

To,

Date: 01/04/2016

The Board Of Directors,

1) Suraksha Diagnostic Private Limited (Transferee Company)

2) Sunwell Diagnostic Private Limited (Transferor Company)

Kolkata

Sir,

**RE.: - VALUATION OF SHARES FOR THE PURPOSE OF AMALGAMATION OF
SUNWELL DIAGNOSTIC PRIVATE LIMITED WITH SURAKSHA DIAGNOSTIC
PRIVATE LIMITED**

1. INTRODUCTION & VALUATION ANALYSIS

We, **Shashi Agarwal & Co.**, Chartered Accountants, have been assigned the task of determining the Share Exchange Ratio for the purpose of amalgamation of Sunwell Diagnostic Private Limited with Suraksha Diagnostic Private Limited.

We refer to information & verbal discussions, we had with the Directors of the respective Companies. Suraksha Diagnostic Private Limited and Sunwell Diagnostic Private Limited belong to the same group.

2. PURPOSE OF VALUATION

We were requested to value the shares of the companies as stated herein above for the purpose of amalgamation/merger.



3. PURPOSE OF AMALGAMATION

The Transferee Company is engaged mainly in the business of healthcare and having diagnostics centre , transferor company is engaged in the business of healthcare and trading. The amalgamation will enable proper utilization of funds of the Transferor Companies on one hand and augment the fund requirements of the Transferee Company, so that the transferee company can expand its business.

For the purposes of better, efficient and economical management, control and running of the business of the undertakings concerned and for administrative convenience and to obtain advantage of economy of large scale and to broad base the present business, the present Scheme is proposed to amalgamate the Transferor Company with the Transferee Company.

4. VALUATION DATE

The Analysis of the valuation of the equity of the Company and share exchange ratio has been carried out based on audited accounts as on 31st March, 2015 as the "Transfer Date" means the 1st day of April, 2015.

5. SOURCES OF INFORMATION

The valuation is based on a review of the business plan of the Company provided by the Management and information relating to the trading and investment based company as available in the public domain, specifically, the sources of information include:

- Discussions with the Management
- Financial projections of the transferee Company as provided by the Management
- Audited financial statements for year ended 31.03.2013 to 31.03.2015.



- Future cash inflow & projected Income Statements.

In addition to the above, we have also obtained such other information and explanation which were considered relevant for the purpose of the Analysis/ Valuation.

Financial statements and other related information provided to us through its representatives, in the course of this engagement, have been accepted without any verification as fully and correctly reflecting the enterprises' business conditions and operating results for the respective period.

6. VALUATION METHODOLOGY AND APPROACH

The standard of value used in the Analysis/ Valuation is "Fair Value", which is often defined as the price, in terms of 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 on 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.

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with.

- Whether the entity is listed on a stock exchange
- Industry to which the Company belongs
- Past track record of the business and the case with which the growth rate in cash flows to perpetuity can be estimated



- Extent to which industry and comparable company information is available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorized as follows:

- a. Asset Approach:**
- b. Market Approach:**
- c. Income Approach:**
- d. Free Cash Flows:**
- e. Terminal Value:**
- f. Discount Factor:**

Valuation of shares is a result of combination of various factors and attendant circumstances related to the business which is being valued. There can be no single method of share valuation which may be universally applicable. Valuation is an exercise, which is influenced to a great extent by effecting factors and thus is not exact science or a pure mathematical exercise. The valuer has to further depend upon his judgement and imagination to decide about the discounting / capitilisation rates to be applied for the valuation. Further, giving of weightage to the company wherein growth of business/income is certain.



7. OPINION OF VALUE OF THE BUSINESS

Based on our Analysis/Valuation of the Business of the Company considering all the facts and limitations mentioned hereinabove, in our assessment, the fair value of equity shares of respective companies on a going concern and non marketable minority control basis as at 31st March, 2015 based on NAV basis.

Name of the Company	Valuation per Share (Rs)
Suraksha Diagnostic Private Limited (Transferee)	695.91
Sunwell Diagnostic Private Limited (Transferor)	9.56

According to above , based on the discussion and observation as made herein above, we are of the opinion that the Transferee Company may without further application issue and allot:

“The Transferee Company” shall without any further application issue and allot to every Equity shareholder of “Transferor Company”, 1 Equity Shares of Rs.100/- credited as fully paid-up in “The Transferee Company” for every 100 Equity Share of Rs.10/- each fully paid-up held by such Equity Shareholder in “Transferor Company”.

8. DISCLAIMER:-

In no event we shall viz. **M/s Shashi Agarwal & Co.** including any partner's, be liable for any loss, damage, cost or expenses arising in any way from or connected with fraudulent acts or omission, misrepresentations or willful defaults on the parts of all transferor and transferee companies, its directors,



Shashi Agarwal & Co

Chartered Accountants

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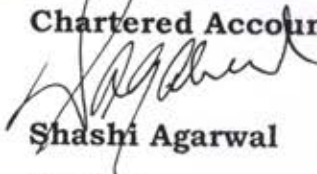
employees or agents. Our liability including its partners and staff shall, in no circumstances, exceed the fee paid for the valuation assignment.

Thanking you,

Yours Faithfully,

For **Shashi Agarwal & Co**

Chartered Accountants



Shashi Agarwal

Partner

Membership No. 56674



"Annexure - A" As per Audited Accounts 31/03/2015

	Suraksha Diagnostic Private Limited	Sunwell Diagnostic Private Limited
	31.03.2015	31.03.2015
Share Capital	81,656,800	30,000,000
Reserves & Surplus	411,175,398	- 1,314,008
Less: Preference Share	- 12,656,800	-
Net Assets Value	480,175,398	28,685,992
Total No of share	690,000	3,000,000
NAV	695.91	9.56

