

**Valuation Report for issue of Equity Shares of**  
**INDO US BIO-TECH LIMITED**

CIN: L01122GJ2004PLC043550

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**Prepared by**

**MANISH SANTOSH BUCHASIA**  
**IBBI REGISTERED VALUER**

**Assets class: Securities or financial assets**

**RV Reg. no: IBBI/RV/03/2019/12235**

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To,  
The Board of Directors,  
INDO US BIO-TECH LIMITED  
309, SHANTI MALL, SATADHAR CHAR RASTA  
OPP. NAVRANG TOWER, SOLA ROAD  
AHMEDABAD-380061, GUJARAT, INDIA

**Ref: Valuation of INDO US BIO-TECH LIMITED ("Company") by Independent valuer as on July 2, 2022 for allotment of shares on preferential basis.**

We have been engaged by **INDO US BIO-TECH LIMITED ("Company")** for the purpose of assessing Independent fair value of equity shares as of the relevant date i.e. **July 2, 2022** of the Company, a company registered under the Companies Act, 1956 and having its Registered office at **309, Shanti Mall, Satadhar Char Rasta Opp. Navrang Tower, Sola Road Ahmedabad-380061, Gujarat, India.**

The purpose of the engagement is to provide a fair valuation of the shares of INDO US BIO-TECH LIMITED as per Regulations 164 and/or 165 of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended ("ICDR").

Based on the information provided by the management, I, MANISH SANTOSH BUCHASIA, Registered Valuer (Regn no: IBBI/RV/03/2019/12235), hereby certify that I have arrived at the "Independent Fair Value" ("Valuation" or "Value") of the Company as at the relevant date i.e. **July 2, 2022**. Based on our assessment, the Independent Value of the shares of the company should be **INR 67.02 per share**. The computation of Independent fair value of the Company has been attached as Annexure.

**RV MANISH SANTOSH BUCHASIA**  
**IBBI REGISTERED VALUER**

Assets class: Securities or financial assets  
RV Reg. no: IBBI/RV/03/2019/12235  
Date: 08/07/2022



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## **1. EXECUTIVE SUMMARY**

**INDO US BIO-TECH LIMITED** (“company”) is a public limited company registered under the provisions of the Companies Act, 1956.

The company has engaged us to provide a fair valuation of the shares of **INDO US BIO-TECH LIMITED** as per Regulations 164 and/or 165 of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 (“ICDR”).

Accordingly, the valuation of the Equity Shares of the Company is arrived at basis higher of the following:

- a. the 90 trading days of the volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date i.e. from 20.12.2021 (20<sup>th</sup> December, 2021) to 01.07.2022 (1<sup>st</sup> July, 2022); or
- b. the 10 trading days of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date i.e. from 10.06.2022 (10<sup>th</sup> June, 2022) to 01.07.2022 (1<sup>st</sup> July, 2022).

The above is based on data available on the Bombay Stock Exchange (BSE), being the recognised stock exchange in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date. The standard of value used in our valuation of Equity Share of the Company is **in accordance with Regulation 164 of the ICDR**.

Based on our analysis of the company and subject to our comments and caveats as further detailed in this report, we have arrived at the “Fair Value” of the equity shares of the Company.

## **2. BACKGROUND INFORMATION**

**INDO US BIO-TECH LIMITED**, a company registered under the erstwhile Companies Act, 1956 and having its registered office at 309, Shanti Mall, Satadhar Char Rasta Opp. Navrang Tower, Sola Road Ahmedabad-380061, Gujarat, India. It is a public limited company listed with the BSE Limited (BSE).

The Company was incorporated on 4<sup>th</sup> February, 2004 as a Public Limited Company under the Companies Act, 1956 in the state of Gujarat.

The Present objects of the Company as per Memorandum of Association are:

To carry on business as manufacturers, stockist, processors, formulators, buyers, sellers, importers, exporters, growers, producers and dealers in all types and kinds of seeds



including hybrid seeds which are used in and for agriculture and allied activities and also buy, sell or produce bio-fertilizers and other fertilizers used in agriculture activities and also own, occupy, purchase, sell, deal in acquired, hold, hire, possess, exchange, lease, licence, improve, grow, develop, manager, control land and set up agriculture farms, farms houses, orchards, gardens, and to carry on the business as agriculturist, farmers, millers, gardeners, cultivators, planters, processes in connection with the agriculture and farming activities.

**Stock Price Information:**

Listing Date: May 11, 2018

ISIN: INE250Z01010

CIN: L01122GJ2004PLC043550

BSE: (INDOUS | 541304)

**Trading information:** Frequently traded (Annexure “A”) weekly high and low price range of "BSE"

**The Board of Directors of the Company is as follows:**

DIN/PAN	Full Name	Designation	Date of Appointment
01745951	JAGDISHKUMAR DEVJIBHAI AJUDIYA	Managing Director	04/02/2004
02403878	MALTI JAGDISHBHAI AJUDIA	Whole time Director	01/11/2008
07941023	PRIYANKA JAGDISHBHAI AJUDIA	Director	23/11/2017
08367656	RITABEN NILESHBHAI KIKANI	Director	01/03/2019
09259942	SHILPA CHETANBHAI THUMAR	Director	05/08/2021
09263180	NEHABEN SACHINBHAI PATEL	Director	05/08/2021
BCGPJ6710H	RINKU DIPENBHAI JETHVA	CFO(KMP)	08/01/2018
BMLPJ6150L	DIMPY DIVYANGBHAI JOSHI	Company Secretary	24/01/2020



### **3. PURPOSE OF VALUATION AND APPOINTING AUTHORITY:**

The company is looking to assess its Independent fair value of equity shares in accordance with Regulations 164 and/or 165 of the ICDR.

Since Regulation 164 deals with frequently traded shares and corresponding regulation 165 deals with infrequently traded shares, we have assessed them together based on the circumstances given in this case.

**The relevant extract of the rules 164 and 165 are as under:**

#### ***Pricing of Frequently traded shares***

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

*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.*

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

*a) the price at which equity shares were issued by the issuer in its initial public offer or the value per share arrived at in a scheme of compromise, arrangement and amalgamation under sections 230 to 234 the Companies Act, 2013, as applicable, pursuant to which the equity shares of the issuer were listed, as the case may be; or*

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

*c) the average of the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.*

(3) *Where the price of the equity shares is determined in terms of sub-regulation (2), such price shall be recomputed by the issuer on completion of 90 trading days from the date of listing on a recognised stock exchange with reference to the 90 trading days volume weighted average prices of the related equity shares quoted on the recognised stock*



exchange during these 90 trading days and if such recomputed price is higher than the price paid on allotment, the difference shall be paid by the allottees to the issuer.

(4) A preferential issue of specified securities to qualified institutional buyers, not exceeding five in number, shall be made at a price not less than the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

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

Provided that where the share capital of a particular class of shares of the issuer is not identical throughout such period, the weighted average number of total shares of such class of the issuer shall represent the total number of shares.

Explanation: For the purpose of this regulation, 'stock exchange' means any of the recognised stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.

#### **Pricing of Infrequently traded shares**

165. Where the shares of an issuer are not frequently traded, the price determined by the issuer shall take into account the valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies:

Provided that the issuer shall submit a certificate stating that the issuer is in compliance of this regulation, obtained from an independent Registered valuer to the stock exchange where the equity shares of the issuer are listed.

#### **4. IDENTITY OF THE INDEPENDENT VALUER AND ANY OTHER EXPERTS INVOLVED IN THE VALUATION:**

- RV Manish Santosh Buchasia
- IBBI Registered Independent Valuer Assets class: Securities or financial assets
- RV Reg. no: IBBI/RV/03/2019/12235.

#### **5. DISCLOSURE OF INDEPENDENT VALUER INTEREST/INTEREST CONFLICT (IF ANY):**

We hereby certify that the Independent valuer(s) is/are suitably qualified and authorized to practice as a valuer; does not have a pecuniary interest, financial or otherwise, that could



conflict with the proper valuation of the company (including the parties with whom the company is dealing, including the lender or selling agent, if any). The Independent valuer(s) accept instructions to value the company only from the appointing authority or eligible instructing party.

We have no present or planned future interest in **INDO US BIO-TECH LIMITED** or its group companies, if any and the fee payable for this valuation is not contingent upon the Independent value of shares reported herein

**6. DATE OF APPOINTMENT, VALUATION DATE AND DATE OF REPORT:**

<b>Date of appointment</b>	08/07/2022
<b>Valuation date</b>	02/07/2022
<b>Date of report</b>	08/07/2022

**7. INSPECTIONS AND/OR INVESTIGATIONS UNDERTAKEN**

The Valuation of the Company is being done as on the Valuation Date considering the 90 Trading days (i.e., from 20th December, 2021 to 1st July, 2022) and 10 trading days (from 10th June, 2022 to 1st July, 2022) BSE Volume weighted average price and documents produced before us for the purpose of ascertaining the Independent fair value of equity shares of the Company.

We have relied on accuracy and completeness of all the information and explanations provided by the management. We have not carried out any due diligence or independent verification or validation to establish its accuracy or sufficiency. We have received representations from the management and have accordingly assessed the Independent fair value of the company. We believe that given the nature of the valuation and the underlying reports made available to us, it is plausible to carry out such valuation.

**8. SOURCES OF INFORMATION:**

In the course of performing the valuation, we have relied on the following sources:

- i. Background documents and information on the company;
- ii. Volume weighted average price for a period of 90 Trading days (i.e., from 20th December, 2021 to 1st July, 2022) and 10 trading days (from 10th June, 2022 to 1st July, 2022) for the Equity Shares of the Company quoted on BSE and its average.
- iii. Verbal information and discussions with the management.
- iv. Information from Bombay Stock Exchange Limited (BSE) website and Ministry of Corporate Affairs (MCA) Website.





We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us; we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Company.

#### **9. RESTRICTIONS ON USE OF THE REPORT:**

This Valuation Report has been issued on the specific request of the management for the Independent fair Value of the Company as at 2nd July, 2022.

##### **Specific Purpose:**

Valuation analysis and its results are specific to the purpose of valuation as mentioned in the section “**Purpose of Valuation**”. It may not be relevant for any other purpose or entity. This Report is prepared exclusively for the above stated purpose and must not be copied, disclosed or circulated or referred to in correspondence or discussion with any other party. Neither this report nor its content may be used for any other purpose without our prior written consent.

##### **Not an advice to buy or sell:**

The analysis in this report is based on the information provided by the management and such information as is obtained from market sources. However, our report is not advising anybody to take a buy or sell decision, for which specific opinion may be required from experts.

#### **10. CAVEATS, LIMITATIONS AND DISCLAIMERS:**

##### **Valuation date:**

The valuation of the Company contained herein is not intended to represent at any time other than the date that is specifically stated in this report. We have no responsibility to update this report for events and circumstances occurring after the valuation date.

##### **Reliance on information provided:**

We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us; we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Company. In the course of the valuation exercise, we have obtained both oral and written data, including market, technical, operational and financial information. We have evaluated such information through a broad comparative analysis and enquiry.



**Actual results may differ:**

The assumptions used in their preparation, as we have been explained, are based on the management's present expectation of both – the most likely set of future business events and the management's course of action related to them. Wherever we have not received details information from the management, we have used our assessment of Independent fair value based on experiences and circumstances of the case. It is usually the case that some events and circumstances do not occur as expected or are not anticipated.

**Questions or appearances:**

Our engagement is limited to preparing the report to be submitted to the management. We shall not be liable to provide any evidence for any matters stated in the report nor shall we be liable or responsible to provide any explanation or written statement for any assumption, information, methodology or any other matter pertaining to the report.

**Complete report:**

This report shall at all times be read and interpreted in full, no part of it shall be read independently for any reason whatsoever.

**11. VALUATION: PROCEDURES AND FACTORS:**

The valuation exercise is aimed at the assessment of the Independent Fair Value of the company. We are required to arrive at the above valuations based on internationally accepted valuation practices.

As per **RICS appraisal Manual**, the Fair Value (FV) is defined as *'The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.'*

*Ind AS (113) as well as IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.*

**Approach and Methodology****Market approach:**

Valuation is not an exact science and is dependent on various factors such as specific nature of business, economic life cycle in which the industry and company is operating, past financial performance of the business, future growth potential of the business, business model, management of the company, relevance of technology in the business model, liquidity of equity and much more. The results of the valuation exercise may vary significant depending on the basis used, the specific circumstances and the judgement of



the Independent valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue.

In accordance with regulation 164 of the SEBI ICDR Regulations 2018, the shares of the company are frequently traded. Accordingly, we have calculated the price per share in accordance with Regulation 164 that deals with frequently traded shares. We have used the Volume weighted average price for a period of 90 Trading days (i.e., from 20th December, 2021 to 1st July, 2022) and 10 trading days (from 10th June, 2022 to 1st July, 2022) and the base is BSE pricing (Annexure “A”)

As our shares are frequently traded so we are not using techniques such as Net Asset Value Method, Price-Earnings Multiple Method, EV/EBITA Multiple Method, Discounted Cash Flow Method among others to value under Regulation 165.

### **Cost Approach/ Book Value:**

The value arrived at under this approach is based on the 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 materialize.

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.

As our company is listed company and our shares are frequently traded so we are calculating the price of shares under regulation 164 of the SEBI ICDR Regulations 2018.

### **Income Approach:**

Maintainable Profit Method (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.

*As our company is listed company and our shares are frequently traded so we are calculating the price of shares under regulation 164 of the SEBI ICDR Regulations 2018.*

## **12. VALUATION: CONCLUSION**

These valuation conclusions must be read along with accompanying assumptions, caveats, limits and disclaimers mentioned elsewhere in this report.

As per our assessment, the Fair value of the company as per Regulation 164 of SEBI ICDR Regulations 2018 is as follows:

Fair Value per share INR 67.02

The fair value of the equity share of a company is normally determined on the basis of the average of volume weighted average price for 90 days or 10 days preceding the relevant date -(whichever is higher)

Based on the workings (Annexure "A" and "B") the calculation of the fair value of the share of INDO US BIO-TECH LIMITED is as under:

In accordance with regulation 164 of the SEBI ICDR Regulations 2018, the shares of the company are frequently traded. Accordingly, we have calculated the price per share in accordance with Regulation 164 that deals with frequently traded shares.

*Accordingly, pursuant to Regulation 164, for the purpose of preferential allotment of shares of Face value Rs.10 each, the Fair Value of the Equity shares comes to Rs.67.02 per equity share.*



In accordance with regulation 164 of the SEBI ICDR Regulations 2018, for the purpose of preferential allotment of shares of Face value Rs.10 each, **the Independent Fair Value of the Equity shares comes to Rs. 67.02 per equity share.**

**“ANNEXURE A”:**

**Volume Weighted Average Price BSE “90 Trading days”**

<b>Days</b>	<b>Dates</b>	<b>VWAP</b>
1	20-Dec-21	76.05
2	21-Dec-21	74.1
3	22-Dec-21	75.9
4	23-Dec-21	72.17
5	27-Dec-21	72.13
6	28-Dec-21	75.25
7	29-Dec-21	73.38
8	30-Dec-21	76.88
9	31-Dec-21	73.1
10	03-Jan-22	70.83
11	04-Jan-22	73.08
12	05-Jan-22	72
13	06-Jan-22	71.34
14	10-Jan-22	66.65
15	11-Jan-22	65
16	12-Jan-22	65.15
17	14-Jan-22	67
18	18-Jan-22	69.47
19	19-Jan-22	71.25
20	21-Jan-22	74.42
21	24-Jan-22	77.1
22	27-Jan-22	78
23	28-Jan-22	77.5
24	02-Feb-22	76.5
25	03-Feb-22	73
26	08-Feb-22	71.23
27	09-Feb-22	75.26
28	11-Feb-22	76.25
29	14-Feb-22	69.25
30	16-Feb-22	67.5



31	21-Feb-22	67.5
32	22-Feb-22	67.5
33	23-Feb-22	64.75
34	24-Feb-22	61.3
35	25-Feb-22	62.15
36	02-Mar-22	69.3
37	03-Mar-22	68.85
38	04-Mar-22	70.05
39	07-Mar-22	68.75
40	08-Mar-22	64
41	09-Mar-22	66.83
42	10-Mar-22	65.98
43	15-Mar-22	63.45
44	16-Mar-22	63.25
45	21-Mar-22	66.5
46	22-Mar-22	66
47	24-Mar-22	63.54
48	25-Mar-22	62.25
49	28-Mar-22	64.83
50	30-Mar-22	67.69
51	31-Mar-22	67.05
52	04-Apr-22	67.5
53	05-Apr-22	66.89
54	08-Apr-22	68.3
55	11-Apr-22	66
56	12-Apr-22	67.05
57	13-Apr-22	71.49
58	18-Apr-22	74.64
59	19-Apr-22	73.5
60	20-Apr-22	69.5
61	21-Apr-22	69
62	25-Apr-22	68
63	29-Apr-22	70
64	05-May-22	65
65	06-May-22	70
66	10-May-22	64.25
67	12-May-22	61.55
68	16-May-22	65
69	17-May-22	68



70	19-May-22	64.9
71	23-May-22	66
72	24-May-22	68.53
73	25-May-22	60
74	26-May-22	52.5
75	27-May-22	60
76	31-May-22	60.5
77	01-Jun-22	60.25
78	03-Jun-22	60.7
79	06-Jun-22	63
80	07-Jun-22	59.6
81	10-Jun-22	56
82	13-Jun-22	51.06
83	14-Jun-22	53
84	15-Jun-22	58
85	16-Jun-22	58.5
86	17-Jun-22	54.98
87	24-Jun-22	51
88	29-Jun-22	59.63
89	30-Jun-22	63.87
90	01-Jul-22	66
<b>TOTAL</b>		<b>6031.89</b>
<b>Average Price</b>		<b>67.02</b>

**Volume Weighted Average Price BSE “10 Trading days”**

<b>Days</b>	<b>Dates</b>	<b>VWAP</b>
1	10-Jun-22	56
2	13-Jun-22	51.06
3	14-Jun-22	53
4	15-Jun-22	58
5	16-Jun-22	58.5
6	17-Jun-22	54.98
7	24-Jun-22	51
8	29-Jun-22	59.63
9	30-Jun-22	63.87
10	01-Jul-22	66
<b>TOTAL</b>		<b>572.03</b>
<b>Average Price</b>		<b>57.20</b>



**Date of EGM:**

**01/08/2022**

**Relevant Date (30 days prior to EGM):**

**02/07/2022**

**"ANNEXURE B": CALCULATION OF VALUE PER SHARE**

<b>Particulars</b>	<b>Ref</b>	<b>Share Price</b>
Volume weighted average price for 90 Trading Days ("Ann. A")	A	<b>67.02</b>
Volume weighted average price for 10 Trading Days ("Ann. A")	A	<b>57.20</b>
<b>Higher of A and B</b>		<b>67.02</b>
FMV as per Regulation 164(1) of SEBI (ICDR) Regulations, 2018		<b>67.02</b>

