

**VIRINCHI HEALTH CARE  
PRIVATE LIMITED**  
**(CIN: U85100TG2013PTC091707)**

**Valuation Report**

**Report Date: 20/01/2026**  
**Place: Hyderabad**  
**UDIN: A018979G003396232**



**A. SOMESWARA RAO**  
**Registered Valuer-Securities or Financial Assets**  
**IBBI No: IBBI/RV/02/2019/11544**

**Office:** Flat no.301, Wayside residency, Tirumala hills colony,  
Manikonda, Hyderabad-500089  
**Email:** somesha2000@gmail.com , somesha2000@yahoo.com  
**Mob:** +91-9394 690 760, +91-8374 879 630

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To  
The Board of Directors  
**VIRINCHI HEALTH CARE PRIVATE LIMITED**  
6-3-2,6-3-3,6-3-3/1, Ashoka Metro Politon Building  
Road No 1, Banjara Hills,  
Hyderabad, Telangana, India, 500034.

Dear Sir,

**SUB: VALUATION OF POTENTIAL EQUITY SHARES IN THE MATTER OF  
VIRINCHI HEALTH CARE PRIVATE LIMITED "VHPL"**

With reference to the above mentioned subject, please find attached herewith  
the certificate on Valuation of Potential Equity shares of your company.

The valuation has been carried out for the purpose of issue of securities by  
way of Private placement/ Preferential issue in accordance with the provisions  
of Section 42 & 62 of the Companies Act, 2013.

Thanking You,

Yours faithfully,

Place: Hyderabad

Date: **20/01/2026**

Registered Valuer-Securities or Financial Assets  
IBBI No: IBBI/RV/02/2019/11544

*A. Someswar Rao*  
**A. SOMESWARA RAO**



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## 1. Overview

### I. ABOUT VIRINCHI HEALTH CARE PRIVATE LIMITED “VHPL”

This company was incorporated on 16/12/2013, registered at Roc, Hyderabad, Telangana, ROC having CIN U85100TG2013PTC091707, an unlisted private Company having its Registered Office at 6-3-2, 6-3-3, 6-3-3/1, Ashoka Metro Politon Building, Road No 1, Banjara Hills, Hyderabad, Telangana, India, 500034.

**Virinchi Health Care Private Limited ( VHPL )** Virinchi People's Hospitals, a reputable and prominent healthcare institution in Hyderabad, is renowned for its distinguished Centres of Excellence, each dedicated to delivering specialized and comprehensive care. These Centres of Excellence work in synchrony to ensure that patients receive exceptional medical attention and personalized, protocol – driven treatment tailored to their specific needs.

The hospital also having the following:-

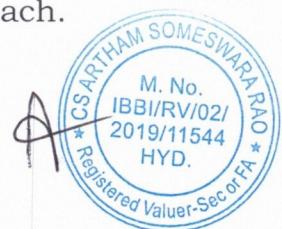
- 3 facilities located in Hyderabad.
- Virinchi People's Hospital is the flagship 500-bed high-end facility at Banjara Hills spread across 220,000 sq.ft., focused on critical care and equipped with 10 OTs and 100 ICU beds.
- Virinchi also operates 2 economy brand hospitals under 'Bristlecone', a 140-bed hospital at Hayathnagar and a 60-bed hospital at Barkatpura in Hyderabad.

“**source:** from the URL of the company”

#### 1.2. Capital Structure of the company

The capital structure of the company as on valuation date **20/01/2026** as follows:

Authorised capital – Rs. 6,00,00,000 /- and Issued, Subscribed & Paid-up capital Rs. 5,43,59,780 /- and the face value of Rs.10/- each.



The valuation exercise is being carried out to ascertain the fair value of equity shares of the company for assisting the Company for issuance of securities by way of private placement or preferential issue under Section 42 and Section 62 of the Companies act 2013.

### **1.3 Directors/KMP Signatory Details**

<b>Sr. No</b>	<b>DIN/PAN</b>	<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>Date of Appointment</b>
1	03137506	SRI KALYAN KOMPELLA	Director	Professional	18/03/2015
2	00816334	MADDALA VEERA SRINIVASA RAO	Director	Professional	12/11/2018
3	*****2206N	RAVINDRANATH TAGORE KOLLI	Company Secretary	-	28/02/2019
4	07167885	SHYAM SUNDER TIPPARAJU	Director	Independent	13/06/2023

### **1.4 Current Assignment**

We have been appointed by on behalf of the board of directors to carry out the valuation of fair price of the company share value vide the engagement letter dated 01<sup>st</sup> January 2026.

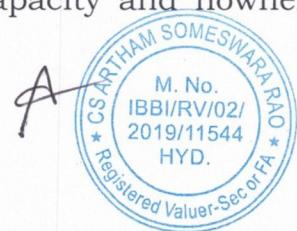
### **1.5 About Valuer and other experts involved if any:**

I am registered Valuer under asset classification Securities & financial assets, registered with Insolvency and Bankruptcy Board of India, having registration number as M.No. IBBI/RV/02/2019/11544.

No other expert was involved in this transaction

### **1.6 Disclosure of the valuer's interest:**

I, Artham Someswara Rao, registered Valuer hereby declare that I have no interest either direct or indirect in company "**VHPL**" Further to state that I am not having relation or any connection with Promoters or Directors or any officer of company directly or indirectly. Further to state that I am independent and being appointed in my individual capacity and nowhere related to any officials of Company.



## **2. Valuation Analysis**

### **2.1. Methodology**

According to standard valuation practice, the fundamental precondition for obtaining significant and comparable valuations in determining the Share value transactions is the consistency and comparability of the methods applied according to the characteristics of the companies and/or groups being valued.

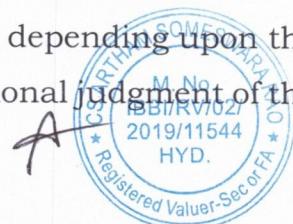
In addition, a second fundamental principle often adopted for determining Share value is the “stand alone” assumption. That is, a valuation perspective based on the current configuration and future prospects of the company on an independent basis, without taking any potential synergies from determining the Share value into account.

As stated previously, the selected methodologies – which represent recognized techniques, widely used in valuation practice both in India and internationally - should not be considered individually, but rather as different parts of a single valuation process. Independent use of the results obtained from each methodology, without duly considering the complementary relationship with other methodologies, will result in loss of the meaningfulness of the valuation process itself.

Valuation of the enterprise or its equity shares is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be even prepared to pay goodwill. This exercise may be carried out based on the generally accepted methodologies, the relative emphasis of each often varying with the factors such as:

- Specific nature of the business
- Economic life cycle in which the industry or the company is operating and
- Extent to which 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. In this regard, I have evaluated suitability of four commonly used approaches of valuation to determine the fair value of company. I have used three out of four commonly used approaches for valuation. After arriving at the values based on appropriate methods, I have assigned weightings to these methods to determine the fair value for the company.

**a. Net Assets Method (NAV):**

The value arrived at under this approach is based on the estimated financial statements of the business and may be defined as Shareholder's Funds or Net Assets owned by the business. The Net Assets Value is generally used as the minimum break-up value for the transaction. This methodology calculates the underlying net Assets of the business on a book value basis.

**Net assets value of business will not represent the future cash flows to company and other future economic benefits; hence we have not considered this method in my valuation.**

**b. Discounted Cash Flow Method (DCF):**

The DCF method uses the future free cash flows of the company discounted by the cost of capital to arrive at the present value. In general, the DCF method is a strong and widely accepted valuation tool, as it concentrates on cash generation potential of a business, considering that this method is based on future potential and is widely accepted, I have included this approach as one of the methodologies in the valuation exercise.

Using the DCF analysis involves determining the following:

***Estimating future free cash flows:***

Free cash flows are expected to be generated by the company that is available to all providers of the company's Capital-both debt and equity.



***“Appropriate discount rate to be applied to cash flows i.e., the cost of capital”.***

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the equity capital provider equals the rate of Return the capital provider expects to earn on other investments of equivalent risk.

To the values so obtained from DCF analysis, the amount of loans has to be adjusted to arrive at the total value available to the equity shareholders. The total value for equity shareholders is then divided by the total number of equity shares in order to work out the value per equity share of the companies.

**c. Stock Exchange Quotation or Market Price Method:**

This valuation reflects the price that the market at a point in time is prepared to pay for the shares. It is therefore influenced by the condition of the stock market, the concerns and opportunities that are seen for the business in the sector or market in which it operates.

The market price is also reflects the investor's view of the ability of the management to deliver a return on the capital it is using. In the case of companies not frequently traded, this value may be very different from the inherent value of the shares, but nevertheless forms a benchmark value.

Since the company **VHPL** is not listed in any of the stock exchanges in India. **Hence I have not used this market price method for the purpose of this valuation analysis as VHPL is not listed on any of the Stock Exchanges.**



#### **d. Comparable Company Market Multiple Method:**

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. This approach is usually applied in case of valuation of unlisted companies. Some of the common multiples used in a valuation are listed below:

- Market Cap / Sales Multiple
- Price / Earnings Multiple
- Precedent Transactions Multiple Method

Since the comparable companies are not available in the market with the exact size, nature of business we are not using the comparable company market multiple method.

I have carried out the valuation analysis as described above, based on the fundamental assumption of going concern for the business under consideration.

On the basis of these considerations, the following valuation methodologies have been selected:

#### **❖ Discounted Cash Flow Method (DCF):**

In selecting and applying the stated methods, I have considered the advantages and limitations implicit in each on the basis of common practice in the sector and its own experience.

#### **Discounted Cash Flow Method (DCF)**

##### **Estimated Free Cash Flows:**

We can set the forecast period in such a way that the company reaches a stable phase after that. In other words, we are assuming that the company will grow at a constant rate after the forecast period.

For the purpose of valuation exercise, I have considered that the company will grow at a constant rate after the forecast period of a three years projected period i.e. from the financial year 01<sup>st</sup> April 2025 to 31<sup>st</sup> March 2028.



The cash flow projections as on a free cash flow to equity (FCFF) basis are summarized below:

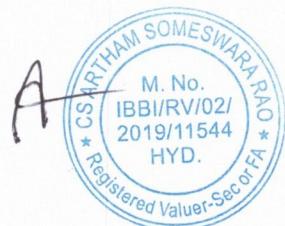
## **2.2 VALUATION OF COMPANY SHARE:**

### **DISCOUNTED FREE CASH FLOW METHOD:**

The purpose of DCF-Valuation is to determine the value of a company in terms of its future cash flows. The cash flows are adjusted with certain items in order to make sure the flows reflect the actually generated cash. The Discounted free cash flow method is based on the premise that the value of the business is the sum total of the present values of all future cash flows. This procedure recognizes that the cash flow streams at different time periods differ in value and hence all cash flows are expressed in terms of their present values. These discounted values are then aggregated to arrive at the enterprise value of Business.

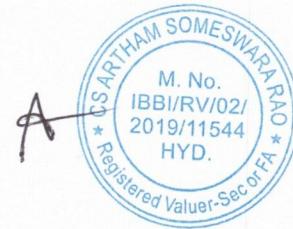
The basic formulation of discounted cash flow valuation is as follows:

- PAT is adjusted with total depreciation to get Gross cash flow. This has to be done because depreciation has no cash effect and thus does not really reduce the cash generated.
- The gross cash flow is then discounted at cost of capital to get the discounted cash flow stream.
- The resultant cash flow stream is added along with the terminal value of the enterprise to get the sum of the discounted free cash flow.
- The proportion of total cumulative discounted free cash flows to profit share held by the investor Company is calculated to get the fair price of capital contribution.



For DCF methodology, we have used the Free Cash Flow to Equity (FCFE) approach based on the characteristics of the company being valued. FCFE is the cash flow available to the company holders of common capital after all operating expenses, interest, and principal payments have been paid and necessary investments in working and fixed capital have been made. The value of the company's capital contribution is the present value of the expected future FCFE discounted at the cost of equity.

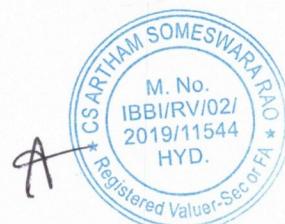
- FCFE is calculated as follows:
- $FCFE = \text{Net profit after tax} + \text{depreciation} - \text{Net changes in Working capital} + \text{debt added} - \text{Changes in Fixed assets}$
- The perpetual growth rate at end of terminal year is considered at 6%
- It is assumed that the cash flows occur at the end of the year for calculating the discounting factor.
- Figures in Rupees only



**DCF computation- VIRINCHI HEALTH CARE PRIVATE LIMITED**

**(Amount in INR)**

		FY Ending March 31		Terminal
	<b>FY26 (F)</b>	<b>FY27 (F)</b>	<b>FY28 (F)</b>	<b>Cash Flow</b>
<b>Revenue</b>	87,23,69,231	1,76,58,53,523	1,94,24,38,875	
<b>EBIDTA</b>	- 13,27,13,229	54,58,08,084	60,03,88,892	
	-15%	31%		
<b>EBIT</b>	- 24,62,84,052	43,78,24,151	35,23,00,000	
Less: Income Taxes	-	6,30,31,516		
<b>After-Tax Adjusted EBIT</b>	24,62,84,052	37,47,92,636	27,47,94,000	
Add: Depreciation & Amortization	11,35,70,823	10,79,83,933	10,00,00,000	
Less: Principal repayment-ongoing	5,92,27,547	6,37,51,408	7,00,00,000	
Less: (Increase)/ Decrease in WC	-9,33,18,639	-8,91,16,966	3,00,00,000	
<b>Unlevered Free Cash Flow</b>	- 28,52,59,415	32,99,08,194	33,47,94,000	33,47,94,000
Discount Period	<b>1.00</b>	<b>2.00</b>	<b>3.00</b>	3
Discount Factor	91%	82%	75%	82%
<b>Present Value of Cash Flows</b>	<b>- 25,88,06,886</b>	<b>27,15,59,363</b>	<b>25,00,26,007</b>	<b>2,85,80,10,578</b>



<b>Enterprise Value without Control premium (in Crores)</b>	<b>312</b>
<b>FY 2026 Revenue Multiple</b>	<b>3.6 x</b>
<b>FY 2026 EBITDA Multiple</b>	-
Terminal Cash Flow	33,47,94,000
Perpetual Growth Rate <sup>1</sup>	6.0%
Terminal Value	3,47,20,99,426
PV of Terminal Value	2,85,80,10,578
PV of FCF 2023 to 2027	26,27,78,484
Current Value of the Company (EV)	3,12,07,89,062
Terminal Value %	92%

<b>Enterprise Value - Without Control Premium</b>	
Current Value of the Company without Majority control premium (EV)	3,12,07,89,062
Existing Debt of VHPL as on date	<b>3,04,00,00,000</b>
Value of Equity	8,07,89,062
Control Premium	0%
<b>Equity Valuation at Offer Price in Rs Crores</b>	<b>8.08</b>
<b>Enterprise value in Rs Crores</b>	<b>312.08</b>

<b>Majority Control premium Calculations</b>	
Equity Value [ unaffected]	8,07,89,062
No of Shares	54,35,978
Unaffected value per share	14.86
Majority Control Premium	0
<b>Offer Price Per Share</b>	<b>14.86</b>

**As per DCF the value of shares is**

Number of Equity shares is 54,35,978

Total equity value Rs. 8,07,89,062/-

The fair value per share of Rs. 14.86/- only, rounding off to nearest Rupee i.e. Rs.15/-.

**Hence the indicative estimated fair value per share is Rs. 15 / - per share (Rupees Fifteen only)**



**Notes:**

- (1) Perpetual Growth Rate is calculated based on Indian Helath Care industry at an average of 6%
- (2) Unlevered Beta taken for Business & Consumer Services industry from – [http://pages.stern.nyu.edu/~adamodar/New\\_Home\\_Page/datafile/Betas.html](http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/Betas.html)
- (3) R(f) - Risk Free is taken from India 10-Year Bond Yield as on Nov, 2025
- (4) R(m) - Market Risk is assumed to be long term equity market returns of 15%
- (5)  $Ke = R(f) + Beta * [ R(m) - R(f) ] + \text{Small Company Size Premium}$
- (6) Control Premium is an conservative internal estimate based on Median Control premium of Healthcare industry
- (7) Cost of Debt is the weighted average cost of existing debt of the Company

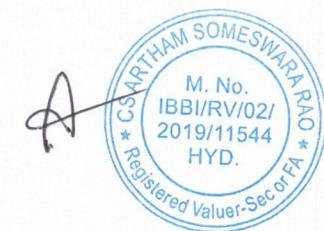


#### **4. SOURCES OF INFORMATION**

4.1 We have prepared our Valuation Report on the basis of the following information provided to us by the company :

- a) Audited financials till 31/03/2025
- b) Financial projections till 31-Mar-2028.
- c) Information and explanations given by the Management of **VHPL**

4.2. Our work does not constitute an audit or certification of the historical financial statements of **VHPL**, including its working results referred to in this Valuation Report. Accordingly, we are unable to and do not express any opinion on the accuracy of any financial information referred to in this Valuation Report. We assume no responsibility for any errors in the financial statements and other information of the company and their impact on the present exercise.



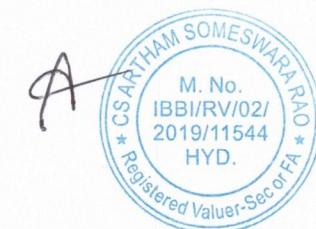
## 5. CAVEATS

Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report as agreed and as per 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.

Valuation analysis and results are also specific to the date of this report. A review of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. As such, our review results are, to a significant extent, subject to continuance of current trends beyond the date of the report. I, however, have no obligation to update this report for events, trends or transactions relating to the companies or the market/economy in general and occurring subsequent to the date of this report.

The terms of our engagement were such that I was entitled to rely upon the information provided by the companies without detailed inquiry. Also, I have been given to understand by the Management that they have not omitted any relevant and material factors. Our conclusions are based on these assumptions, forecasts and other information given by/on behalf of the companies.

No investigation of the companies claim to title of assets has been made for the purpose of this review and the companies 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 matter of a legal nature. I have not conducted or provided an analysis or prepared a model for any asset valuation and have wholly relied on information provided by the companies in that regard.

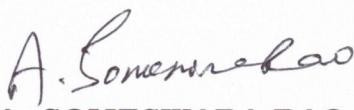


Our report is not nor should it be construed as our recommending the Acquisition or opining or certifying the complains of the proposed Acquisition with the provisions of any law including companies, taxation and capital market related loss or as regards any legal complications or issues arising from proposed Transaction. The fee for the report is not contingent upon the results reported.

Subject to the limitations and exclusions has mentioned above, I owe responsibility to only to the Board of Directors of the company that has retained us and nobody else. I do not accept any liability to any third party in relation to the issue of this report. Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or documents given to third parties, other than in connection with proposed allotment securities without our prior written consent.

We, the IBBI- SFA Registered Valuer, our maximum liability relating to this valuation report shall be limited to fifty percent of the fees received from the company for rendering the service. This provision shall survive till the completion of this engagement.

Place: Hyderabad  
Date: **20/01/2026**

  
**A. SOMESWARA RAO**  
Registered Valuer-Securities or Financial Assets  
IBBI No: IBBI/RV/02/2019/11544

