Valuation Report of equity shares of AMRI Hospitals Limited

Agrawal Tondon & Co
Chartered Accountants

28 August 2023

To
The Board of Directors
AMRI Hospital Limited
P- 4 & 5, C.I.T. Scheme - LXXII,
Block-A Gariahat Road
Kolkata West Bengal -700029
India

Dear Sirs,

This is with reference to the engagement appointing us to determine the fair valuation of equity shares in terms in accordance with the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 read with the Foreign Exchange Management Act, 1999 ("Regulations") of AMRI Hospitals Limited, CIN-U85110WB1986PLC040525, (hereinafter referred to as "AMRI" or "Company").

The shareholders of the Company have entered into Share Purchase Agreement ("SPA") with Manipal Health Enterprises Private Limited and its affiliates entities ("together referred to as Buyers") for proposed transfer of equity shares to the Buyers. The purpose of the engagement is to provide a fair value of equity shares of the Company under the said Regulations.

In rendering the aforementioned advisory services, we reviewed and relied upon various materials/ information provided by the management of AMRI. Our report is based on the historical and projected financial information provided to us by the Company's management. Because of the limited purpose of this report, the financial information presented in this report may be incomplete and contain departures from generally accepted accounting principles. We have not audited, reviewed, or compiled the financial information provided by the Company's management and express no assurance on it. Had we audited or reviewed the financial information, matters may have come to our attention that could have resulted in our use of the amounts and assumptions that differ from those used. Accordingly, we take no responsibility for the underlying data presented in this report.

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Based on our study and analytical review procedures, and subject to the limitations expressed within this report, our opinion of the fair value of the equity shares of AMRI Hospitals Limited, as on June 30, 2023 is:

Particulars	Amount
Fair value per equity share of INR 10 each	INR 47.30/-

For,
Agrawal Tondon & Co.
Chartered Accountants
Firm Registration No. – 329088E

Kaushal Kejriwal

Kaushal Kejriwal
Chartered Accountant,
ICAI Membership No. 308606
ICAI UDIN: 23308606BGUBNU5310

Place: Kolkata

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1. Introduction

1.1 Purpose

AMRI Hospitals Limited, is a company incorporated in India under the Companies Act, 1956, having its registered office at P- 4 & 5, C.I.T. Scheme - LXXII, Block-A Gariahat Road, Kolkata West Bengal - 700029.

We understand that the shareholders of the Company have entered into Share Purchase Agreement ("SPA") with Manipal Health Enterprises Private Limited and its affiliates entities ("together referred to as Buyers") for proposed transfer of equity shares to the Buyers. The purpose of the engagement is to provide a fair value of equity shares of the Company under the said Regulations.

We have been appointed as an Independent Valuer for the purpose of determining fair valuation of equity shares of the Company.

1.2 Scope of Work

Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report. It may not be valid for any other purpose or as at any other date. In the course of the review, we were provided with information by the management of the Company. Our conclusions are based on the assumptions and other information given by/on behalf of the management of the Company. Our assumptions are largely based upon the sources of information mentioned herein below. We have not conducted or provided an analysis or prepared a model for any asset valuation and have wholly relied on information provided by the Company in this regard.

For the purposes of asset valuation, the value of the asset represents its fair market value. The fair value of the assets represents the expected price that would be received to sell the asset in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) between a willing buyer and a willing seller, neither being under a compulsion to conclude the transaction and both having full knowledge of all relevant facts. While determining the fair value, we have considered the specific characteristics of the asset, including the condition and location of the asset and restrictions, if any, on the sale or use of the asset that would have been considered when pricing the asset at the measurement date.

1.3 Applicability of International Valuation Standards (IVS)

The reported analysis, opinions, and conclusions were developed, and this report has been prepared in compliance with the recently published International Valuation Standards issued by IVSC (International Valuation Standards Council).

In the present case, equity shares being financial instrument, the appropriate aforesaid valuation standards have been complied with while carrying out the valuation exercise.

1.4 Premises of Value

The Premise of Value is "as a going concern".

1.5 Standard of Value

Standard of value used for the purpose is Fair Value. Fair Value is the price, in cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for sale in the open market for a reasonable period of time, with both buyer and seller being in possession of the pertinent facts and neither being under any compulsion to act.

2. Information Sources

For the assignment, we have relied upon the following data, facts, information, documents and explanations as provided to us by management:

- Audited Financial statements of the Company for the year ending 31st March 2022;
- Unaudited Financial Statements of Company for the period 1st April 2022 to 31st March 2023;
- Projected Financial Statements of Company for the period 1st July 2023 to 31 March 2027;
- Terms of Compulsory Convertible Debentures;
- Fair valuation of surplus immovable property;
- Discussion with the management of the Company including necessary information, explanations and representations provided by the management;
- Publicly available information that is available from websites such as Stock exchange and secondary information on other companies working in the same industry etc.;

3. Brief background of AMRI Hospitals Limited

AMRI Hospitals Limited ('AMRI) is a public limited company incorporated on 16th April 1986, under the Companies Act, 1956. AMRI is a joint venture between EMAMI Group and Government of West Bengal.

The Company is engaged in health care services and operates various hospitals and clinics in the State of Odisha and West Bengal. Since its inception AMRI is providing quality health services and has attained a distinction in this field. Presently AMRI is having 4 Multi Speciality Hospital and 1 day care center, out of which one hospital is located in Bhubaneswar and other facilities are in Kolkata. AMRI is having bed capacity of about 1100 beds with space to add further 150 - 200 beds in the existing premises.

Capital Structure of AMRI - AMRI has a paid up equity share capital of Rs. 6,878.24 lakhs divided into 6,87,82,440 equity shares of Rs. 10/- each.

Category of Share holders	No. of equity shares held	% of shareholding in the Company
Promoter Group	6,74,29,560	98.03 %
The Government of West Bengal	13,07,800	1.90%
Others	45,080	0.07%
Total equity shares as on the valuation date	**6,87,82,440**	**100%**

The Company has also issued 1000, 0% Compulsory Convertible Debentures (CCDs) of Rs 10 lakhs each. As per the terms, CCDs are compulsory convertible into equity shares of the Company at INR 13 per share, and the debenture holders shall be entitled to 76,923 equity shares of the Company of Rs 10 each for every 1 CCD held at any time on or before 10 years from the date of allotment, 31 December 2015. On conversion, the Company will have to issue 7,69,23,077 equity shares to the debenture holders.

The CCDs were issued to provide long term funds for the business needs of the Company at 0% coupon rate. The resultant equity shares on conversion shall rank pari passu to exiting equity shares of the Company. Till the time the CCDs are actually converted into equity shares of the Company, the Debenture Holders will not be entitled to any rights and privileges of shareholders other than those available to them under statutory requirements.

On conversion of 1000 CCDs, the shareholding % of the Government of West Bengal (Govt. WB) shall reduce to 0.90% from the current shareholding of 1.90%. As per the letter dated 15 September 2008, the Govt. WB, department of Health & Family Welfare had given no objection to enhancement of equity share capital and reduction in shareholding % of Govt. WB to 1.20%. The management has represented that necessary approvals will be taken for dilution beyond 1.20%.

Considering the terms and conditions of the CCDs, we have computed value per equity share of the Company on fully diluted basis.

4. Basis of valuation of equity shares of AMRI Hospitals Limited

It is universally recognized that valuation is not an exact science and that estimating values necessarily involves selecting a method or an approach that is suitable for the purpose. There are commonly used and accepted methods for determining the fair value of the securities, which have been considered in the present case, to the extent relevant and applicable, including:

- Market Value Method
- Net Asset Value Method
- Comparable Companies Multiple Method
- Discounted Cash Flow Method

The application of any particular method of valuation depends on the purpose for which the valuation is done.

4.1 Applicability of Market Price (MP) Method:

This valuation method reflects the price that the market, at a point in time, is prepared to pay for the shares of an entity, it is therefore influenced by the condition of the stock market, and the concerns and opportunities that are seen for the business in the sector or market in which it operates. The market price also reflects the investor's view of the ability of management to deliver a return on the capital it is using. In case if companies not frequently traded, this value may be very different from the inherent value of the shares, but nevertheless forms a benchmark value. This method can be used only in case of shares of a company are listed on stock exchanges.

Since the shares of the Company are not listed on any stock exchanges, we have not applied this method for the purpose of valuation.

4.2 Applicability of Net Asset Value (NAV) Method:

The value arrived at under this approach is based on the audited/ provisional financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The NAV method 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 may not reflect the worth of the business to someone who may buy or invest in the business as a going concern. We have therefore not considered this method for valuation of the Company.

4.3 Comparable Companies' Multiple (CCM) Method:

Under this method, value of a company is arrived at by using multiples derived from valuations of comparable companies, as manifested through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Such multiples of different companies operating in the same segment vary quite widely. Moreover, micro and macro environment within which different companies, whether in the same segment or in different segments, operate may vary very much. However, companies in the same industry and similar size can give us better logical result than any other method provided reliable data are available for different companies. Depending on the source of data available and the underlying company being valued, a variety of valuation measures might be used including Enterprise Value (EV) to Sales, EV to EBITDA, Price to Earnings, etc.

We have considered average of adjusted Enterprise value to EBDITA multiple and Enterprise value to Revenue multiple of comparable listed companies in India.

4.4 Applicability of Discounted Cash Flow (DCF) Method:

Under the DCF method, forecasted cash flows for a reasonably long period are discounted back at an appropriate discount rate, to the present date, generating a net present value for the cash flow stream of the business during the forecast period. The rates at which future cash flows are discounted reflect not only the time value of the cash flows but also the risk associated with the business' future operations. The value so derived is not impacted by accounting practices as it is based on cash flows and not book profits. Further DCF factor incorporates all factors relevant to the business. The important inputs for the DCF method are (a) Cash flows; (b) Discount rate; and (c) Terminal value.

The following are the cash flows which are used for the projections:

(a) Free Cash Flows to Firm (FCFF): FCFF refers to cash flows that are available to all the providers of capital, i.e. equity shareholders, preference shareholders and lenders. Therefore, cash flows required to service lenders and preference shareholders such as interest, dividend, repayment of principal amount and even additional fund-raising are not considered in the calculation of FCFF.

(b) Free Cash Flows to Equity (FCFE): FCFE refers to cash flows available to equity shareholders and therefore, cash flows after interest, dividend to preference shareholders, principal repayment and additional funds raised from lenders/preference shareholders are considered.

Appropriate Discount Rate - Discount Rate is the return expected by a market participant from a particular investment and shall reflect not only the time value of money but also the risk inherent in the asset being valued as well as the risk inherent in achieving the future cash flows. In discounting the FCFF the appropriate discount rate is the weighted average cost of capital, which results in the enterprise value of the Company. Whereas, in the case of FCFE the appropriate discount rate is the cost of equity, which results in the equity value of the Company.

Terminal value – It represents the present value at the end of explicit forecast period of all subsequent cash flows to the end of the life of the asset or into perpetuity if the asset has an indefinite life. There are different methods for estimating the terminal value. The commonly used methods are:

(a) Gordon (Constant) Growth Model;
(b) Variable Growth Model;
(c) Exit Multiple; and

5. Valuation of equity shares of AMRI Hospitals Limited

5.1 Valuation under DCF Method

For the purpose of valuation of equity shares of the Company, we have considered it appropriate to apply the Discounted Free Cash Flow Method, which is an internationally accepted valuation method.

Based on the assumptions and business plan of the Company shared with us by the Company's management, the fair value of equity shares has been determined as per DCF method as follows:

Explicit Period: From July 1, 2023 to March 31, 2027 based on the financial projections provided by the Company's management.

Terminal value: Terminal value represents the estimated value of the Company at the end of explicit forecast period. There are different methods for estimating the terminal value. The commonly used methods are:
(a) Gordon (Constant) Growth Model;
(b) Variable Growth Model;
(c) Exit Multiple;

As the business operations of the Company is expected to reach stable stage at the end of FY 2027, we have used constant growth model, at the end of explicit period. We have considered 2% as the Terminal Growth Rate from the end of the explicit period.

Computation of Weighted average Cost of Capital (WACC)

The discount rate applicable to the free cash flows and terminal value for AMRI is weighted average cost of equity and debt ("WACC"). As on the valuation date, the Debt equity (D/E) ratio of the Company is negative, however based on projected financial statements, the Company is expected to earn positive cash flows and should achieve the D/E ratio in line with its listed peers. Accordingly, D/E ratio of 0.24 has been considered based on D/E ratio of listed companies as on 31 March 2023 in the health-care industry. (Refer Appendix E)

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Cost of Equity (Ke)

The cost of equity is an estimate of the rate of return required for equity holders of a business. In the present case, the cost of equity is computed as 15.80% for the explicit period and 15.50% for the calculation of Terminal value. For the purpose of computing of cost of equity, unsystematic risk premium of 2.5% has been considered to factor company specific risk factors. (See Appendix D).

Cost of Debt (Kd)

The cost of debt is the rate of return required by providers of debt to the Company. In the present case, the average cost of debt for both secured and unsecured loans to the Company is around 9.76% during explicit period. For the computation of Terminal Value cost of debt has been considered at 9.50% (See Appendix D).

Weighted Average Cost of Capital (WACC)

Considering debt equity ratio of 0.24, WACC has arrived at 14.30% for the explicit period and 13.80% for the calculation of Terminal Value.

Fair Value Indication via the DCF Method

Based on the DCF method, the Enterprise value of the Company is arrived at INR 2599.63 Cr (See Appendix – A, D & E).

5.2 Valuation under Comparable Companies Multiple Method

The CCM method involves applying derived market earnings multiple based on the market quotations of comparable listed/public companies possessing attributes similar to the business of such company to the Company's future maintainable profit. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporated all factors relevant to the valuation.

We have considered average of values arrived under i) EV to EBDITA multiple and ii) EV to Revenue multiple of comparable listed companies in India. We have adjusted the industry multiples by 30% on account of limited geographical presence, current debt structure & liquidity for arriving at the fair valuation of the Company. (See Appendix – B & C).

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Fair Value Indication via the CCM Method

Based on the CCM method, the Enterprise value of the Company is arrived at INR 2187.44 Cr (See Appendix B).

6. Valuation Conclusion

Considering multiple approaches to valuation and reliability of their respective data, we have assigned equal weights to values arrived under both the methods as below:

Particulars	Amount	Weight	Amount
Enterprise Value as per DCF Method (INR Cr)	2,599.63	50%	1,299.82
Enterprise Value as per CCM Method (INR Cr)	2,187.44	50%	1,093.72
Enterprise value of the Company (INR Cr)			**2,393.54**
Add: Cash & Cash Equivalents			14.58
Less: Net Debt			1,720.00
Equity value of the Company (INR Cr)			**688.12**
Total Number of outstanding equity shares (in crores)			6.88
Total number of equity shares to be issued on Conversion of CCDS (in crores)			7.69
Total Number of equity shares on diluted basis (in crores)			**14.57**
Value per share (INR)			**47.23**
Value per share (INR) (Rounded off)			**47.30**

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7. Limitations & Disclaimers

a. Our report is subject to scope of limitations detailed hereinafter. As such the report is to be read in totality and not in parts. The Report is meant for the purpose mentioned in Para 1.1 and should not be used for any purpose other than the mentioned therein.

b. This Report is based on the information received from the sources mentioned above and discussions with the management of the Company. We have assumed that the management of the Company have furnished us all the information which they are aware of concerning the financial statements and the respective liabilities, which may have an impact on our report.

c. The firm is the statutory auditor of the Company. Apart from that, neither the firm nor any of its Partners have any personal interest with respect to the parties involved, or any other Interest that might prevent us from performing an unbiased valuation. Our compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of this report.

d. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have therefore not performed any audit, review or examination of any of the historical or prospective information used and therefore, do not express any opinion with regards to the same.

e. The information presented in the Report does not reflect the outcome of any due diligence procedures. The reader is cautioned that the outcome of that process could change the information herein and, therefore, the valuation materially.

f. Our aggregate liability for damage shall be limited to the fee that we have received from this assignment, as set out in our engagement letter.

g. The valuation contemplates facts and conditions existing as of the valuation date. Events and conditions occurring after that date have not been considered, and we have no obligation to update our report for such events and conditions.

h. The opinion on fair valuation expressed in this report does not in any way constitute guarantee regarding future performance of the company and obligate us to render a comprehensive business appraisal report, to give testimony, or attend court proceedings with regard to the subject business assets, properties or business interests.

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8. Appendices

Appendix A

AMRI HOSPITALS LIMITED

Calculation of Enterprise Value via the Discounted Cash Flow Methodology

INR Crores

Particulars	For the Period Ending March 31:				
	2024	2025	2026	2027	Terminal
	9 mths	12 mths	12 mths	12 mths	12 mths
Earnings Before Interest Depreciation & Taxes	181.78	291.58	359.92	420.93	420.93
Less: Interest on Short Term Debt	(2.27)	(3.02)	(3.28)	(3.78)	(3.78)
Less: Income Tax @ 25.17%	-	-	-	-	(87.97)
Projected Net Income	**179.51**	**288.56**	**356.65**	**417.15**	**329.18**
Less: Capital Expenditure	(77.27)	(56.72)	(28.72)	(30.72)	(30.72)
Less: (Increase)/Decrease in Non-Cash, Non-Debt Net Working Capital	3.21	5.98	7.25	6.30	6.30
Projected Free Cash Flow to Equity (FCFF) (A)	105.44	237.82	335.18	392.73	304.76
Terminal Value @ 2%					2,634.39
Discounting Rate	14.30%	14.30%	14.30%	14.30%	13.80%
Mid-Year Convention Period	0.38	1.38	2.38	3.38	3.38
Present Value Factor (B)	0.95	0.83	0.73	0.64	0.64
Present Value of Projected FCFF (A) x (B)	**100.29**	**197.90**	**244.01**	**250.15**	
Sum of Present Value of FCFF	792.34				
Add: PV of Terminal Value	1,677.93				
Enterprise Value of the Business	**2,470.27**				
Add: Fair Value of Surplus Land at Rajarhat	129.36				
Enterprise Value of the Company	**2,599.63**				
Add: Cash and Cash Equivalents	14.58				
Less: Long Term Debt	(1,720.00)				
Fair Value of the Company as of June 30, 2023	**894.21**				

Notes:

(1) 'The Company has accumulated losses under income tax which is estimated to be utilised over next 5-7 yrs. Accordingly, income tax has not been considered duirng the explicit period, howwever, the same has been considered for calculation of Terminal Value.

(2) 'The Company had issued 1000, 0% Compulsory Convertible Debentures (CCDs) of Rs 10 lakhs each. As per the terms, CCDs shall be converted into equity shares of the company at Rs 13 per share, and the debenture holders shall be entitled to 76923 equity shares of the Company of Rs 10 each for every 1 CCD held at any time on or before 10 year from the date of allotment 31 December 2015. However, the management has represented that the CCDs shall not be presently convertible and should be considered as part of debt.

(2) The fair value of surplus assets has been provided by the management of the Company, considered at market value for levying of stamp duty by Government of West Bengal, Directorate of Registration & Stamp Duty.

Appendix B

AMRI HOSPITALS LIMITED
Calculation of Enterprise Value under multiple Approach

INR Crores

Particulars	EV/Revenue	EV/EBIDTA
Industry Multiples	3.17x	15.71x
Less: Discount (1)	30%	30%
Concluded Multiples (Rounded) (A)	**2.22x**	**11.00x**
Revenue/EBITDA (B) - FY 23A	977.25	200.49
Terminal Value of the Company (A) x (B)	**2,169.50**	**2,205.39**
Weight	50%	50%
Concluded of Enterprise Value the Company		**2,187.44**

Notes:

(1) We have made an adjustment to industry multiples for calculating the relevant EV/Revenue and EV/EBIDTA multiples applicable to the Company. The calculation of relevant discount is presented below

Geographical Presence	10%
Highly Leveraged	10%
Unlisted	10%
Total Discount	**30%**

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Appendix C
AMRI HOSPITALS LIMITED
Calculation of Market Multiples of Listed Companies

INR Crores

Company Name	Market Cap	Net Debt	Enterprise Value	EBIDTA	Revenue	EV/EBIDTA	EV/Revenue
Aster DM	12,063.41	1,858.92	13,922.33	1643.52	10253.28	8.47	1.36
Shalby	1,444.39	129.39	1,573.78	159.263	804.921	9.88	1.96
HCG	3,654.68	202.69	3,857.37	311.86	1691.41	12.37	2.28
Fortis Hospitals	19,625.19	340.43	19,965.62	1163.06	6297.63	17.17	3.17
Narayana Health	15,819.59	382.35	16,201.93	1031.269	4524.765	15.71	3.58
Apollo Hospitals	61,960.55	1,934.48	63,895.03	2096.8	16612.45	30.47	3.85
Max Healthcare	42,817.57	(903.25)	41,914.32	1379.77	4562.6	30.38	9.19
Median						**15.71**	**3.17**

Notes: Source for the listed comparable industry peers information included above:

(1) All the financial information for the listed industry peer group mentioned above is sourced/derived from the Financial results of the respective companies for the year ended March 31, 2023 submitted to the Indian stock exchanges, as the same were the latest available audited financials of the peer group.

(2) Market capitalization is the product of the number of outstanding shares multiplied by the closing price as on March 31, 2023 as per the BSE website for the listed comparable industry peers.

(3) Enterprise Value is the sum of market capitalization (as calculated above) and net debt (total long term debt plus short term debt minus cash, cash equivalent, current investments and other current bank balances) as of March 31, 2023.

(4) EBIDTA represents profit before tax after adding back finance costs and depreciation and amortization for Fiscal 2023

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Appendix D

AMRI HOSPITALS LIMITED

Computation of WACC via the Capital Asset Pricing Model

		Explicit Period		Terminal Value
A. Computation of Cost of Equity (Ke)				
Risk Free Rate of Return (1)		7.11%		7.11%
Add: Beta Adjusted Risk Premium:		5.78%		5.56%
Market Equity Risk Premium (2)	8.63%		8.63%	
Multiply by: Beta (3)	0.67		0.64	
Add: Company Specific Risk Premium (α) (4)		2.50%		2.50%
Cost of Equity (Ke)		**15.39%**		**15.17%**
Concluded Cost of Equity (Rounded)		**15.50%**		**15.10%**
B. Computation of Cost of Debt (Kd)				
Long Term Debt from Promoters	891.03	10.00%		-
Long Term Debt from Banks & Fis	828.97	9.50%		9.50%
Cost of Debt (Kd)		**9.76%**		**9.50%**
Less: Income Tax		-		**2.39%**
Concluded Cost of Debt (Rounded)		**9.70%**		**7.00%**
C. Computation of Weighted Average Cost of Capital (WACC)				
Equity Share (5)		**80.00%**		**80.00%**
Cost of Equity Capital		15.50%		15.50%
Debt Share (5)		**20.00%**		**20.00%**
Cost of Debt		9.70%		7.00%
Weighted Average Cost of Capital (WACC)		**14.30%**		**13.80%**

Notes:

(1) This rate is based on the 10-Year Indian Government Bond Yield of 7.11% as on Jun 30, 2023. (Source: investing.com)

(2) Computation of Market Equity Risk Premium:

	Apr 1, 1979	Jun 30, 2023
Sensex	(100.00)	64,718.56
Market Return		15.74%
Less: Risk Free Rate of Return		7.11%
Market Equity Risk Premium		**8.63%**

Source: www.bseindia.com

(3) The levered beta of the Company has been computed based on unlevered beta & Debt equity ratio of the comparable listed companies in the health-care industry. (Refer Appendix E)

(4) This factor is an additional premium added to account for specific risk factors associated with the Company. We have considered 2.5% α (unsystematic risk) to calculate Ke to capture the following risks associated with the Company such as, very high leverage, geographical presence limited to east India, achievability of forecasts, ongoing fire related litigations, etc.

(5) Debt equity ratio has been considered based on debt equity ratio of listed companies as on 31st March 2023 in the health-care industry. (Refer Appendix E)

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Appendix E

AMRI HOSPITALS LIMITED
Calculation of debt equity ratio & Beta
INR Crores

Company Name	Book Equity	long Term Debt	Short Term Debt	Cash & Cash	Bank Balances	Net Debt	Debt: Equity Ratio	Levered Beta	Tax Rate	Unlevered Beta
Apollo Hospitals	6,189.38	1,937.59	772.72	433.42	342.41	1,934.48	0.31	0.70	25.17%	0.57
Fortis Hospitals	8,100.39	572.22	130.93	141.08	221.64	340.43	0.04	0.60	25.17%	0.58
Max Healthcare	7,409.59	496.58	68.24	42.75	1,425.32	(903.25)	-0.12	0.52	25.17%	0.58
Narayana Health	2,132.43	626.43	135.81	154.76	225.13	382.35	0.18	0.39	25.17%	0.35
Aster DM	4,860.46	1,312.30	975.18	378.53	50.03	1,858.92	0.38	0.54	25.17%	0.42
HCG	869.42	361.74	37.59	174.62	22.02	202.69	0.23	0.45	25.17%	0.38
Shalby	927.62	67.42	74.25	12.24	0.04	129.39	0.14	0.98	25.17%	0.89
Median							**0.18**			**0.57**
Levered beta of the Company for the explicit period							0.18		0.00%	0.67
Levered beta of the Company for Terminal value							0.18		25.17%	0.64