- each. The shareholding pattern is as follows:

Shareholding Pattern as on Valuation Date	No. of Shares	% Shareholding
Promoter & Promoter Group	21,449,203	44.42%
Public	26,835,902	55.58%
Non-Promoter Non-Public	500	0.001%
Grand Total	48,285,605	100.00%

Source: www.bseindia.com. The management has informed us that there has been no change in the shareholding pattern of KL from 21 January 2025 to the Valuation Date.

Kopran Laboratories Limited

The issued and subscribed equity share capital of KLL as of 31 December 2024 is INR 53.0 mn consisting of 5,303,160 equity shares of face value of INR 10/- each. The shareholding pattern is as follows:

Shareholding Pattern as on Valuation Date	No. of Shares	% Shareholding
Promoter and Promoter Group	5,226,900	98.56%
Others	76,260	1.44%
Grand Total	5,303,160	100.00%

Source: Management information. The management has informed us that there has been no change in the shareholding pattern of KLL from 31 December 2024 to the Valuation Date.



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APPROACH FOR RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO

The Composite Scheme of Arrangement contemplates the merger of KLL with KL. Arriving at the Share Exchange Ratio for the Proposed Amalgamation would require determining the value of equity shares of KL and KLL on a relative basis. These values are to be determined independently, but on a relative basis for the Companies, without considering the effect of the Proposed Amalgamation.

Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for mergers and our reasonable judgment, in an independent and bona fide manner.

The valuation approach adopted by EY and ALA is given in Annexure 1A and 1B respectively (Annexure 1A and 1B together referred to as Annexures).

BASIS OF FAIR EQUITY SHARE EXCHANGE RATIO

The basis of the transaction of KL and KLL would have to be determined after taking into consideration all the factors and methods mentioned herein after. Though different values have been arrived at under each of the approaches / methods as mentioned in the Annexures, for the purposes of recommending the Share Exchange Ratio it is necessary to arrive at a final value for each Companies. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approach / method.

The Share Exchange Ratio has been arrived at on the basis of value of equity shares of the Companies based on the various approaches/methods explained herein after considering various qualitative factors relevant to each company, business dynamics and growth potentials of the businesses of the Companies, information base and key underlying assumptions and limitations.

While we have provided our recommendation of the Share Exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Share Exchange Ratio. The final responsibility for the determination of the Share Exchange Ratio at which the Proposed Amalgamation shall take place will be with the Board of Directors of the respective Companies who should take into account other factors such as their own assessment of the Proposed Amalgamation and input of other advisors.

We have independently applied approaches/methods discussed in the Annexures, as considered appropriate, and arrived at the value per share of KL and KLL. To arrive at the consensus on the Share Exchange Ratio for the Proposed Amalgamation, suitable minor adjustments / rounding off have been done.



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CONCLUSION

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following fair equity Share Exchange Ratio for the Proposed Amalgamation are:

Amalgamation of KLL into KL

100 (One Hundred) equity shares of KL of INR 10/- each fully paid up for 45 (Forty-Five) equity shares of KLL of INR 10/- each fully paid up.

It should be noted that we have not examined any other matter including economic rationale for the Proposed Amalgamation per se or accounting, legal or tax matters involved in the Proposed Amalgamation.

<p>Respectfully submitted,</p> <p>Ernst & Young Merchant Banking Services LLP Registered Valuer Registration No. IBBI/RV-E/05/2021/155</p>   <p>Parag Mehta Partner IBBI Membership No.: IBBI/RV/05/2019/11608 EYMBS/RV/2024-25/160 Place: Mumbai Date: 20 March 2025</p>	<p>Respectfully submitted,</p> <p>Armslength Advisors Private Limited Registered Valuer Entity Registration No. IBBI/RV-E/15/2024/212</p>   <p>Amit K Singh Director IBBI Membership No.: IBBI/RV/14/2019/12357</p> <p>Place: Gurugram Date: 20 March 2025</p>
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Annexure 1A- Approach to Valuation – EY

We have followed the International Valuation Standards (“IVS”) (effective January 31, 2025) published by the International Valuation Standards Council, for carrying out our valuation analysis and delivering our valuation conclusion. There are primarily three approaches in valuation (viz., Cost/Asset Approach, Market Approach and Income Approach). For any valuation, all the approaches may not be relevant and therefore will not give a fair estimate of value. Hence, the approach most suitable for that specific business / company must be applied in the valuation exercise, based on the experience and common practices adopted by valuers.

We have adopted a definition of Market Value as given in IVS 102: "Market Value is the estimated amount for which an asset and/or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

The Fair Value referred in the Report is same as Market Value as defined above.

We have considered internationally accepted valuation standards and approaches in delivering our valuation conclusion. There are several principal valuation approaches under International Valuation Standard of which we have considered only those approaches to the extent, it is applicable and relevant.

The various approaches generally adopted in valuation are as under:

1. Cost/Asset Approach: Net Asset Value method
2. Income Approach: Discounted Cash Flows (DCF) method
3. Market Approach: Comparable Companies' Market Multiple (CCM) method, Comparable Transactions' Multiple (CTM) method and Market Price method

We have used the Market Approach (i.e., Market Price method and CCM method) and Income Approach (i.e., DCF Method) for valuation of all the Companies.

Fair valuation of the Companies factors various intangible assets whether or not recorded in the financials of the respective companies.

Cost/ Asset Approach – Net Asset Value (NAV) method: Under this approach, the net asset value method is considered, which is based on the underlying net assets and liabilities. Cost approach is not considered suitable for Medical equipment manufacturers, technology distributors, healthcare distributors and companies intended to be continued on going concern basis. Hence, in the present valuation analysis, we have not considered NAV method.

Income Approach - Discounted Cash Flow (DCF) method: Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm. Such DCF analysis involves determining the following:

- *Estimating future free cash flows:*

Free cash flows are the cash flows expected to be generated by the company that are available to the providers of the company's capital – both debt and equity.



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- *Appropriate discount rate to be applied to cash flows i.e., the cost of capital:*

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

We have considered DCF Method for arriving at value per equity share of KL and KLL

Market Approach – CCM method: Under this method, one attempts to measure the value of the shares / business of a company by applying the derived market multiple based on market quotations of comparable public / listed companies, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company / business. This valuation is based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. In the present valuation analysis, we have considered relative EV/EBITDA multiples for arriving at the equity value of KLL.

Market Approach - Market Price (MP) method: Under this method, the value of shares of a company is determined by taking the average of the market capitalization of the equity shares of such companies as quoted on a recognized stock exchange over reasonable periods of time where such quotations are arising from the shares being regularly and freely traded in an active market, subject to the element of speculative support that may be inbuilt in the market price.

The equity shares of KL is listed on NSE and BSE and are traded frequently. In these circumstances the share prices observed on NSE over a reasonable period have been considered for arriving at the value per equity share of KL under the Market Price method. For arriving at the market price, we have considered prices over appropriate period up to 19 March 2025.

The equity shares of KLL are not listed on any recognized stock exchange. In these circumstances, we have not used this method for the valuation of KLL.



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Fair Valuation:

We have arrived at the fair value of equity shares of KL and KLL by applying below mentioned weights to the value derived under various methods.

The computation of fair equity Share Exchange Ratio for Proposed Amalgamation of KLL with KL by EY is tabulated below:

As per Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule(7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 dated 20 June 2023, "*The issuance of shares under schemes in case of allotment of shares only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes shall follow the pricing provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.*"

As per regulations 164 (1) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (last amended on 17 May 2024), *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.*

As per master circular dated 20 June 2023 (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub- rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, *The issuance of shares under schemes in case of allotment of shares only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes shall follow the pricing provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (hereinafter referred to as "the ICDR Regulations"). It is clarified that the 'relevant date' for the purpose of computing pricing shall be the date of Board meeting in which the scheme is approved.*"



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Based on above, the equity shares of KL to be allotted pursuant to the preferential issue cannot be lower than the higher of 10 trading days' volume weighted average price ("VWAP") and 90 trading days' VWAP ("Preferential Issue Price").

Valuation Approach	KL		KLL	
	Value per Share of KL (INR)	Weight	Value per Share of KLL (INR)	Weight
Cost/Asset Approach* (i)	105.5	0%	140.9	0%
Income Approach – DCF method (ii)	216.5	50%	494.1	50%
Market Approach (iii)				
CCM method			472.6	50%
Market Price method	216.4	50%		
Relative Value per Share (Weighted Average of (i),(ii) and (iii) – (A)	216.5		483.3	
Market Price method - 90 trading days VWAP as at 19 March 2025 (Being the preceding day of the Relevant Date i.e. 20 March 2025 as informed to us by KL) (B)	216.4			
Market Price method - 10 trading days VWAP as at 19 March 2025 (Being the preceding day of the Relevant Date i.e. 20 March 2025 as informed to us by KL) (C)	168.3			
Preferential Issue Price (D) – higher of (B) and (C)	216.4			
Price considered for recommendation of SWAP ratio (Higher of A and D)	216.5			
Fair Equity Share Exchange Ratio (Rounded)	100:45			

* We have not considered Asset approach i.e. NAV method as it does not capture the earning capacity of the business and hence NAV method would not be representative of fair value of valuation subjects.

Refer Appendix A: EY Supplementary workings for detailed computation.



Annexure 1B- Approach to Valuation – ALA

As mentioned earlier in the report, the Companies contemplate the Proposed Amalgamation of KLL into KL. Arriving at the fair exchange ratio for the Proposed Amalgamation would require determining the relative value of the equity shares of the Companies. These values are to be determined independently, but on a relative basis for the Companies, without considering the effect of the Proposed Amalgamation.

Hence, the scope of our services is to conduct a relative valuation of equity shares of the Companies and report a fair exchange ratio for the proposed amalgamation in accordance with internationally accepted valuation standards/methods.

We have followed the International Valuation Standard 2025, issued by International Valuation Standard Council ('IVSC 2025') read with valuation standards issued by ICAI Registered Valuer Organisation (RVO).

The valuation bases used for the Report is 'Relative Value'. As per IVS 103 issued by ICAI RVO, in transactions of the nature of merger or amalgamation of companies or merger or demerger of businesses, the consideration is often discharged primarily by issue of securities in the nature of equity of the acquirer or transferee entity with reference to an exchange ratio or entitlement ratio, considering the relative values. Such relative values are generally arrived at by applying an appropriate valuation approach or a combination of valuation approaches.

The terms relative value has not been defined in IVSC 2025, hence for estimation of relative value, we have adopted a definition of Market Value as given in IVS 102 as relative value. The term Market value has been defined in IVS 102 as :

"Market Value is the estimated amount for which an asset and/or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

There are several commonly used and accepted methods under the market, income and asset approaches of valuation for determining value of equity shares for determination of the fair exchange ratio for the Proposed Amalgamation which have been considered in the present case, to the extent relevant and applicable, and subject to availability of information, including:

1. Market Approach: Market Price method and Comparable Company Multiple ('CCM') method, Comparable Transaction Multiple ('CTM') method
2. Income Approach: Discounted Cash Flow (DCF) method
3. Cost Approach: Net Asset Value/Adjusted Net Asset Value ('Adjusted NAV') method/Sum of the parts ('SOTP') method

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 valuation methods are commonly used under the market approach:

Market Price Method-Under this method the traded price observed over a reasonable period are considered while valuing assets which are traded in the active market. The valuer shall consider the market



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where the trading volume of asset is the highest when such asset is traded in more than one active market and the average price of the asset over a reasonable period shall be used. The valuer should consider using weighted average or volume weighted average to reduce the impact of volatility or any one-time event in the asset.

Comparable Companies Multiple Method, also known as Guideline Public Company Method, involves valuing an asset based on market multiples derived from prices of market comparables traded on active market. A valuer shall preferably use several market comparables rather than relying on a single comparable and the valuer shall exercise judgement while selecting the multiple in case where the market multiple computed for each comparable is significantly different from the other. The valuer may also consider factors and make appropriate adjustment to the market multiple, e.g. size of the asset; geographic location; profitability; stage of life cycle of the asset, diversification; historical and expected growth; or management profile.

Comparable Transaction Multiple (CTM) Method also known as 'Guideline Transaction Method' involves valuing an asset based on transaction multiples derived from prices paid in transactions of asset to be valued /market comparables (comparable transactions). The major steps in deriving a value using the CTM method include :identification of comparable transaction appropriate to the asset to be valued; selection and calculation of the transaction multiples from the identified comparable transaction; comparison of the asset to be valued with the market comparables and making of necessary adjustments to the transaction multiple to account where differences, if any existed; application of the adjusted transaction multiple to the relevant parameter of the asset to be valued to arrive at the value of such asset; and if valuation of the asset is derived by using transaction multiples based on different metrics or parameters, the valuer shall consider the reasonableness of the range of values and exercise judgement in determining a final value.

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: e.g. where the asset does not have any market comparable or comparable transaction; where the asset has fewer relevant market comparables; or where the asset is an income producing asset for which the future cash flows are available and can reasonably be projected.

In some instances, a valuer may consider using other valuation approaches instead of income approach or in combination with income approach, such as, where –the asset has not yet started generating income or cash flows, e.g., projects under development; there is significant uncertainty on the amount and timing of income/future cash flows, e.g., start-up companies; or the client does not have access to the information relating to the asset being valued, e.g., minority shareholder may not have access to projections/budgets or growth expectations specific to the business. Some of the common valuation methods under income approach are as follows:

Following are the methods of valuation under income approach,

- ▶ Discounted Cashflow (DCF) Method



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- ▶ Earning/ Income Capitalisation Method
- ▶ Multi Period Excess Earnings Method (“MEEM”)
- ▶ Relief from Royalty Method (“RFR”)
- ▶ Differential Cash Flow Method
- ▶ With and Without Method

For Valuation of a running business where there is a future revenue earnings and cash generation capacity generally, DCF or ECM are used. The other methods are used for valuation of intangible assets.

Discounted Cash Flows (“DCF”) method

Under the DCF method the projected free cash flows to the firm/equity shareholders are discounted at the weighed average cost of capital (“WACC”)/cost of equity (“Ke”). The sum of the discounted value of such free cash flows is the value of the firm/equity shareholders.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to the providers of the capital, factoring in the minimum solvency required as per law.

Appropriate discount rate to be applied to cash flows:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to the capital providers (namely debt and equity shareholders). The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

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.

The following are the three most commonly used methods for valuation of business under the Cost approach:

- ▶ Net asset Value method (NAV)
- ▶ Adjusted NAV

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of the Companies.

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. Our choice of methodology of valuation has been arrived at by using usual and conventional methodologies adopted for mergers of a similar nature and our



Recommendation of fair equity share exchange ratio for the proposed amalgamation of Kopran Laboratories Limited into Kopran Limited

reasonable judgment, in an independent and bona fide manner based on previous experiences of assignments of a similar nature.

In our valuation analysis, we have considered the market price method and CCM method of market approach and DCF method of income approach. Though we have computed the value of both the companies using net asset value method of cost approach based on the underlying net assets and liabilities. We have not assigned any weight to cost approach as this method is generally less considered in case of operating companies valued on going concern basis.

Market Price method

Since the shares of KL are listed on both BSE and NSE and are frequently traded, we have considered the market price method for KL. This method could not be applied in the case of KLL as the shares of KLL are not listed on any stock exchange.

The market price of an equity shares as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

The Pricing formula provided in Regulations 164 (1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ('ICDR') in pricing of preferential issue, in case of frequently traded shares, has been considered for arriving at the value per equity share of the Companies under the market price method.

The market price is considered as higher of following:

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

Vide SEBI master circular 'SEBI/HO/CFD/POD-2/P/CIR/2023/93' dated 20 June 2023, the 'Relevant Date' for the purpose of computing pricing shall be the date of Board meeting in which the scheme is approved. *It is clarified that the 'relevant date' for the purpose of computing pricing shall be the date of Board meeting in which the scheme is approved.*

Comparable Companies Multiple Method

Since the shares of KLL are not listed on any stock exchange, we could not apply Market Price method in KLL. For estimation of value of KLL, under market approach we have applied CCM method. As mentioned earlier, CCM method involves valuing an asset based on market multiples derived from prices of market comparables traded on active market. Further, the valuer may also consider various factors of differences and make appropriate adjustment to the market multiple, e.g. size of the asset; geographic location; profitability; stage of life cycle of the asset, diversification; historical and expected growth; or management profile. Accordingly, we have considered relative EV/EBITDA multiples for arriving at the equity value of KLL.



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Based on above, the equity shares of KL to be allotted pursuant to the preferential issue cannot be lower than the higher of 10 trading days' volume weighted average price ("VWAP") and 90 trading days' VWAP ("Preferential Issue Price").

Valuation Approach	KL		KLL	
	Value per Share of KL (INR)	Weight	Value per Share of KLL (INR)	Weight
Cost/Asset Approach (i)	105.5	0%	140.9	0%
Income Approach – DCF method	216.9	50%	498.1	50%
Market Approach				
Multiples method (ii)	NA		467.0	50%
Market Price method (iii)	216.4	50%	NA	
Relative Value per Share (Weighted Average of (i),(ii) and (iii) – (A)	216.6		482.5	
Market Price method - 90 trading days VWAP as at 19 March 2025 (Being the preceding day of the Relevant Date i.e. 19 March 2025 as informed to us by KL) (B)	216.4			
Market Price method - 10 trading days VWAP as at 19 March 2025 (Being the preceding day of the Relevant Date i.e. 11 February 2025 as informed to us by KL) (C)	168.3			
Preferential Issue Price (D) – higher of (B) and (C)	216.4			
Price considered for recommendation of SWAP ratio (Higher of A and D)	216.6			
Fair Equity Share Exchange Ratio (Rounded)	100:45			

* We have not considered Asset approach i.e. NAV method as it does not capture the earning capacity of the business and hence NAV method would not be representative of fair value of valuation subjects.

Refer Appendix B: ALA Supplementary workings for detailed computation.



Recommendation of fair equity share exchange ratio for the proposed amalgamation of Kopran Laboratories Limited into Kopran Limited

Appendix A: EY Supplementary workings

1. Value per equity share of KLL as per Cost/ Asset Approach

<i>Currency: ₹ mn</i>	Dec 24	Dec 24
Net block of fixed assets		324.0
Current assets		
Inventories	147.5	
Sundry debtors	220.2	
Loans and advances	40.2	
Cash and bank balances	426.3	
Other current assets	26.2	
	<u>860.4</u>	
Current liabilities and provisions		
Trade payables	195.8	
Provisions	32.1	
Other current liabilities	67.6	
	<u>295.5</u>	
Net current assets (NCA)		565.0
Loan funds		
Borrowings	131.1	
Other interest-bearing financial liabilities	-	131.1
Deferred tax liability		10.7
Equity value		747.1
Number of equity shares		5,303,160
Value per equity share (INR / share)		140.9

2. Value per equity share of KLL as per CCM Method

Valuation of KLL as per CCM using EV/EBITDA method is as below:

<i>Currency: ₹ mn</i>	Notes	Value
EV/ EBITDA Multiple	i	9.72x
Less: Discount	ii	(25.0%)
Adjusted multiple		7.29x
EBITDA of company		304.0
Value		2,216.7
Add: Net deferred tax assets/ (Liabilities) at 50%		(5.3)
Enterprise value		2,211.3
Add/(Less): Gross Debt		(131.1)
Add: Cash & Cash Equivalents		426.3
Equity value		2,506.4
Number of equity shares		5,303,160
Value per equity share (INR / share)		472.6

Notes:

- Refer Working note 2.1
- Appropriate discount is applied on account of size and operations of the business operations of KLL vis-à-vis comparable companies



Recommendation of fair equity share exchange ratio for the proposed amalgamation of Kopran Laboratories Limited into Kopran Limited

Appendix A: EY Supplementary workings

Working Note 2.1: Computation of Multiple

We have considered comparable companies listed in India classified under Medical equipment manufacturers, technology distributors and healthcare distributors (Source: www.capitaliq.com), engaged in similar business operations as KLL / the comparable companies which broadly reflect the risk and opportunities of KLL and adequate trading volumes.

<i>Currency: ₹ mn</i>	Market cap	Net debt	Enterprise value	EBITDA	EV / EBITDA	Weights
	(i)	(ii)		(TTM Dec24)		(iii)
Maestros*	946	(214)	732	71	10.33x	25%
Redington*	188,615	1,790	190,405	18,912	10.07x	50%
QMS Medical*	1,697	236	1,933	230	8.41x	25%
Weighted Average EV/EBTIDA						9.72x

*Maestros Electronics & Telecommunications Systems Limited; Redington Limited; QMS Medical Allied Services Limited

Notes:

- Market capitalization is based on volume weighted average price for two weeks ended 19 March 2025.
- Net debt includes gross debt net of surplus cash and bank balances, investments, capital work-in-progress and net deferred tax @50% as per latest available financials.
- Based on nature of business operation and growth of the standalone business of KLL vis-à-vis comparable companies

3. Value per equity share of KLL as per Discounted Cashflow Method

<i>Currency: ₹ mn</i>	Notes	Value
Enterprise value	i	2,325.0
Add/(Less): Gross Debt		(131.1)
Add: Cash & Cash Equivalents		426.3
Equity value		2,620.1
Number of equity shares		5,303,160
Value per equity share (INR / share)		494.1

Notes:

- Refer Working note 3.1

Working Note: 3.1: Enterprise Value of KLL

<i>Currency: ₹ mn</i>	Notes	Value
Present value for explicit period		197.5
Present value of terminal period	i	2,049.8
Enterprise value		2,247.3
Stub period compounding factor	ii	1.03458
Enterprise value		2,325.0

Notes:

- Refer below terminal value working
- Stub period adjustment is towards return @ WACC on present values of explicit and terminal period for the period beginning on 31 December 2024 and ending on 19 March 2025



Recommendation of fair equity share exchange ratio for the proposed amalgamation of Kopran Laboratories Limited into Kopran Limited

Appendix A: EY Supplementary workings

Terminal Value Computation of KLL

<i>Currency: ₹ mn</i>	Value
EV/EBITDA-Exit multiple	9.82x
Less: Discount	i (25%)
Multiple after discount (rounded)	7.4x
EBITDA-FY30	648.0
Value of terminal period	4,795.2
Present value factor - Year end discounting of FY30	0.4275
Present value of terminal period	2,049.8

Notes:

- i. Appropriate discount is applied on account of size and margins of the business operations of KLL vis-à-vis comparable companies

4. Value of equity share of KL as per Cost/ Asset Approach

<i>Currency: ₹ mn</i>	Dec 24	Dec 24
Net block of fixed assets		3,022.0
Investments*		0.6
Capital Advances		33.3
Current assets		
Inventories	1,583.2	
Sundry debtors	1,966.8	
Loans and advances	20.6	
Cash and bank balances	110.7	
Other financial assets	105.8	
Advance Income tax	24.9	
Other current assets	914.9	
	4,727.0	
Current liabilities and provisions		
Trade payables	1,083.5	
Provisions	113.9	
Other current liabilities	197.1	
	1,394.4	
Net current assets (NCA)		3,332.6
Capital Creditors		35.6
Unpaid Dividend		5.6
Loan funds		
Borrowings	1,168.2	
Other interest-bearing financial liabilities	1.4	1,169.5
Deferred tax liability		83.7
Equity value		5,094.0
Number of equity shares		48,285,605
Value per equity share (INR / share)		105.5

*The fair value of investments is assumed to be equal to the book value in absence of available information for the same



Recommendation of fair equity share exchange ratio for the proposed amalgamation of Kopran Laboratories Limited into Kopran Limited

Appendix A: EY Supplementary workings

5. Value per equity share of KL as per Discounted Cashflow Method

<i>Currency: ₹ mn</i>	Notes	Value
Enterprise value	i	11,521.5
Add/(Less): Gross Debt		(1,169.5)
Less: Capital Creditors		(35.6)
Less: Unpaid Dividend		(5.6)
Add: Capital Advances		33.3
Add: Investments		0.6
Add: Cash & Cash Equivalents		110.7
Equity value		10,455.4
Number of equity shares		48,285,605
Value per equity share (INR / share)		216.5

Notes:

- i. Refer Working note 5.1

Working Note 5.1: Enterprise value of KL

<i>Currency: ₹ mn</i>	Notes	Value
Present value for explicit period		1,054.7
Present value of terminal period	i	10,114.8
Enterprise value		11,169.5
Stub period compounding factor	ii	1.02928
Enterprise value		11,496.6
Advance tax (net of provision)		24.9
Adjusted enterprise value		11,521.5

Note

- i. Refer below terminal value working
 ii. Stub period adjustment is towards return @ WACC on present values of explicit and terminal period for the period beginning on 31 December 2024 and ending on 19 March 2025.

Terminal Value Computation of KL

<i>Currency: ₹ mn</i>	Value
EV/EBITDA-Exit multiple (rounded)	12.0x
EBITDA FY30	1,712.8
Value of terminal period	20,553.6
Present value factor- Year end discounting of FY30	0.4921
Present value of terminal period	10,114.8



Recommendation of fair equity share exchange ratio for the proposed amalgamation of Kopran Laboratories Limited into Kopran Limited

Appendix A: EY Supplementary workings

6. Value per equity share of KL as per Market Price Method

Date	Turnover (INR)	Volume
19-Mar-25	96,722,601	555,096
18-Mar-25	56,112,556	337,009
17-Mar-25	33,237,818	204,676
13-Mar-25	35,377,518	220,916
12-Mar-25	34,077,051	212,443
11-Mar-25	20,645,829	125,118
10-Mar-25	43,551,405	258,166
07-Mar-25	42,606,373	243,787
06-Mar-25	22,924,679	134,672
05-Mar-25	33,521,130	196,276
04-Mar-25	18,537,655	110,090
03-Mar-25	36,035,061	217,146
28-Feb-25	18,168,690	107,351
27-Feb-25	11,279,421	63,671
25-Feb-25	6,720,385	36,995
24-Feb-25	5,482,892	29,962
21-Feb-25	10,995,800	58,572
20-Feb-25	17,474,279	96,357
19-Feb-25	8,027,850	45,140
18-Feb-25	21,844,554	124,021
17-Feb-25	22,830,694	136,108
14-Feb-25	9,191,451	55,606
13-Feb-25	8,525,908	49,192
12-Feb-25	37,534,723	224,412
11-Feb-25	53,074,599	310,479
10-Feb-25	9,299,676	51,654
07-Feb-25	11,319,781	61,996
06-Feb-25	21,635,628	117,177
05-Feb-25	24,547,890	136,319
04-Feb-25	11,360,691	63,649
03-Feb-25	14,359,292	80,491
01-Feb-25	16,491,720	88,327
31-Jan-25	21,849,808	119,188
30-Jan-25	15,042,146	79,388
29-Jan-25	14,193,585	75,559
28-Jan-25	25,602,945	139,717
27-Jan-25	11,583,582	60,302
24-Jan-25	7,794,092	38,505
23-Jan-25	11,128,568	54,486
22-Jan-25	17,800,591	87,672
21-Jan-25	22,154,810	105,158



Recommendation of fair equity share exchange ratio for the proposed amalgamation of Kopran Laboratories Limited into Kopran Limited

Appendix A: EY Supplementary workings

Date	Turnover (INR)	Volume
20-Jan-25	26,736,852	129,226
17-Jan-25	4,604,485	23,202
16-Jan-25	9,072,034	45,313
15-Jan-25	12,112,040	61,256
14-Jan-25	18,131,178	94,004
13-Jan-25	21,515,272	111,112
10-Jan-25	15,959,931	78,544
09-Jan-25	9,971,730	48,018
08-Jan-25	11,386,599	54,055
07-Jan-25	21,438,282	100,485
06-Jan-25	30,638,589	146,067
03-Jan-25	27,565,601	129,687
02-Jan-25	8,851,109	41,532
01-Jan-25	18,229,298	85,415
31-Dec-24	16,036,230	75,545
30-Dec-24	31,594,758	148,335
27-Dec-24	13,072,450	60,153
26-Dec-24	15,176,431	70,148
24-Dec-24	17,608,491	79,900
23-Dec-24	39,148,871	175,650
20-Dec-24	17,078,670	78,048
19-Dec-24	40,042,497	183,173
18-Dec-24	22,187,584	102,119
17-Dec-24	77,678,303	352,749
16-Dec-24	35,585,110	166,359
13-Dec-24	42,282,907	202,421
12-Dec-24	22,797,931	110,197
11-Dec-24	48,230,376	230,295
10-Dec-24	29,388,511	137,940
09-Dec-24	28,496,374	131,721
06-Dec-24	48,996,971	227,012
05-Dec-24	33,486,751	155,808
04-Dec-24	90,204,133	417,411
03-Dec-24	53,406,961	249,695
02-Dec-24	121,412,863	581,174
29-Nov-24	23,142,698	106,351
28-Nov-24	33,974,782	154,689
27-Nov-24	39,465,106	179,415
26-Nov-24	52,202,412	242,588
25-Nov-24	306,962,067	1,359,701
22-Nov-24	205,474,483	956,273
21-Nov-24	197,725,771	983,316



Recommendation of fair equity share exchange ratio for the proposed amalgamation of Kopran Laboratories Limited into Kopran Limited

Appendix A: EY Supplementary workings

Date	Turnover (INR)	Volume
19-Nov-24	209,811,600	971,555
18-Nov-24	225,144,572	1,009,803
14-Nov-24	443,748,409	1,907,832
13-Nov-24	684,721,738	2,685,341
12-Nov-24	144,227,441	479,343
11-Nov-24	117,401,547	383,337
08-Nov-24	124,654,879	397,581
Total (90 Days)	4,849,449,404 (A)	22,413,743 (B)
90 trading days VWAP	A/B	216.4
Total (10 Days)	418,776,960 (C)	2,488,159 (D)
10 trading days VWAP	C/D	168.3



Recommendation of fair equity share exchange ratio for the proposed amalgamation of Kopran Laboratories Limited into Kopran Limited

Appendix B: ALA Supplementary workings

1. Value per equity share of KLL as per Cost/ Asset Approach

Currency: INR Mn	Value as on 31 December 2024
Property, plant and equipment	323.96
Non-current investments	28.29
Other non-current assets	0.40
Total Non-Current Assets	352.65
Inventories	147.54
Trade receivables	220.24
Short - term loans and advances	40.18
Other Current Assets	25.84
Cash & Cash Equivalents	376.77
Total Current Assets	810.57
Total Assets	1,163.22
Trade payables	195.76
Other current liabilities	67.57
Short-term provisions	17.72
Short term borrowings	76.28
Total Current Liabilities	357.33
Non-Current Liabilities	
Long-Term Borrowings	54.86
Long-term provisions	14.42
Deferred tax liabilities (net)	10.69
Total Non-Current Liabilities	79.97
Net Assets	725.93
Represented By:	
Equity Share Capital	53.03
Reserves and Surplus	672.90
Net Worth	725.93
Less: Investment in Parijat Shipping and Finale Limited	(28.29)
Add: Sale consideration of the investment (net of tax)	49.48
Equity Value	747.12
No. of equity shares (Mn)	5.30
Value per share (INR)	140.88



Recommendation of fair equity share exchange ratio for the proposed amalgamation of Kopran Laboratories Limited into Kopran Limited

Appendix B: ALA Supplementary workings

2. Value per equity share of KLL as per CCM method of Market Approach

Computation of Value	
Adjusted EV/EBITDA Multiple	7.17
EBITDA of KLL (TTM) (INR Mn)	304.05
Enterprise Value (INR Mn)	2,181.54
Add: Cash & Cash Equivalents* (INR Mn)	426.25
Less: Borrowings (INR Mn)	(131.14)
Equity Value (INR Mn)	2,476.65
No. of shares (Mn)	5.30
Value per share (INR)	467.01

* includes sale consideration of the investment (net of tax) of INR 49.48 Mn

To estimate the enterprise value of KLL, listed comparable companies from engaged in the medical equipment and medical consumables manufacturing have been considered for computation of the multiple. The table below gives the computation of the EV/ EBITDA multiple.

S. No	Company Name	Market Cap	Debt	Firm Value	Enterprise value	EBITDA (TTM)	EV/EBITDA multiple
1	QMS Medical Allied Services Ltd	1,696.83	510.82	2,207.65	2,355.26	229.78	10.25
2	Tarsons Products Ltd	16,002.31	3,048.72	19,051.03	18,687.45	1,039.49	17.98
3	Centenial Surgical Suture Ltd.	348.63	-	348.63	337.09	56.99	5.92
Median							10.25
Discount							30%
Adjusted multiple							7.17

Market capitalization has been calculated as the product of 10 days VWAP (NSE) as on 19 March 2025 and the latest number of shares outstanding. Debt amount has been sourced from the latest available Balance sheet. Enterprise value is derived by adjusting the firm value for cash and cash equivalents, investments, and non-controlling interest, all taken from the balance sheet. EBITDA (TTM) represents trailing twelve months (TTM) operating performance ending 31 December 2024.

The median EV/EBITDA multiple of 10.25, derived from comparable listed companies, has been adjusted by a 30% discount. This discount reflects the adjustment for illiquidity of unlisted entity's shares, along with other factors such as the entity's size and diversity, its ability to withstand adverse economic conditions, the rate of growth in earnings, reliance on a small number of key employees, diversity and quality of the product range and customer base, level of borrowing, quality of earnings, and the risks associated with the illiquidity of the shares.



Recommendation of fair equity share exchange ratio for the proposed amalgamation of Kopran Laboratories Limited into Kopran Limited

Appendix B: ALA Supplementary workings

3. Value per equity share of KLL as per DCF method of Income Approach

Particulars	INR Mn
Value of Explicit Period	224.4
Value of Terminal Period ^{Note 1}	2,065.8
Enterprise Value from operations 31 December 2024	2,290.2
Stub period compounding factor ^{Note 2}	1.03
Enterprise Value as on 19 March 2025	2,357.0
Add: Cash & Cash Equivalents ^{Note 3}	426.25
Less:	
Debt	(131.14)
Deferred tax liabilities	(10.69)
Equity Value	2,641.41
No. of equity shares (Mn)	5.30
Value per share	498.08

Note 1: The terminal value has been estimated using the Gordon Growth Model, assuming a 5% stable growth rate

Note 2: Stub period adjustment is towards return @ WACC on present values of explicit and terminal period for the period beginning on 31 December 2024 and ending on 19 March 2025

Note 3: includes sale consideration of the investment (net of tax) of INR 49.48 Mn.



Recommendation of fair equity share exchange ratio for the proposed amalgamation of Kopran Laboratories Limited into Kopran Limited

Appendix B: ALA Supplementary workings

4. Value of equity share of KL as per Cost/ Asset Approach

Currency: INR Mn	Value as on 31 December 2024
Fixed Assets	
Property, Plant and Equipment	1,898.95
Capital work-in-progress	878.91
Goodwill	0.06
Other Intangible assets	28.16
Intangible assets under development	215.89
Total Fixed Assets	3,021.97
Non-current assets	
Non-current investments	0.57
Deferred tax assets (net)	0.00
Other non - current assets	69.06
Long-term loans and advances	105.58
Total Non-Current Assets	3,197.18
Current Assets	
Inventories	1,583.24
Trade receivables	1,966.80
Short term loans and advances	20.76
Other Current financial assets	0.64
Current tax assets (net)	5.64
Other Current assets	898.21
Cash & Cash Equivalents	104.25
Total Current Assets	4,579.56
Current Liabilities	
Trade payables	1,083.49
Other current financial liabilities	152.04
Current tax liabilities (net)	0.42
Other current liabilities	87.56
Short-term provisions	14.41
Short term borrowings	1,000.93
Total Current Liabilities	2,338.84
Net Current Assets	2,240.72
Non-Current Liabilities	
Long-Term Borrowings	167.23
Deferred tax liabilities (net)	83.69
Long-term provisions	99.49
Total Non-Current Liabilities	350.41
Net Asset Value	5,087.48
Add: ESOP consideration	6.48
Adjusted NAV	5,093.96
No. of equity shares (Mn)	48.29
Value per share (INR)	105.50



Recommendation of fair equity share exchange ratio for the proposed amalgamation of Kopran Laboratories Limited into Kopran Limited

Appendix B: ALA Supplementary workings

5. Value per equity share of KL as per DCF method of Income Approach

Particulars	Value (INR Million)
Value of Explicit Period	1,018.38
Value of Terminal Period ^{Note 1}	10,277.72
Fair Value of Enterprise from operations	11,296.10
Stub period compounding factor ^{Note 2}	1.03
Fair Value of Enterprise as on 19 March 2025	11,613.74
Add:	
Cash and Cash Equivalents	104.25
ESOP consideration	6.48
Investments	0.57
Less:	
Loans	(1,169.54)
Deferred tax liabilities (net)	(83.69)
Equity Value	10,471.81
No. of equity shares (Mn)	48.29
Value per share (INR)	216.87

Note 1: Computation of Terminal Value

INR Mn	
EV/EBITDA-Exit multiple	11.86
EBITDA FY30	1,712.80
Value of Terminal period	20,311.31
Present value factor- Year end discounting of FY30	0.51
Present value of terminal period	10,277.72

Note 2: : Stub period adjustment is towards return @ WACC on present values of explicit and terminal period for the period beginning on 31 December 2024 and ending on 19 March 2025



Recommendation of fair equity share exchange ratio for the proposed amalgamation of Kopran Laboratories Limited into Kopran Limited

Appendix B: ALA Supplementary workings

6. Value per equity share of KL as per Market Price Method

As mentioned elsewhere in the report, pursuant to SEBI master circular 'SEBI/HO/CFD/POD-2/P/CIR/2023/93' dated 20 June 2023, the 'Relevant Date' for the purpose of computing pricing shall be the date of Board meeting in which the scheme is approved. Therefore the 90 days/10 days has been taken a day preceding the Board meeting date, i.e. 19 March 2025.

90 trading days volume weighted average price (VWAP) of Kopran Limited (NSE)

Days preceding relevant date	Date	Volume	Turnover
1	19-Mar-25	555,096.00	96,722,601.09
2	18-Mar-25	337,009.00	56,112,555.58
3	17-Mar-25	204,676.00	33,237,818.42
4	13-Mar-25	220,916.00	35,377,518.41
5	12-Mar-25	212,443.00	34,077,050.70
6	11-Mar-25	125,118.00	20,645,828.72
7	10-Mar-25	258,166.00	43,551,404.78
8	7-Mar-25	243,787.00	42,606,372.50
9	6-Mar-25	134,672.00	22,924,679.10
10	5-Mar-25	196,276.00	33,521,130.37
11	4-Mar-25	110,090.00	18,537,654.82
12	3-Mar-25	217,146.00	36,035,061.48
13	28-Feb-25	107,351.00	18,168,689.73
14	27-Feb-25	63,671.00	11,279,420.84
15	25-Feb-25	36,995.00	6,720,385.42
16	24-Feb-25	29,962.00	5,482,891.75
17	21-Feb-25	58,572.00	10,995,799.53
18	20-Feb-25	96,357.00	17,474,278.96
19	19-Feb-25	45,140.00	8,027,849.64
20	18-Feb-25	124,021.00	21,844,554.02
21	17-Feb-25	136,108.00	22,830,693.64
22	14-Feb-25	55,606.00	9,191,450.82
23	13-Feb-25	49,192.00	8,525,907.62
24	12-Feb-25	224,412.00	37,534,723.17
25	11-Feb-25	310,479.00	53,074,599.48
26	10-Feb-25	51,654.00	9,299,675.53
27	7-Feb-25	61,996.00	11,319,781.43
28	6-Feb-25	117,177.00	21,635,627.53
29	5-Feb-25	136,319.00	24,547,890.13
30	4-Feb-25	63,649.00	11,360,691.14
31	3-Feb-25	80,491.00	14,359,292.32
32	1-Feb-25	88,327.00	16,491,719.82
33	31-Jan-25	119,188.00	21,849,807.72
34	30-Jan-25	79,388.00	15,042,146.40
35	29-Jan-25	75,559.00	14,193,585.17
36	28-Jan-25	139,717.00	25,602,944.64
37	27-Jan-25	60,302.00	11,583,582.20
38	24-Jan-25	38,505.00	7,794,092.13
39	23-Jan-25	54,486.00	11,128,568.47
40	22-Jan-25	87,672.00	17,800,591.23
41	21-Jan-25	105,158.00	22,154,810.39



Recommendation of fair equity share exchange ratio for the proposed amalgamation of Kopran Laboratories Limited into Kopran Limited

Days preceding relevant date	Date	Volume	Turnover
42	20-Jan-25	129,226.00	26,736,851.64
43	17-Jan-25	23,202.00	4,604,484.53
44	16-Jan-25	45,313.00	9,072,033.97
45	15-Jan-25	61,256.00	12,112,039.53
46	14-Jan-25	94,004.00	18,131,177.84
47	13-Jan-25	111,112.00	21,515,271.78
48	10-Jan-25	78,544.00	15,959,930.77
49	9-Jan-25	48,018.00	9,971,729.92
50	8-Jan-25	54,055.00	11,386,599.40
51	7-Jan-25	100,485.00	21,438,281.98
52	6-Jan-25	146,067.00	30,638,588.51
53	3-Jan-25	129,687.00	27,565,600.99
54	2-Jan-25	41,532.00	8,851,109.15
55	1-Jan-25	85,415.00	18,229,297.81
56	31-Dec-24	75,545.00	16,036,230.12
57	30-Dec-24	148,335.00	31,594,758.28
58	27-Dec-24	60,153.00	13,072,449.87
59	26-Dec-24	70,148.00	15,176,430.93
60	24-Dec-24	79,900.00	17,608,491.38
61	23-Dec-24	175,650.00	39,148,871.33
62	20-Dec-24	78,048.00	17,078,669.50
63	19-Dec-24	183,173.00	40,042,497.36
64	18-Dec-24	102,119.00	22,187,583.73
65	17-Dec-24	352,749.00	77,678,302.69
66	16-Dec-24	166,359.00	35,585,110.11
67	13-Dec-24	202,421.00	42,282,906.63
68	12-Dec-24	110,197.00	22,797,930.71
69	11-Dec-24	230,295.00	48,230,375.63
70	10-Dec-24	137,940.00	29,388,511.11
71	9-Dec-24	131,721.00	28,496,373.94
72	6-Dec-24	227,012.00	48,996,971.01
73	5-Dec-24	155,808.00	33,486,751.18
74	4-Dec-24	417,411.00	90,204,132.92
75	3-Dec-24	249,695.00	53,406,961.21
76	2-Dec-24	581,174.00	121,412,863.47
77	29-Nov-24	106,351.00	23,142,697.80
78	28-Nov-24	154,689.00	33,974,781.70
79	27-Nov-24	179,415.00	39,465,106.10
80	26-Nov-24	242,588.00	52,202,412.45
81	25-Nov-24	1,359,701.00	306,962,067.05
82	22-Nov-24	956,273.00	205,474,483.45
83	21-Nov-24	983,316.00	197,725,771.10
84	19-Nov-24	971,555.00	209,811,600.15
85	18-Nov-24	1,009,803.00	225,144,572.05
86	14-Nov-24	1,907,832.00	443,748,408.95
87	13-Nov-24	2,685,341.00	684,721,738.25
88	12-Nov-24	479,343.00	144,227,441.10
89	11-Nov-24	383,337.00	117,401,547.00
90	8-Nov-24	397,581.00	124,654,879.25
Sum		22,413,743.00	4,849,449,404.17
90 trading days VWAP (Turnover/Volume)		216.36	



Recommendation of fair equity share exchange ratio for the proposed amalgamation of Kopran Laboratories Limited into Kopran Limited

Appendix B: ALA Supplementary workings

10 trading days volume weighted average price (VWAP) of Kopran Limited (NSE)

Days preceding relevant date	Date	Volume	Turnover
1	19-Mar-25	555,096.00	96,722,601.09
2	18-Mar-25	337,009.00	56,112,555.58
3	17-Mar-25	204,676.00	33,237,818.42
4	13-Mar-25	220,916.00	35,377,518.41
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7	10-Mar-25	258,166.00	43,551,404.78
8	7-Mar-25	243,787.00	42,606,372.50
9	6-Mar-25	134,672.00	22,924,679.10
10	5-Mar-25	196,276.00	33,521,130.37
Sum		2,488,159.00	418,776,959.67
10 trading days VWAP (Turnover/Volume)		168.31	

