Report on Valuation of Equity Shares

Vikram Hospital (Bengaluru) Private Limited

By Guru & Jana ,
Chartered Accountants

June 01, 2021

A. ABOUT THE ENTITY	
Name of the Entity	Vikram Hospital (Bengaluru) Private Limited ('Company')
Registered Address	No.71/1, Opp St.Anne's College, Millers Road, Bangalore, Karnataka - 560052
CIN	U85110KA2009PTC049257
Incorporation Date	February 27, 2009
Nature of Operations	Vikram Hospital (Bengaluru) Private Limited is formed for providing healthcare services with a 24 hour human, medical, and infrastructural support. Located in Central Bangalore, the Company is a leading quaternary health care provider, with Cardiac Sciences, Neuro Sciences, Bariatric & Metabolic Surgery, Nephrology & Urology and Oncology being some of the primary specialities.
Directors of the Entity	Renuka Ramnath Sudhir Narayanankutty Variyar Javali Sudhir Pai Rajasekhara Reddy Somesh Kumar Mittal
Listing Status	Unlisted

B. ENGAGEMENT DETAILS

We have been appointed as independent valuers by the management of the Company (vide engagement letter dated May 10, 2021) to determine the Fair Value of Equity Shares of the Company as on March 31, 2021 ('Valuation Date') for the purpose of Compliance with RBI guidelines under regulations of Foreign Exchange Management Act, 1999 with respect to transfer of such Equity Shares.

The report issued by us herein is meant for said purpose only. This report should neither be placed before any party nor be made available for circulation except to the Management and Shareholders of the Company and Reserve Bank of India as may be required for the said purpose.

C. VALUATION BASE AND PREMISE

Valuation base applied is “Fair Value” and premise is “Going concern”.

ICAI Valuation Standard 101 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 valuation date.

“Orderly Transaction” is a transaction that assumes exposure to the market for a period before valuation date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities and that is not a forced transaction. The length of exposure time will vary according to the type of asset and market conditions.

“Market Participants” would mean buyers and sellers in the principal or most advantageous market for the asset/liability who are independent of each other, knowledgeable, able and willing to enter into the transaction for the concerned asset/liability and are not forced or otherwise compelled to do so.

We have determined the Fair Value of the Equity Shares of the Company relying upon the its ability and intention to operate as going concern and reliable estimates, to this extent, were provided by management.

Hence, Fair Value of the Equity Shares of the Company is derived by referring to the total value that the Company can accumulate over the period by operating as going concern.

D. INDUSTRY OVERVIEW

Healthcare has become one of India's largest sector, both in terms of revenue and employment. The healthcare market can increase three-fold to Rs. 8.6 trillion (US$ 133.44 billion) by 2022. In Budget 2021, India's public expenditure on healthcare stood at 1.2% as a percentage of the GDP.

The Healthcare industry size is estimated to reach US$ 193.83 billion by 2020 and US$ 372 billion by 2022. Mergers & Acquisition deals in Healthcare Sector jumped by a record 155% to Rs.7615crs (US$ 1.9 billion) in FY 19.

The Government aims to develop India as a global healthcare hub.
In March 2021, the Parliament passed the National Commission for Allied, Healthcare Professions Bill 2021, which aims to create a body that will regulate and maintain educational and service standards for healthcare professionals.

In the Union Budget 2021, investment in health infrastructure expanded 2.37x, or 137% YoY; the total health sector allocation for FY22 stood at Rs. 223,846 crore (US$ 30.70 billion).

The government announced Rs. 64,180 crore (US$ 8.80 billion) outlay for the healthcare sector over six years in the Union Budget 2021-22 to strengthen the existing 'National Health Mission' by developing capacities of primary, secondary and tertiary care, healthcare systems and institutions for detection and cure of new & emerging diseases.

Indian healthcare sector is much diversified and is full of opportunities in every segment, which includes providers, payers, and medical technology. With the increase in the competition, businesses are looking to explore for the latest dynamics and trends which will have positive impact on their business. The hospital industry in India is forecast to increase to Rs. 8.6 trillion (US$ 132.84 billion) by FY22 from Rs. 4 trillion (US$ 61.79 billion) in FY17 at a CAGR of 16–17%.

India's competitive advantage also lies in the increased success rate of Indian companies in getting Abbreviated New Drug Application (ANDA) approvals. India also offers vast opportunities in R&D as well as medical tourism. To sum up, there are vast opportunities for investment in healthcare infrastructure in both urban and rural India.

Source: https://www.ibef.org/industry/healthcare-india.aspx

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E. ENTITY OVERVIEW

Vikram Hospital (Bengaluru) Private Limited was incorporated on February 27, 2009 under Companies Act, 1956.

The Company is formed for providing healthcare services with a 24hour human, medical, and infrastructural support. Located in Central Bangalore, the Company is a leading quaternary health care provider, with Cardiac Sciences, Neuro Sciences, Bariatric & Metabolic Surgery, Nephrology & Urology and Oncology being some of the primary specialities.

Currently, the Company draws majority of its international patients through tie-ups with Government of Oman and from Sudan (through an international partner)
"Medical tourism" is a key focus area for the Company and it plans to draw atleast 10% of the total revenue through this channel in the near term.

<u>Historical Financial Peformance of the Company is as follows:</u>

INR in Millions

Particulars	Period ended 31-Mar-19	Period ended 31-Mar-20	Period ended 31-Mar-21
Operational Revenue	1,455	1,694	1,592
Operational Profits	97	271	214
Profit After Tax	77	194	205
Shareholders Funds	674	864	1,070

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F. INFORMATION RELIED UPON AND INSPECTIONS

We have relied upon below information for subject valuation exercise:

1. Understanding of nature of business and operations of the Company obtained from discussions with the management;
2. Audited Financial Statements of the Company for the Period ended March 31, 2020;
3. Unaudited Financial Statements of the Company for the Period ended March 31, 2021;
4. Unaudited and management certified periodical projected financial statements of the Company for period starting from April 01, 2021 to March 31, 2027, including assumptions underlying;
5. Assumptions relating to perpetuity/ terminal value estimates of the Company;
6. Other information and explanations given by management (Refer Annexure – A for detailed representations);
7. Information pertaining to general market and industry conditions, obtained from sources in public domain which are considered to be reliable in general;

We have reviewed the projected financial statements provided by the Company and have assessed the reasonableness of the same based on our discussions with the Company's management concerning its prospects.

In the course of the study, we have used financial and other information provided by the management or obtained from private and reliable public sources. However, we have not validated such information and our conclusions are dependent on such information being complete and accurate in all material respects.

G. RESTRICTIONS ON USAGE OF REPORT

This Valuation Report has been prepared exclusively for the purpose mentioned herein and shall not be disclosed or transmitted, in whole or in part, to any third party or used for any purpose whatsoever other than those indicated in the Engagement letter or in this Report, provided that the Report may be transmitted to the experts appointed for compliance with any applicable law or statute or to any of the statutory or regulatory authorities.

Content of this Report may be disclosed to public where required by regulations of any relevant statute. Any other use, in whole or in part, of the Report will have to be previously agreed and authorised in writing by us.

The conclusion contained in this report is based on valuation assumptions and methodology stated herein and therefore no part of this report may be used apart from the document in its entirety.

The Fair Value of Equity Shares, arrived at in this report is exclusively for the purpose mentioned herein and has no relevance for any other purpose.

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H. STATEMENT OF LIMITATIONS AND DISCLAIMERS

For the preparation of this report we have relied upon the accuracy and completeness of the financial and other information provided by the management. We have relied upon all specific information as received and decline any responsibility should the results presented be affected by the lack of completeness or truthfulness.

Publicly available information, from sources which are generally considered to be reliable, deemed relevant for the purpose of the analysis contained in this Report has also been used for the purpose of valuation. However, we make no representation as to accuracy or completeness of such information.

For the purpose of determination of Fair Value of Equity Shares of the Company we have performed our analyses based on the information provided by the management and obtained from sources in public domain which are generally considered to be reliable, and methodologies illustrated herein, reaching the conclusion contained in this Report. The conclusion arrived at is subjective and dependent on exercise of individual judgement.

Fair Value of Equity Shares of the Company arrived at herein is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained, and that the character and integrity of the Company would not be materially or significantly impacted / altered through any sale, reorganisation, exchange or any other transaction, except as may be required to achieve the business and financial plan of the Company.

We have not compiled or validated the prospective financial information or any related assumptions and therefore, we do not express an audit opinion or any such assurance on the same. There may be material differences between such prospective financial information and actual results, due to change in events and circumstances or otherwise.

This Report and the conclusion are necessarily based on economic, market and other conditions as of the date hereof, and the written and oral information made available to us until June 01, 2021. It is to be understood that subsequent developments may affect the conclusion of the Report and we have no obligation to update, revise, or reaffirm our opinion for the same. Further, we are expressing no opinion as to the price at which Equity Shares of the Company may trade in future.

Future services regarding the subject matter of this report, including, but not limited to testimony or attendance in court, shall not be required of us or any of our employees unless previous arrangements have been made in writing.

We confirm, that we are an independent party. We do not hold/intend to hold any instruments of the Company directly or indirectly and there is no conflict of interest, whatsoever, according to our knowledge as on the date of this report.

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I. APPROACHES TO VALUATION

I. Income Approach

Income approach is the valuation technique that converts future amounts (cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

Income approach includes different models of valuation, out of which Discounted Cash Flow model ("DCF") is the most commonly used methodology for various assets such as shares, businesses, real estate projects, debt instruments, etc.

The DCF method values the asset by discounting the cash flows expected to be generated by the asset for the explicit forecast period and also the perpetuity value (or terminal value) in case of indefinite life assets. Terminal value is the value of the asset at the end of the explicit forecast period.

DCF is based upon expected future cash flows of the entity that will determine investor's actual return and is not influenced by short-term market conditions or non-economic indicators. DCF methodology is not vulnerable to accounting conventions since it is based on cash flows rather than accounting profits. DCF method of valuation is based on two key inputs: Cash flows and Discount rate.

Cash flow projections used for DCF shall reasonably capture the growth prospects and earnings capability of the entity, and shall be determined based on its past performance and factors such as the entity's vulnerability to advancement in technology, actions by competitors, changes in end-user requirements, expansion plans, cyclical fluctuations, effects of change in government policies, availability of financing etc.

Discount rate ("Cost of Capital") is the return expected by a market participant from a particular investment and shall not only reflect the time value of money but also the inherent risk in the asset being valued as well as risk inherent in achieving the future cash flows.

There are many methods which are used for determining the discount rate. The most commonly used methods are Capital Asset Pricing Model ("CAPM") and Weighted Average Cost of Capital ("WACC") which is the combination of cost of equity and cost of debt weighted for their relative funding in the asset. Additional risk premium can be added to the Discount rate to incorporate specific risks associated with stage and size of business of the entity.

Terminal value 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 multiple methods in estimating the terminal value which include Gordon (Constant) growth model, Variable growth model, Exit multiple and Salvage/ liquidation value among others.

II. Market Approach

Market approach is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business. Most commonly used methods under market approach are Market price method, Comparable companies multiple (CCM) or Comparable transactions multiple (CTM) method. Under Market price method the traded price of the asset observed over a reasonable period shall be considered.

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Comparable Companies Multiple Method, also known as Guideline Public Company Method, involves valuing an asset based on market multiples derived from prices of market comparable traded on active market.

While identifying and selecting the market comparable, following factors shall be considered:

1 industry to which the asset belongs;

2 geographic area of operations;

3 similar line of business, or similar economic forces that affect the asset being valued; or

4 other parameters such as size (for example - revenue, assets, etc), stage of lifecycle of the asset, profitability, diversification, etc.

Comparable Transaction Multiple Method, also known as 'Guideline Transaction Method' involves valuing an asset based on transaction multiples derived from prices paid in transactions of asset to be valued /market comparable (comparable transactions). While identifying and selecting the comparable transaction, following factors shall be considered:

1 transactions that have been consummated closer to the valuation date are generally more representative of the market conditions prevailing during that time;

2 there shall be in an orderly transaction;

3 availability of sufficient information on the transaction to reasonably understand the market comparable and derive the transaction multiple; or

4 availability of information on transaction from reliable sources;

III. Asset Approach

Asset approach is a valuation technique that reflects the amount that would be required to replace the current service capacity of net assets of the Company or the value that net assets of the Entity can derive. The asset approach may be most appropriate for valuation in following specific circumstances:

1 An asset can be quickly recreated with substantially the same utility as the asset to be valued and without regulatory or legal restrictions;

2 In case of liquidation; or

3 In cases where income approach and/or market approach cannot be used, such as:

a. Where there is paucity of information about future profitability or uncertainty about future cash flows;

b. Where there are violent fluctuations or disruptions in future cashflows;

c. Where it is required by specific provisions of any tax or other statutes;

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J. SELECTION OF APPROACH & METHODOLOGY

We have considered various approaches and methods available for subject valuation and the relative emphasis of each was considered based on:

1. Nature and stage of business of the Company;
2. Nature of industry to which the operations of the Company belongs;
3. Reliability and availability of adequate inputs/information for each method/approach of valuation;
4. Extent of availability of industry and comparable information;
5. The purpose of valuation - For Compliance with RBI guidelines under FEMA regulations, with respect to transfer of Equity Shares

Keeping in mind the purpose of the report and availability of information we have adopted Income Approach – Discounted Cash Flow methodology, since in our view it derives best estimate value of Equity Shares of the Company.

We understand from the management that the operations of the Company were temporarily impacted on account of Pandemic COVID-19 and resultant lockdown. However, considering nature of operations and business profile of the Company, we understand that such impact would not be continuing and projected financial statements were drawn by management considering the same, along with current outlook on operational growth, cost and working capital estimates.

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K. VALUATION CALCULATIONS

I. ASSUMPTIONS AND INPUTS

Head	Assumption
Discount for Lack of Marketability	The investment in privately held securities is not as liquid and have lesser degree of marketability as compared to the publicly traded securities. A rational investor will pay a premium on price for higher liquidity and will demand a price discount for lack of liquidity. Considering that subject Equity Shares of the Company represent non-controlling interest and lack ready and regulated market we have applied Discount for Lack of Marketability of 10%.
Discount Rate	We have arrived at Cost of Equity using Capital Asset Pricing Model ('CAPM'). As the Company does not have long term debt leverage, such Cost of Equity is considered as the rate of discount.
Additional Risk Premium	Discount rate is arrived at using CAPM, which is based on statistics of the overall market and fails to capture company specific risk premium and the investment risks associated with small sized, start-up companies and companies in early stage of development. To offset such risks for the factors, we have considered total additional risk premium of 3%.
Terminal Value	The terminal value has been estimated using stable growth rate of 5% which according to the management reflects of long term expected average growth of the industry.
Tax rate	Tax rate of 25.17% has been considered in determination of profits in projected period by management.

II. COMPUTATION OF DISCOUNT RATE

1 Equity Risk Premium applicable to the Company is 9.61% basing upon average of S&P BSE Sensex;

2 Risk free rate, based on average yield on 10 year government bond is 6.34%.

3 Industry Benchmark Beta applicable to the 0.73 and the same has been considered for CAPM computation.

4 Cost of equity arrived at using CAPM is 16.4% after considering additional risk premium of 3%.

5 Cost of debt, based on current replaceable cost of borrowings of the Company is 0%.

6 Weighted average cost of capital of the Company based on industry benchmark debt equity ratio is 16.4%.

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III. Calculation of Present Value of Future Cash Flows

INR in Millions

Particulars	Period ended 31-03-22	Period ended 31-03-23	Period ended 31-03-24	Period ended 31-03-25
Profit After Tax	308	343	367	455
Add:				
Depreciation	91	94	93	94
Less:				
Interest Income	-23	-28	-43	-60
Changes in working Capital	-35	14	16	15
Cashflows from Operational Activity	**341**	**423**	**434**	**504**
(Additions)/Deletions to Capital Assets	-36	-36	-51	-36
Cashflows from Investing Activity	**-36**	**-36**	**-51**	**-36**
Net Operational Cashflows	**305**	**387**	**383**	**468**
Discounting Factor	0.86	0.74	0.63	0.54
Discounted Operational Cashflows	**262**	**286**	**243**	**255**

Particulars	Period ended 31-03-26	Period ended 31-03-27	Terminal
Profit After Tax	535	612	641
Add:			
Depreciation	96	99	99
Less:			
Interest Income	-81	-104	-104
Changes in working Capital	16	16	40
Cashflows from Operational Activity	**566**	**623**	**675**
(Additions)/Deletions to Capital Assets	-36	-36	-99
Cashflows from Investing Activity	**-36**	**-36**	**-99**
Net Operational Cashflows	**530**	**587**	**577**
Discounting Factor	0.47	0.40	-
Discounted Operational Cashflows	**248**	**236**	**-**

IV. Terminal Value

Particulars	INR in Millions
Growth adjusted normalised cashflows	577
Terminal Growth Rate	5%
Cost of Capital	16.40%
Terminal Cashflows	**5,060**
Discount rate	0.40
Discounted Terminal Value	**2,035**

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V. Total Number of Equity Shares

Particulars	No.of Units (Pre-converted Basis)	No.of Units (Dilutive Basis)
Equity Shares	1,69,37,144	1,69,37,144
Total	**1,69,37,144**	**1,69,37,144**

VI. Fair Value of the Equity Shares

Particulars	INR in Millions
Present Value of Explicit Period Cashflows	1,530
Discounted Terminal Value	2,035
Present Value of Future Operational Cashflows	**3,565**
Add:	543
Cash in Hand	489
Accrued Interest Receivable	6
Income Tax Advance	49
Less:	**-111**
Working Capital Loan	-2
Non-Cumulative Redeemable Preference Shares	-108
Gross Equity Value	**3,997**
Discount for Lack of Marketability@10%	-400
Fair Value of Equity	**3,597**
Total Number of Equity Shares	1,69,37,144
Fair Value per Equity Share (INR)	**212.39**

Note:

1 *Fair value per equity share is rounded off to two decimals.*

2 *Non-cumulative Redeemable Preference Shares are stated at Fair Value as on the Valuation Date. The Fair value computation of the RPS is made on the representation that though the coupon amount is non-cumulative, it is not discretionary in nature and will be honoured by the Company on availability of free reserves.*

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L. CONCLUSION

The valuation was conducted as per relevant ICAI valuation standards and internationally accepted pricing methodology. No difficulties or other obstacles have arisen in subject valuation.

Based on our analysis, as described in the valuation report, and subject to the assumptions presented herein, in our opinion, the Fair Value per Equity Share of Vikram Hospital (Bengaluru) Private Limited as on March 31, 2021 is INR 212.39/- (Two Hundred and Twelve and Thirty Nine Paise Only)

We have no obligation to update this report or our conclusion for information that comes to our attention after the date of report.

For Guru & Jana
Chartered Accountants

A M CHINMAYA
Digitally signed by A M CHINMAYA
Date: 2021.06.01 22:48:33 +05'30'

Chinmaya AM
Chartered Accountants
Membership No: 225189
Firm Registration No: 006826S

Date: June 01, 2021
Place: Bangalore
UDIN: 21225189AAAADV5623

Annexure - A

We have relied upon following management representations/assumptions in subject valuation:

1	**Name of the Entity**	Vikram Hospital (Bengaluru) Private Limited ('Company')
	Incorporation Date	27-02-2009
	Nature of Operations	Vikram Hospital (Bengaluru) Private Limited is formed for providing healthcare services with a 24 hour human, medical, and infrastructural support. Located in Central Bangalore, the Company is a leading quaternary health care provider, with Cardiac Sciences, Neuro Sciences, Bariatric & Metabolic Surgery, Nephrology & Urology and Oncology being some of the primary specialities.
	Directors of the Entity	Renuka Ramnath Sudhir Narayanankutty Variyar Javali Sudhir Pai Rajasekhara Reddy Somesh Kumar Mittal

2 **About the Company:**

Vikram Hospital (Bengaluru) Private Limited was incorporated on February 27, 2009 under Companies Act, 1956.

The Company is formed for providing healthcare services with a 24hour human, medical, and infrastructural support. Located in Central Bangalore, the Company is a leading quaternary health care provider, with Cardiac Sciences, Neuro Sciences, Bariatric & Metabolic Surgery, Nephrology & Urology and Oncology being some of the primary specialities.

Currently, the Company draws majority of its international patients through tie-ups with Government of Oman and from Sudan (through an international partner)
"Medical tourism" is a key focus area for the Company and it plans to draw atleast 10% of the total revenue through this channel in the near term.

The operations of the Company were temporarily impacted on account of Pandemic COVID-19 and resultant lockdown. However, considering nature of operations and business profile of the Company, we understand that such impact would not be continuing and projected financial statements were drawn by management considering the same, along with current outlook on operational growth, cost and working capital estimates.

3 Total Number of Equity Shares of the Company as on Valuation Date is as follows:

Particulars	No.of Units (Pre-converted Basis)	No.of Units (Dilutive Basis)
Equity Shares	1,69,37,144	1,69,37,144
Total	**1,69,37,144**	**1,69,37,144**

4 As at the Valuation Date, the Company has good title to all assets recorded in the respective accounts as on Valuation date, and these assets were free from hypothecation, liens and encumbrances, other than those disclosed.

5 We confirm that though the terms of the Redeemable Preference Shares are non-cumulative, it is not discretionary in nature and the payment of coupon amounts will be made on a regular basis in case of availability of free reserves.

6 There are contingent liabilities amounting to approximately INR 10 Million constituting of 9.1 Million of employee dues and 0.9 Mln of old tax claims of Service tax and Luxury tax. However, we are not anticipating any cash outflow towards the same. There is a capital commitment of INR 9.3 Million which is adequately considered in the projections. There are no other unusual contractual obligations, substantial commitments or any surplus non-operating assets as on the Valuation Date other than those disclosed, which would materially affect the forecasts relied upon.

7 Long term expected growth rate of the based on industry conditions and operating outlook of the Company is 5%.

8 We confirm that it is the current intention to run the business operation as a going concern.

9 All documents, records and information relevant for review of the financial outlook have been disclosed and are complete and accurate in relation to the subject valuation as at Valuation Date.

10 The commercial decision is independent of valuation report.

11 In case of happening of events beyond the control of the management, the projected financial statements may not hold good.

12 We confirm that all our replies to your queries either via correspondences or management meetings on the earnings capacity and operating outlook reflect our judgment, as at Valuation Date, regarding the future operational capability and profitability of the business after taking into account all relevant factors.

13 Effective tax rate applicable to the Company is 25.17% which in our view reflects the best estimate of the tax incidence borne after adjustment of the tax benefits available.

14 Historical Financial Statements of the Company are as follows:

a) Statement of Profit and Loss (INR in Millions)

Particulars	Audited Period ended 31-Mar-20	Unaudited Period ended 31-Mar-21
Operational Revenue	**1,694**	**1,592**
Revenue	1,694	1,592
Operational Expenses	**1,303**	**1,293**
Cost of Goods Sold	328	305
Employee benefit costs	261	273
Infrastructure costs - Rental	44	113
Doctor Cost	465	447
Admin Expenses	23	25
Selling Expenses	56	16
Power & Fuel	22	27
Other expenses	104	87
EBITDA	**392**	**299**
Depreciation	121	85
Operational Profits	**271**	**214**
Non-Operational Revenue	16	13
Non-Operational Expenses	102	22
Profit before Tax	**185**	**205**
Deferred Tax	-9	-
Profit After Tax	**194**	**205**

b) Balance Sheet (INR in Millions)

Particulars	Audited As on 31-Mar-20	Unaudited As on 31-Mar-21
Non-Operational Assets	**90**	**62**
Accrued Interest Receivable	9	6
Income Tax Advance	80	56
Property, Plant and Equipment	**1,380**	**1,329**
Tangible Assets	777	727
Right of use of Assets	600	600
Intangible Assets	2	2
Operational Assets	**218**	**198**
Rental Deposits	**21**	**21**
Security Deposit	5	-
Deferred Tax Assets	5	5
Inventories	37	30
Trade Receivables	85	62
Unbilled Revenue	11	16
Prepaid rent on fair valuation of security deposits	50	50
Employee Advances	0	0
Prepaid Expenses	3	2
Advance to Suppliers	1	11
Capital Advance	0	-
Cash & Cash Equivalents	276	489
Total Assets	**1,964**	**2,078**
Shareholders Funds	**864**	**1,070**
Share Capital	-	-
Equity	1,694	1,694
Equity portion Of Preference shares	53	53
Reserves & Surplus	-882	-677
Borrowings	**241**	**133**
Term Loan	110	-
Overdraft	0	2
Non-Cumulative Redeemable Preference Shares	131	131
Operational Liabilities	**858**	**875**
Employee Related Provisions/Liabilities	-	-
Salary Payable	0	1
Others	34	41
Lease Liabilities	620	620
Advance from Patients	8	15
Trade Payable	182	188
Capital Creditor	0	0
Statutory Dues	11	9
Other Current Liabilities	1	0
Total Liabilities	**1,964**	**2,078**

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15 Unaudited and management certified periodical projected financial statements of the Company for period starting from April 01, 2021 to March 31, 2027 are as follows:

a) Statement of Profit and Loss (INR in Millions)

Particulars	Period ended 31-Mar-22	Period ended 31-Mar-23	Period ended 31-Mar-24	Period ended 31-Mar-25	Period ended 31-Mar-26	Period ended 31-Mar-27
Operational Revenue	**1,968**	**2,292**	**2,653**	**3,037**	**3,404**	**3,759**
Revenue	1,968	2,292	2,653	3,037	3,404	3,759
Operational Expenses	**1,592**	**1,843**	**2,127**	**2,415**	**2,701**	**2,981**
Inventory Related	-	-	-	-	-	-
Cost of Goods Sold	378	440	509	583	653	722
Employee benefit costs	322	380	445	516	596	688
Infrastructure costs - Rental	126	139	153	168	183	198
Other Operational Expenses:	-	-	-	-	-	-
Doctor Cost	531	619	716	805	885	951
Admin Expenses	28	31	34	37	41	45
Selling Expenses	57	64	72	79	88	98
Power & Fuel	32	33	38	44	49	54
Other expenses	118	138	159	182	204	226
EBITDA	**376**	**449**	**526**	**622**	**703**	**777**
Depreciation	91	94	93	94	96	99
Operational Profits	**285**	**354**	**433**	**528**	**607**	**679**
Non-Operational Revenue	23	37	58	81	108	139
Non-Operational Expenses	-	-	-	-	-	-
Profit before Tax	**308**	**392**	**491**	**609**	**715**	**818**
Current Tax	-	49	124	153	180	206
Profit After Tax	**308**	**343**	**367**	**455**	**535**	**612**

b) Balance Sheet (INR in Millions)

Particulars	As on 31-Mar-22	As on 31-Mar-23	As on 31-Mar-24	As on 31-Mar-25
Non-Operational Assets	**65**	**74**	**85**	**97**
Accrued Interest Receivable	6	6	6	6
Income Tax Advance	59	69	80	91
Property, Plant and Equipment	**1,274**	**1,216**	**1,174**	**1,116**
Tangible Assets	672	615	573	515
Right of use of Assets	600	600	600	600
Intangible Assets	1	1	1	1
Operational Assets	**257**	**287**	**320**	**355**
Rental Deposits	**21**	**21**	**21**	**21**
Deferred Tax Assets	5	5	5	5
Inventories	31	36	42	48
Trade Receivables	102	119	138	158
Unbilled Revenue	30	34	40	46
Prepaid rent on fair valuation of security deposit	50	50	50	50
Employee Advances	0	0	0	0
Prepaid Expenses	2	3	3	4
Advance to Suppliers	16	18	21	24
Cash & Cash Equivalents	759	1,164	1,579	2,097
Total Assets	**2,355**	**2,742**	**3,159**	**3,665**
Shareholders Funds	**1,325**	**1,667**	**2,035**	**2,490**
Share Capital	-	-	-	-
Equity	1,694	1,694	1,694	1,694
Reserves & Surplus	-369	-26	341	796
Borrowings	**131**	**131**	**131**	**131**
Non-Cumulative Redeemable Preference Shares	131	131	131	131
Operational Liabilities	**900**	**944**	**993**	**1,043**
Employee Related Provisions/Liabilities	-	-	-	-
Salary Payable	1	1	1	1
Others	48	57	67	77
Lease Liabilities	620	620	620	620
Advance from Patients	16	18	21	24
Trade Payable	203	234	269	304
Capital Creditor	0	0	0	0
Statutory Dues	10	12	14	16
Other Current Liabilities	0	1	1	1
Total Liabilities	**2,355**	**2,742**	**3,159**	**3,665**

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Particulars	As on 31-Mar-26	As on 31-Mar-27
Non-Operational Assets	**108**	**118**
Accrued Interest Receivable	6	6
Income Tax Advance	102	113
Property, Plant and Equipment	**1,055**	**993**
Tangible Assets	454	392
Intangible Assets	1	1
Operational Assets	**389**	**422**
Rental Deposits	**21**	**21**
Deferred Tax Assets	5	5
Inventories	54	59
Trade Receivables	177	196
Unbilled Revenue	51	56
Prepaid rent on fair valuation of security deposit	50	50
Employee Advances	0	0
Prepaid Expenses	4	4
Advance to Suppliers	27	30
Cash & Cash Equivalents	2,566	3,246
Total Assets	**4,118**	**4,779**
Shareholders Funds	**3,025**	**3,637**
Share Capital	-	-
Equity	1,694	1,694
Reserves & Surplus	1,331	1,943
Borrowings	-	-
Non-Cumulative Redeemable Preference Shares	-	-
Operational Liabilities	**1,093**	**1,142**
Employee Related Provisions/Liabilities	-	-
Salary Payable	1	1
Others	89	103
Lease Liabilities	620	620
Advance from Patients	27	30
Trade Payable	337	367
Capital Creditor	0	0
Statutory Dues	18	19
Other Current Liabilities	1	1
Total Liabilities	**4,118**	**4,779**

16 Terminal Cashflow Estimates of theCompany are as follows:

Particulars	INR in Millions
Profit After Tax	641
Add:	
Depreciation	99
Less:	
Interest Income	-104
Changes in working Capital	
Increase/(Decrease) in Current liabilities	57
(Increase)/Decrease in Current Assets	-17
Cashflows from Operational Activity	**675**
(Additions)/Deletions to Capital Assets	-99
Cashflows from Investing Activity	**-99**
Net Operational Cashflows	**577**

17 In relation to above projected financial statements:

a) The financial position and operating results for the forecast period reflect the best judgment of the Management, based on expected future market conditions and the likely course of action to be taken as at the Valuation Date.

b) Accounting principles used in the preparation of the forecast data are in consistent with generally accepted accounting principles.

c) All key assumptions for the forecast period are applied consistently and no factors that may be relevant are neglected.

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