



CIN: L24100GJ1984PLC111413

Reg. Office: 1-5th Floor, Aditraj Arcade, Nr Karma Shreshtha Tower, 100 Ft Rd, Satellite, Ahmedabad - 380015.

Date: 7th April, 2025

To,

Listing Compliances, BSE Limited, P. J. Towers, Fort, Mumbai - 400001. Scrip Code: 539938; Scrip Id: MIL	Listing Compliances, CSE - India, 7, Lyons Range, Dalhousie Kolkata - 700001.
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Subject: Outcome of Board Meeting and Compliances of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Dear Sir/Ma'am,

Pursuant to provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, this is to inform you that the Board of Directors of the Company at its meeting held today i.e., April 07, 2025, inter alia, considered and approved investment of Company funds by way of infusing an amount of approx. ₹5.93 crores into Calborn Lifescience Private Limited, upfront or in tranches, as mutually discussed and agreed upon between the management of the Company and Calborn Lifescience Private Limited.

The investment is based on the valuation of the shares of Calborn Lifescience Private Limited, as determined by the valuation report dated 25th February, 2025 prepared by Mr. Mohit Jayeshbhai Solanki (IBBI Reg. No.: IBBI/RV/06/2022/14822), a registered valuer, attached herewith as Annexure 1. Calborn Lifescience Private Limited shall allot shares to the Company at a price of ₹30/- per share (including premium of ₹20/- per share), based on such valuation, whenever the investment or tranches of investment are made.

Upon receipt of the entire 51% stake in Calborn Lifescience Private Limited, it shall become a subsidiary of the Company, and all necessary requirements for a subsidiary company shall be complied with in due course.

The aforesaid investment is in accordance with the applicable provisions of the Companies Act, 2013, and the Securities and Exchange Board of India (SEBI) Regulations.

The Board Meeting of the Company commenced at 04:00 PM and concluded at 04:30 PM.

Information as required under Regulation 30-Para A Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 are as follows:

Sr. No.	Particulars	Subsidiary Company
1.	Name of the target entity, details in brief such as size, turnover, etc.;	<p>Calborn Lifescience Private Limited</p> <p>The aforesaid entity is into business of manufacturing of drugs, pharmaceuticals and other intermediates. Object clause of memorandum of association reads as under;</p> <p>“To carry on the business of manufacturing, buying, selling, importing, exporting of and generally dealing in all types of Drugs, Pharmaceuticals, Pesticides and Dyestuffs, Chemicals and other intermediaries, surgical, medical, dental and scientific equipment, instruments and accessories, and diagnostic kits and Re-agents diagnostic equipments, healthcare aids and accessories, healthcare products, instruments and to carry on research and development of healthcare including diagnostic systems in India and/or abroad.”</p> <p>The paid-up share capital of the company is Rs. 1,90,05,000/- consists of 19,00,500 equity shares of Rs. 10 each.</p> <p>Turnover of the target Company in F.Y. 2023-24 was approx. 1.30 crores. In the F.Y. 2024-25, the turnover of the target Company was approx. 4.41 crores.</p>
2.	Whether the investment would fall within related party transaction(s) and whether the promoter / promoter group companies have any interest in the entity? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”.	Not Applicable
3.	Industry to which the entity belongs to;	Pharma Industry
4.	Objects and effects of investment (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	Object of the said investment is due to Company’s interest in the Pharmaceutical and Allied sector in line with the proposed objects of the company.

5.	Brief details of any governmental or regulatory approvals required for the acquisition	N.A.
6.	Indicative time period for completion of the acquisition	The total investment amount will be settled upfront or within a period of 3 months in tranches as mutually discussed and agreed upon between the management of the Company and Calborn Lifescience Private Limited.
7.	Nature of consideration – whether cash consideration or share swap and details of the same;	Cash Consideration paid through Banking Channel
8.	Cost of acquisition or the price at which the shares are acquired	The investment of approx. ₹5.93 Cr is based on the valuation of the shares of Calborn Lifescience Private Limited, as determined by the valuation report dated 25 th February, 2025 prepared by Mr. Mohit Jayeshbhai Solani, a registered valuer, (Valuation report attached herewith as Annexure 1). Calborn Lifescience Private Limited shall allot shares to the Company at a price of ₹30/- per share (including premium of ₹20/- per share), based on such valuation, whenever the investment or the tranches of investment are made.
9.	Percentage of shareholding /control acquired and/or number of shares acquired	51% (19,78,072 Shares @ ₹30/- per share (including premium of ₹20/- per share) Pursuant to this investment, Medico Intercontinental Limited will hold 51% stake in Calborn Lifescience Private Limited. Calborn Lifescience Private Limited will become Subsidiary of the Company.
10.	Brief background about the entity acquired in terms of products / line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	Incorporated on 24th August, 2020 <u>Line of business:</u> To carry on the business of manufacturing, buying, selling, importing, exporting of and generally dealing in all types of Drugs, Pharmaceuticals, Pesticides and Dyestuffs, Chemicals and other intermediaries, surgical, medical, dental and scientific equipment, instruments and accessories, and diagnostic kits and Re-agents diagnostic equipment's, healthcare aids and accessories, healthcare products, instruments and to carry on research and development of healthcare including



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		diagnostic systems in India and/or abroad. <u>Last 3 years turnover: (Rs. in thousands)</u> As on 31.03.2024 - Rs. 13019.58/- As on 31.03.2023 - Rs. 6400.00/- As on 31.03.2022 - Rs. 263.75/- <u>Country of presence:</u> India.
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This is for your information and records.

Thanking You,

FOR MEDICO INTERCONTINENTAL LIMITED



Samir D Shah
Managing Director
DIN: 03350268

Encl: as above

EQUITY SHARE VALUATION REPORT

of

Calborn Lifescience Private Limited

for

issue of equity shares on private placement basis

• REGISTERED VALUER •

MOHIT JAYESHBHAI SOLANKI

Chartered Accountant & IBBI Registered Valuer

608, Satyamev Elite, Bopal Ambli T Circle,

Bopal, Ahmedabad – 380 058

Email: contact@mohitsolanki.com

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LETTER TO APPOINTING AUTHORITY

To,
Board of Directors,
Calborn Lifescience Private Limited
Plot No:3332 & 3333, Phase - 4, GIDC Estate,
Chhatral, Ta. Kalol, Gandhinagar – 382 729

Subject: Equity share valuation report

Dear Sir / Madam,

Based on our discussion and engagement terms agreed, I have performed a valuation engagement for determination of value of equity shares of Calborn Lifescience Private Limited for issue of equity shares on private placement basis.

The resulting estimate of value should not be used for any purpose or by any other party for any purpose other than purpose cited in the report.

Based on my analysis, I have determined value of equity shares as **Rs. 30 per share (Rupees thirty only)** as on 30th November, 2024. This report should be read along with all the explanatory notes and working annexed herewith including. Brief note on scope and purpose of work, information sources, background of company, experts involved, valuation methodology and detailed working follows with this letter.

My recommendation is subject to the statement of caveat, assumptions & limitation other disclosures set part in the later part of this report. I have no obligation to update this report or my conclusion of value for information that comes to my attention after the date of this report.



Mohit Jayeshbhai Solanki

ICAI Membership No.: 164148

IBBI Registration No.: IBBI/RV/06/2022/14822

UDIN: 25164148BMHWJB7383

Date: 25th February, 2025

Place: Ahmedabad

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SCOPE AND PURPOSE OF THIS REPORT

- 1.1 Management of M/s Calborn Lifescience Private Limited is willing to raise capital by issue of equity shares on private placement basis. Accordingly, Company requires valuation of equity shares for the purpose of compliance with the Companies Act, 2013 read with the rules made thereunder
- 1.2 In light of this, I have been appointed by the board of directors of Calborn Lifescience Private Limited ("Company") to prepare a valuation report to ascertain the value of the equity shares of the company as on 30th November, 2024. Engagement letter dated 24th December, 2024 signed by Mr. Nileshekumar Dhruvprasad Patel, director of the company has been received from the company for the same.
- 1.3 As per information available, basis of valuation is considered on fair value basis and valuation is based on going concern premise.
- 1.4 30th November, 2024 is considered as "Valuation date". Date of report is mentioned on first and last page of the report.

INFORMATION SOURCES

- 2.1 For the purpose of valuation exercise, I have relied on below mentioned financial and non-financial source of information:
 - Discussion with management and authorized representative of the company
 - Information and representation in written form or oral form or in soft copy provided by management or authorized representative of the company with respect to their historical financial statement, future plans, assets, liabilities, revenue, profitability and other relevant information.
 - Such other analysis, reviews, enquiries, as I considered relevant during course of valuation assignment.
 - Research and information available in market.
 - PAN, Article of Association & Memorandum of association
 - Annual Accounts for FY 2023-24.
 - Provisional Balance Sheet and Profit & Loss account for the period from 1st April, 2024 to 30th November, 2024 along with projections from 1st December, 2024 to 31st March, 2029.
 - Valuation Report dated 8th February, 2025 of M/s Maitri Valuation Private Limited for valuation of all the tangible fixed assets of the company.



- 2.2 I have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, I assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis.
- 2.3 Where I 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.

BACKGROUND INFORMATION OF COMPANY

- 3.1 Company was incorporated on 24th August, 2020 with corporate Identification Number (CIN) as U33110GJ2020PTC115786. Company is currently operating from registered office situated at Plot No:3332 & 3333, Phase - 4, GIDC Estate, Chhatral, Ta. Kalol, Gandhinagar – 382 729.
- 3.2 Company is into business of manufacturing of drugs, pharmaceuticals and other intermediates. Object clause of memorandum of association reads as under;

“To carry on the business of manufacturing, buying, selling, importing, exporting of and generally dealing in all types of Drugs, Pharmaceuticals, Pesticides and Dyestuffs, Chemicals and other intermediaries, surgical, medical, dental and scientific equipment, instruments and accessories, and diagnostic kits and Re-agents diagnostic equipments, healthcare aids and accessories, healthcare products, instruments and to carry on research and development of healthcare including diagnostic systems in India and/or abroad.”

- 3.3 The share capital of the company consists of 19,00,500 equity shares of Rs. 10 each. As represented by management, there are no convertible securities or stock options or stock warrants which are convertible into equity shares.

INDUSTRY OUTLOOK

- 4.1 India has emerged as the medial tourism hub of the world providing cost-effective treatments with the latest technology enabled by several pathbreaking reforms and provisions in healthcare sector. The total market size of the Indian Pharma Industry is expected to reach US\$ 130 billion by 2030 and US\$ 450 billion market by 2047.



- 4.2 Active Pharmaceutical Ingredient (or API) is a crucial segment of the pharma industry, contributing to around 35% of the market. API is the biologically active component of a drug that causes an intended medical effect. India is the 3rd largest producer of API accounting for an 8% share of the Global API Industry. About 500+ different APIs are manufactured in India, and it contributes 57% of APIs to prequalified list of the WHO.

IDENTITY OF REGISTERED VALUER

- 5.1 I am fellow member of The Institute of Chartered Accountants of India (ICAI), currently practicing as proprietor of M/s Mohit Solanki & Co, Chartered Accountant, Ahmedabad (Firm Registration No.: 157339W).
- 5.2 I am also registered with Insolvency and Bankruptcy Board of India (IBBI) as a registered valuer for asset class "Securities or Financial Assets" with registration no. IBBI/RV/06/2022/14822 and having membership with ICAI Registered Valuer Organization vide membership no. ICAIRVO/06/RV-P044/2022-2023.
- 5.3 My registered office address is 608, Satyamev Elite, Bopal Ambli T Circle, S. P. Ring Road Bopal, Ahmedabad – 380 058.
- 5.4 I have used working of M/s Maitri Valuation Private Limited for valuation of fixed assets and placed reliance on their report dated 8th February, 2025.

VALUATION PROCEDURE, APPROACHES & METHODOLOGY

- 6.1 Some of the key procedures in carrying out the valuation engagement are:
- a. Understanding the nature and purpose of the transaction.
 - b. Analysis of information provided by management or their authorized representatives and discussion with them.
 - c. Selection of the most appropriate valuation base.
 - d. Identifying the premise of value which refers to the conditions and circumstances how asset is deployed.
 - e. Selection of the valuation approach and the corresponding valuation methodology and arriving at final value.



6.2 It may be noted that I am member of Institute of Chartered Accountants of India and ICAI Registered Valuer Organizations which has ICAI Valuation Standards, 2018 for undertaking valuation and accordingly I have considered this valuation standards for carrying valuation exercise.

6.3 There are three generally accepted approaches to valuation:

(A) ASSET OR COST APPROACH

This approach considers the Net Asset Value or Replacement value or Realizable value as an indication of the fair market value of the asset.

Net Asset Value method is a type of business valuation that focuses on a company's net assets which is identified by subtracting total liabilities from total assets. Replacement value is the value that is determined by the cost involved in replacing an existing asset and is majorly used for fixed assets. Net realizable value is a valuation method that considers the total amount of money an asset might generate upon its sale minus reasonable estimate of the costs and is commonly used for inventory valuation.

In this case, I have adopted the Net Asset Value method of valuation because the company's value is derived from its tangible and intangible assets as well apparat from its operational earnings. The valuation is based on the unaudited provisional financial statements as of 30th November, 2024 ensuring relevance and timeliness in the valuation process.

(B) INCOME APPROACH

This approach focuses on the profit or earning potential of the asset being valued and considers price earnings capitalization value (PECV) or discounted cash flow as an indication of the fair value of the asset. The Income approach focuses on the income already generated by the company as well as its future earning capability.

Company has provided projected financials from 1st October, 2024 to 31st March, 2029 considering its potential business capability and accordingly I have considered discounted cash flow method to derive equity value of the company.



(C) MARKET APPROACH

Under the market approach, the valuation is based on either the market value of the company in case of listed companies or based on comparable companies or transaction multiples in case of unlisted companies.

Company does not have its equity shares listed on the stock exchange in India and accordingly the market price method cannot be adopted for valuation. As per the information received from management and as per or preliminary research, I could not find any comparable transaction and accordingly comparable transaction method is also not used.

Based on information received from management and as per or preliminary research, comparable company is identified and comparable market multiple method is used to derive at equity value of company.

VALUATION METHODOLOGY ADOPTED

- 7.1 The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. In arriving at the value from amongst the generally accepted valuation methodologies, I have applied methodologies most relevant, applicable and appropriate to the circumstances.
- 7.2 Based on the facts and circumstances of particular case, availability of information and limitations highlighted in previous para, I have decided to determine final value of equity shares as on 30th November, 2024 as under;

Name of Method	Appendix	Price / Equity Share	Weight	Weighted Average Price
Net Asset Method	1	-53	1	-53
Comparable Market Multiple Method	2	35	2	70
Discounted Cash Flow Method	3	55	3	165
Total			6	182
Value of Equity Share (Rounded Off)				30

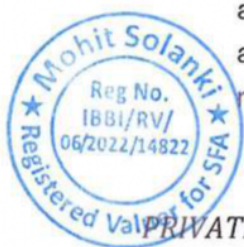
(Rupees thirty only)



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CAVEAT, LIMITATIONS AND OTHER RELEVANT DISCLOSURES

- 8.1 My report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- 8.2 Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While I have provided an assessment of the value based on the information available, application of certain formulae and within the scope and constraints of our engagement, others may place a different value to the same.
- 8.3 My valuation is based on information and representation furnished to us being complete and accurate in all material respects. I have relied on representation from the management or their authorized representative that information contained in this report is materially accurate and complete in the manner of its portrayal and therefore forms a reliable basis for the valuation. I assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise.
- 8.4 My scope of work does not enable me to accept responsibility for the accuracy and completeness of the information provided to us. I have, therefore, not performed any audit, review, due diligence or examination of any of the historical or prospective information used and therefore, does not express any opinion with regards to the same.
- 8.5 I have relied on the judgment and assumptions of the management. My valuation does not consider any judgments or assumptions other than those given to us and likely to be crystallized based on cross inquiries with the management or their authorized representative. If there were any omissions, inaccuracy or misrepresentation of the information provided to me, it may have the effect on my valuation computations.
- 8.6 I have made certain assumptions in relation to facts, conditions or situations affecting the subject of, or approach to, this exercise that has not been verified as part of the engagement rather, treated as "a supposition taken to be true". If any of these assumptions prove to be incorrect then my estimate on value will need to be reviewed.



- 8.7 The information presented in my report does not reflect the outcome of any financial due diligence procedures. The reader is cautioned that the outcome of that process could change the information herein and therefore may change valuation materially.
- 8.8 No investigation on the Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 8.9 A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the management or their authorized representative has drawn my attention to all the matters, which they are aware of concerning the financial position of the Company and any other matter, which may have an impact on My opinion, on the valuation including any significant changes that have taken place or are likely to take place in the financial position of the Company. I have no responsibility to update, revise or reaffirm this report for events and circumstances occurring after the date of this report.
- 8.10 The report assumes that the companies comply fully with relevant laws and regulations applicable in all their areas of operations unless otherwise stated and the company will be managed in competent and responsible manner.
- 8.11 The report is not, nor should it be construed, as my opining or certifying the compliance with the provisions of any law including company and taxation laws or as regards to any legal, accounting or implications or issues.
- 8.12 Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report and as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity. The report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared and for any regulatory or legal purpose.
- 8.13 My Valuation analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any transaction with the Company. Any person/party intending to provide finance/invest in the company or its shares or any other securities or



asset shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making and informed decision.

- 8.14 Decision to carry out the transaction (including payment or consideration thereof) lied entirely with the management and my work or findings shall not constitute a recommendation as to whether or not management should carry out the transaction.
- 8.15 Valuation has been performed based on projection given for the period from 1st November, 2024 to 31st March, 2029 and considering growth of 5.00% after explicit period as given by management. I have relied on projected financial statements provided by management which is based on certain judgments and estimates which is beyond my control. Value may change if due to any circumstances, judgments and estimates of management go wrong which is base of projected financials being provided to me.
- 8.16 Valuation is based on estimated future financial performance or opinions that represents expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that event will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates, and the variations may be material. Consequently, this information cannot be relied upon to the same as extent as that derived from audited accounts for completed accounting periods. I express no opinion as to how closely the actual results will correspond to the results projected.
- 8.17 Provisional financial statement from valuation date of till report date is not provided to us and management represented that there are no material changes in respective of business plan financial position between valuation date and report date.
- 8.18 Valuation report should not be used as the sole basis for giving a loan or other financial product. Financial institutions and lenders should conduct their own due diligence and risk assessment.
- 8.19 I owe responsibility to only the management of the company that has appointed me. I will not be liable for any losses, claims, damages or liabilities arising out of the action taken, omission of or advice given by any other party to the company. In no event shall I be liable for any loss, claims damages, liabilities, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful



default on part of the company, their directors, employees or authorized representative. In the particular circumstances of this case, my liability, if any (In contract or under statute or otherwise) for any economic loss, claims, damages shall be limited to the amount of fees actually received by us from the client as laid out in the engagement letter for this valuation assignment.

- 8.20 Myself, nor my chartered accountancy practicing firm or my employees makes any representation or warrant, expressed or implied, as to accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for/or based on or relating to any such information contained in the valuation report.
- 8.21 The draft of the present report was circulated to the management for confirming the facts stated in the report and to confirm that information or facts stated are not erroneous and the assumptions used are reasonable.
- 8.22 I am fully aware that based on the opinion of value expressed in this report, I may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking my evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my tendering evidence before such authority shall be under the applicable laws. This report is subject to laws of India.
- 8.23 I have acted as an independent third party and, as such, shall not be considered an advocate for any concerned party for any dispute. The valuation has been carried out independently to assess the valuation services. I have no present or planned future interest in the client company or any of its group companies and the fee for this report is not contingent upon outcome of the transaction.



Mohit Jayeshbhai Solanki

ICAI Membership No.: 164148

IBBI Registration No.: IBBI/RV/06/2022/14822

UDIN: 25164148BMHWJB7383

Date: 25th February, 2025

Place: Ahmedabad

APPENDIX 1 – VALUATION AS PER NET ASSET METHOD

1. Brief step involved in valuation of the equity shares as per net asset method is as under;

Step 1: Identify all assets and liabilities of the company as per the latest financial statements, including tangible, intangible, and contingent items.

Step 2: Adjust the book value of assets and liability to their fair market value, considering factors such as depreciation, obsolescence, market conditions, and potential appreciation.

Step 3: Subtract the total fair value of liabilities from the total fair value of assets to arrive at net asset value of company

Step 4: Derive outstanding shares on fully diluted basis;

Determine outstanding shares on fully diluted basis by adding existing issued shares, shares to be issued on conversion of convertible securities and shares to be issued against warrants and options.

Step 5: Determination of final value;

In order to arrive at final value per shares, divide net asset value with outstanding shares on fully diluted basis.

2. Calculation of value of equity shares considering figures in provisional balance sheet as on 30th November, 2024;

(Amount in Lakh)

Particulars	Note	Amount
Fixed Assets	1	
Land & Building		1,896.00
Plant & Machinery		1,873.74
		3,769.74
Investments	2	0.05
Current Assets	2	1,086.77
Total Assets (A)		4,856.56



(Amount in Lakh)

Particulars	Note	Amount
Borrowings	2	5,715.05
Current Liabilities	2	139.29
Total Liabilities (B)		5,854.34
Net Asset (C = A-B)		-997.78
No of Equity Shares - In Whole Number (D)	3	19,00,500
Equity Value/Share - Rounded off (E = C/D)	4	-53.00

Note 1: The values of fixed assets based on valuation report of M/s Maitri Valuation Private Limited dated 8th February, 2025

Note 2: Value of other assets and liabilities is taken from unaudited provisional balance sheet as on 30th November, 2024.

Note 3: Company has issued 19,00,500 equity shares having face value of Rs. 10. As represented by company, there are no convertible securities or stock options or stock warrants which are convertible into equity shares as on date of valuation. Hence, 19,00,500 shares are taken as outstanding on fully diluted basis.

Note 3: Value of equity shares of the company as on 30th November, 2024 using net asset method is arrived at negative Rs. 53 per share (Minus Rupees fifty-three only)

PTO



APPENDIX 2 – VALUATION AS PER COMPARABLE COMPANY METHOD

1. Brief step involved in valuation of equity shares as per comparable company method is as under;

Step 1: Identify publicly traded companies or entities operating in the same industry or sector with similar business models, size, and geographic presence.

Step 2: Gather relevant financial metrics of the comparable companies, such as revenue, EBITDA, net income, or other key performance indicators.

Step 3: Evaluate industry practices and the nature of the business to identify the most relevant valuation multiples (e.g., EV/EBITDA for profitability focus, EV/Sales for early-stage companies, or P/E for mature firms).

Step 4: Apply the derived multiples to the relevant financial metrics of the target company to estimate its value.

Step 5: Adjust the arrived value to account for differences in size, growth prospects, profitability, or any other significant factors between the subject company and comparable.

Step 6: Derive outstanding shares on fully diluted basis;

Determine outstanding shares on fully diluted basis by adding existing issued shares, shares to be issued on conversion of convertible securities and shares to be issued against warrants and options.

Step 7: Determination of final value;

In order to arrive at final value per shares, divide adjusted value with outstanding shares on fully diluted basis.



PTO

2. Valuation of the equity shares of the company as per comparable company method is as under;

Particulars	Note	Amount
Sales for target company	1	285.76
Price / Sales Multiple	2	2.89
Equity Value		825.75
Less: discount for lack of marketing		-165.15
Final Equity Value		660.60
No. Equity Shares (In whole number)	3	19,00,500
Equity Value/Share (Rounded off)	4	35

Note 1: The yearly sales has been calculated by summing: (i) 1/3rd of the audited sales for the financial year 2023-24, and (ii) the sales for the period from 1st April, 2024 to 30th November, 2024, based on the unaudited provisional financial statements.

Note 2: Derived Price / Sales Multiple of comparable company based on research in the market.

Note 3: Discount for lack of marketing @ 20% applied based on best judgement assessment considering the fact that the company may not equally reflect market dynamics of comparable companies due to its size and constitution as unlisted entity.

Note 4: Company has issued 19,00,500 equity shares having face value of Rs. 10. As represented by company, there are no convertible securities or stock options or stock warrants which are convertible into equity shares as on date of valuation. Hence, 19,00,500 shares are taken as outstanding on fully diluted basis.

Note 4: Value of equity shares of the company as on 30th November, 2024 using comparable company is arrived at Rs. 35 per share (Rupees thirty-five only)

PTO



APPENDIX 3 – VALUATION AS PER DISCOUNTED CASHFLOW METHOD

1. Determination of value using discount cash flow method involves following steps;

Step 1: Forecast the cash flows a company generates from its core operations for few years. Determine cash flow available to the company which is commonly known as free cash flow to the firm (FCFF);

FCFF = Profit After Tax + Depreciation or other non-cash items + Post tax Interest – CAPEX - increase in working capital

Step 2: Estimates cash flows beyond the explicit forecast year by estimating a lump-sum value of the business post the explicit forecast period. This is called as terminal value;

$$\text{Terminal Value using Gorden' Constant Growth Model} = \frac{d_1}{r - g}$$

Where:

d₁: Free cash flow to firm in next year

g: Constant growth rate expected for in perpetuity

r: Weighted average cost of capital

Step 3: Discounting the cash flows to the present by applying weighted average cost of capital;

$$\text{Weighted Average Cost of Capital} = (K_d * \text{debt ratio}) + (K_e * \text{equity ratio})$$

Where:

K_d = Post tax cost of debt

K_e = Cost of equity (Formula given below)

Debt ratio = Debt / (Equity + debt)

Equity ratio = Equity / (Equity + debt)

$$\text{Cost of Equity (K}_e\text{)} = R_f + (R_m - R_f) * b + a$$

Where:

R_f = Risk free return

R_m = Market Return

R_m - R_f = Risk premium

b = Beta

a = Alpha (Company specific risk)



Step 4: Add the value of non-operating assets or investments to the present value of unlevered free cash flows;

Non-operating assets or investments are items of balance sheet which does not contribute to operating cash flows. This includes cash and cash equivalents along with interest accrued on it, Investment in securities, investment in equity instruments, etc.

Step 5: Subtract debt or non-equity claim and add price to be receive on shares dilution;

In order to arrive at equity valuation, we need to subtract all forms of debts, capital leases, non-convertible preferred stocks and non-controlling interest in investment. Exercise price payable by equity option holder on exercise of option is to be added to the above value to arrive final equity value.

Step 6: Derive outstanding shares on fully diluted basis;

Determine outstanding shares on fully diluted basis by adding existing issued shares, shares to be issued on conversion of convertible securities and shares to be issued against warrants and options.

Step 7: Determination of final value;

In order to arrive at final value per shares, divide final equity value with outstanding shares on fully diluted basis.

2. Assumptions and key elements used in working:

Particular	Value
Tax Rate	17.16%
Weight average cost of capital - WACC	22.00%
Perpetual Growth Rate	5.00%

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3. Calculation of free cash flow to the equity and discounting the same:

(Amount in Lakh)

Particular	01.12.24 to 31.03.25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	Terminal Value#
Profit after tax	-569.87	-732.49	-269.58	230.90	680.25	
Add: Depreciation / Amortization	349.69	314.10	283.04	255.09	229.93	
Add: Interest Expense (Post tax)	293.92	497.26	545.80	549.58	483.26	
Less: CAPEX	-	-5.00	-2.00	-5.00	-2.00	
Less: Increase in NWC	711.70	529.58	-500.77	-184.96	-236.65	
Free cash flow to firm	261.82	603.45	56.48	845.61	1,154.79	7,433.49
Time factor	0.17	0.83	1.83	2.83	3.83	3.83
Mid period discount factor	0.9674	0.8473	0.6945	0.5693	0.4667	0.4667
Present Value	253.28	511.31	39.23	481.42	538.90	3,468.97

#This represents terminal value at the end of explicit period i.e. as on 31st March, 2029 using Gordon's constant growth model.

4. Calculation of final value of share:

(Amount in Lakh)

Particular	Note	Amount
Present Value of explicit Period	1	1,824.15
Present Value of Terminal value	2	3,468.97
Enterprise Value		5,293.11
Add: Cash & cash equivalent	3	12.07
Less: Long term debt	4	-4,264.30
Final Equity Value		1,040.88
No. Equity Shares (In whole number)	5	19,00,500
Equity Value/Share (Rounded off)	6	55

Note 1: Present value of cash flow from explicit period (01.12.2024 to 31.03.2029) discounted at weight average cost of capital (WACC) of 22.00%.

Note 2: Terminal value at the end of explicit period that is value as on 31st March, 2029 is discounted at WACC of 22.00%.



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Note 3: Cash & cash equivalent balance as on valuation date as per provisional balance sheet.

Note 4: Book value of long term debt as on valuation date as per provisional balance sheet.

Note 5: Company has issued 19,00,500 equity shares having face value of Rs. 10. As represented by company, there are no convertible securities or stock options or stock warrants which are convertible into equity shares as on date of valuation. Hence, 19,00,500 shares are taken as outstanding on fully diluted basis.

Note 6: Value of equity shares of the company as on 30th November, 2024 using discounted cash flow method is arrived at Rs. 55 per share (Rupees fifty-five only)

----- **END OF REPORT** -----