

VALUATION REPORT

on

Fair Value of Equity Shares

**Time Medical International Ventures (India)
Private Limited**



**TIME MEDICAL
SYSTEMS**

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Table of Contents

1	Context and Purpose.....	3
2	Conditions and major assumptions.....	3
3	Background of the Company.....	5
4	Valuation Premise	6
5	Valuation Date.....	7
6	Valuation Standards	7
7	Valuation Methodology and Approach.....	7
8	Source of Information	9
9	Caveats	9
10	Distribution of Report	11
11	Opinion on Fair Value of Equity Shares.....	11
12	Annexure 1	12
13	Annexure 2	12

Valuation Analysis

We refer to our Engagement Letter dated 12th December 2023 as independent valuers of **Time Medical International Ventures (India) Private Limited** (the “Company”). In the following paragraphs, we have summarized our valuation Analysis (the “Analysis”) of the business of the Company as informed by the management and detailed herein, together with the description of the methodologies used and limitation on our scope of work.

1 Context and Purpose

Based on discussion with the management, we understand that the Company’s promoters are evaluating the possibility of **Fair Value of Equity Shares under the Companies Act, 2013 and applicable rules thereunder**. In the context of these proposed transactions, the management requires our assistance in determining the **Fair Value of Equity Shares** of the Company.

Proposed Transaction:

During the financial year 2023-24, Fischer Chemic Limited (FCL) is proposing to acquire 100% stake of Time Medical International Ventures (India) Private Limited (TMIVIPL) from existing shareholders of TMIVIPL. In consideration of Shares of TMIVIPL, FCL is proposing to issue its own Equity Shares to existing shareholders of TMIVIPL (Proposed Transaction). Hence FCL has approached us to issue valuation of Equity Shares of TMIVIPL in accordance of Regulation 163 (3) of SEBI (ICDR) Regulations, 2018, as amended.

2 Conditions and major assumptions

Conditions

The historical financial information about the Company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report and it should not be used by anyone to obtain credit or for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country. We have not audited, reviewed or compiled the financial statements and express no assurance on them.

Readers of this report should be aware that a business valuation is based on future earnings potential that may or may not be materialised. Any financial projection e.g. projected balance sheet, projected profit & loss account, projected cash flow statements as presented in this report are included solely to assist in the development of the value conclusion. The actual results may vary from the projections given, and the variations may be material, which may change the overall value.

This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.

We acknowledge that we have no present or contemplated financial interest in the Company. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

We have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not to require to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.

Assumptions

The opinion of value given in this report is based on information provided by the management of the Company and other sources as listed in the report. This information is assumed to be accurate and complete.

We have relied upon the representations contained in the public and other documents in our possession and any other assets or liabilities except as specifically stated to the contrary in this report.

We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.

We have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry. This report presumes that the management of the Company will maintain the character and integrity of the Company.

We have been informed by the management that there are no Significant lawsuits or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

We have been provided with, in place of details provisional financial statement, a key financials numbers as on valuation date for our analysis.

3 Background of the Company

Time Medical International Ventures (India) Private Limited, (herein after referred to as ('Time Medical' or 'Company' as the case may be), was incorporated on 10th January 2019 under the Companies Act, 2013 with CIN: U74999TN2019PTC126835. The Registered office of the Company is situated at Ground Floor, Old No.22, New No. 26, Dooming Street, Santhome, Mylapore, Chennai – 600 004. It is classified as non-govt company and is registered at Registrar of Companies, Chennai.

The Company has in collaboration with the Time-Medical Group, a technological leader in manufacturing MRI Systems having around 100 patents in the MRI space has completed the commissioning of its manufacturing unit in India at AMTZ (Andhra Pradesh Med-Tech Zone), Near Vizag Steel Plant Pragathi Maidan Visakhapatnam AP 530032 during June 2023. This is the first MRI manufacturing facility in India.

Time Medical Group is a leader in the medical diagnostic imaging industry with innovative and disruptive technologies. Time Medical Group research, develop, design, and manufacture advanced medical imaging systems including MRI, DR, and CT, as well as cost- effective solutions for emerging global healthcare needs. The management team has rich expert knowledge and experience in product engineering, development, sales, marketing, and professional services.

Time Medical Group is the world leader in developing dedicated MRI systems for niche markets of the neonate, breast, and brain imaging. It has developed the world's first Neonatal MRI – NEONA, which won the award of Prix de l'État de Genève at the 2016 Geneva Invention Convention. Working with Memorial Sloan Kettering Cancer Center in New York, Time Medical Group has developed the dedicated Abbreviated Breast MRI (ABMR) system for precise breast cancer screening. Besides these, TM has also developed ultra-high field 7T

– 9.4 T (tesla) Biomed MR systems for use in biomedical research, neurological research, and preclinical trials in pharmaceutical R&D.

Time Medical Group's cost-effective PICA series open MRI systems and RORA series DR systems have been operating in many countries including the US, China, India, Indonesia, Singapore, Cambodia, Argentina, South Africa, and Mozambique. Time Medical Group is

currently developing AI (artificial intelligence) based DR systems and mobile imaging systems with a tele-imaging (Teleradiology) platform. These products, linked with the tele-imaging network to the leading radiologists from the US and China, aim at the fast-growing markets in developing countries including India. Time Medical Group is determined to provide Advanced, Affordable, and Accessible (3A) medical imaging service to over 4 billion population that currently has no diagnostic imaging service.

Company URL: - <https://timemedical.in/>

Further data of the Company:

CIN	U74999TN2019PTC126835
Company Name	TIME MEDICAL INTERNATIONAL VENTURES (INDIA) PRIVATE LIMITED
ROC Name	ROC Chennai
Registration Number	126835
Date of Incorporation	10/01/2019
Email Id	vardhas@yahoo.com
Registered Address	GROUND FLOOR, OLD NO.22, NEW NO. 26, DOOMING STREET, SANTHOME, MYLAPORE, Chennai, CHENNAI, Tamil Nadu, India, 600004
Address at which the books of account are to be maintained	-
Listed in Stock Exchange(s) (Y/N)	No
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Private
ACTIVE compliance	ACTIVE Compliant
Authorised Capital (Rs)	1,00,00,000
Paid up Capital (Rs)	56,08,930
Date of last AGM	25/09/2023
Date of Balance Sheet	31/03/2023
Company Status	Active

Directors and Key Managerial Persons:

DIN/PAN	Name	Designation	Date of Appointment
02248670	Shankar Varadharajan	Director	12/10/2020
07403548	Nagarajan Natarajan	Director	15/07/2021

Shareholding pattern as on Valuation date is given below:

Shareholders	No. of Shares	% Holding
Shankar Varadharajan	96,572	17.22%
Time Medical International Ventures Pte Ltd	4,64,321	82.78%
Total	5,60,893	100.00%

Face Value Per Share is Rs. 10/-

4 Valuation Premise

The premise of value for our analyses is going concern value as there is neither a planned or contemplated discontinuance of any line of business nor any liquidation of the Company.

5 Valuation Date

The Analysis of the Fair Value of Equity Shares of the **Time Medical International Ventures (India) Private Limited** has been carried out as on **15th October 2023**.

6 Valuation Standards

The Report has been prepared in compliance with the internationally accepted valuation standards and valuation standard adopted by ICAI Registered Valuers Organisation.

7 Valuation Methodology and Approach

The standard of value used in the Analysis 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 ease 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 categorised as follows:

1. Asset Approach

Net Asset Value Method ("NAV")

The value arrived at under this approach is based on the audited financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted for any contingent liabilities that are likely to materialise.

The Net Asset Value 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 does not reflect how much the business is worth to someone who may buy it as a going concern.

2. Market Approach

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. The difficulty here is in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, profitability and accounting practices.

Whereas no publicly traded company provides an identical match to the operations of a given company, important information can be drawn from the way comparable enterprises are valued by public markets. In case of early stage company and different business model the problem aggravates further.

Comparable Transactions Multiple Method

This approach is somewhat similar to the market multiples approach except that the sales and EBITDA multiples of reported transactions in the same industry in the recent past are applied to the sales and EBITDA of the business being valued.

3. Income Approach

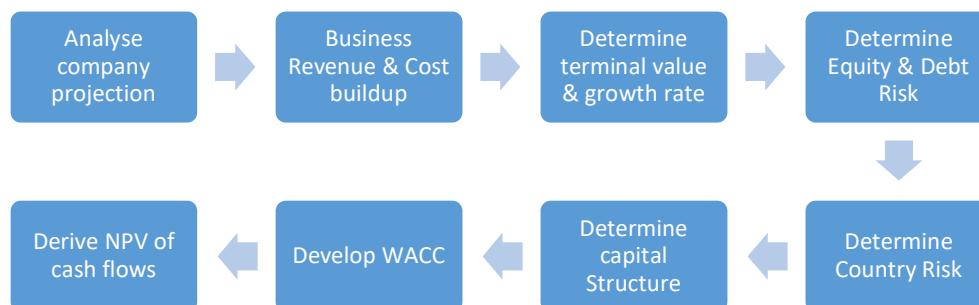
Discounted Cash Flows - "DCF"

DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

Beta is an adjustment that uses historic stock market data to measure the sensitivity of the Company's cash flow to market indices, for example, through business cycles.

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows in the future. The free cash flows are projected for a certain number of years and then discounted at a discount rate that reflects a Company's cost of capital and the risk associated with the cash flows it generates. DCF analysis is based mainly on the following elements:

- Projection of financial statements (key value driving factors)
- The cost of capital to discount the projected cash flows



Valuation Methodology

The application of any method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose.

In the instant case, based on the nature of business of the Company, availability of data and generally acceptable valuation methodologies, we have valued the Equity Shares using the Weighted Average of all three approaches i.e Income approach – DCF Method and Asset approach – NAV Method. In relation to Market approach, As the company provides services in the field of ecommerce, as no peer companies has been found in the same business as the target company. Accordingly, Market approach is not considered.

Our choice of methodology and valuation has been arrived using usual and conventional methodologies adopted for purposes of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of similar nature.

Discounted Cash Flows (Refer Annexure 1)

Net Asset Value Method (Refer Annexure 2)

8 Source of Information

The Analysis is based on a review of the business plan of the Company provided by the Management and information relating to sector as available in the public domain. Specifically, the sources of information include:

- Provisional Financials as on 15th October 2023.
- Management certified projected financial statements for the period of 5 years from FY24 to FY28
- Shareholding pattern and number of equity shares as on valuation date.
- Discussions with the Management / representative of the Company.
- All Company specific information were sourced from the management of the Company, either in the written hard copy or digital form.
- Other information / data available in public domain.

In addition to the above, we have also obtained such other information and explanations from the Company as were considered relevant for the purpose of the valuation. It may be mentioned that the Management has been provided the opportunity to review our draft report as part of our standard practice to make sure that factual inaccuracies are avoided in our final report.

9 Caveats

Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice. The services do not represent accounting, assurance, financial due diligence review, consulting, transfer pricing or domestic/international tax-related services that may otherwise be provided by us.

Our review of the affairs of the Company and their books and account does not constitute an audit in accordance with Auditing Standards. We have relied on explanations and information provided by the

Management of the Company and accepted the information provided to us as accurate and complete in all respects. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided. Nothing has come to our attention to indicate that the information provided had material misstatements or would not afford reasonable grounds upon which to base the Report.

The report is based on the financial projections provided to us by the Management of the company and thus the responsibility for forecasts and the assumptions on which they are based is solely that of the Management of the Company and we do not provide any confirmation or assurance on the achievability of these projections. It must be emphasized that profit forecasts necessarily depend upon subjective judgement. Similarly we have relied on data from external sources. These sources are considered to be reliable and therefore, we assume no liability for the accuracy of the data. We have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences.

The valuation worksheets prepared for the exercise are proprietary to the Valuer and cannot be shared. Any clarifications on the workings will be provided on request, prior to finalizing the Report, as per the terms of our engagement.

The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them.

The Valuation Analysis contained herein represents the value only on the date that is specifically Stated in this Report. This Report is issued on the understanding that the Management of the Company has drawn our attention to all matters of which they are aware, which have an impact on our Report up to the date of signature. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

We have no present or planned future interest in the Company and the fee for this Report is not contingent upon the values reported herein.

Our Valuation analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction with the Company.

A draft of the report was shared with the Company, prior to finalisation of report, for confirmation of facts, key assumptions and other Company representations.

Our Report is not nor should it be construed as our opining or certifying the compliance with the provisions of any law / standards including company, foreign exchange regulatory, accounting and taxation (including transfer pricing) laws / standards or as regards any legal, accounting or taxation implications or issues.

Our Report and the opinion / valuation analysis contained herein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities. This report does not in any manner address, opine on or recommend the prices at which the securities of the Company could or should transact.

10 Distribution of Report

The Analysis is confidential and has been prepared exclusively for **Time Medical International Ventures (India) Private Limited**. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of the valuer. Such consent will only be given after full consideration of the circumstances at the time. However, we do understand that the report will be shared with the investor / buyers of the Company / submission to government authorities and regulators towards statutory compliances.

11 Opinion on Fair Value of Equity Shares

Based on our valuation exercise Fair Value of the Equity Shares as on 15th October 2023 is as under:

(INR Crores)

Approach	Value per share	Weight	Product
Asset Approach	714.51	1	714.51
Income Approach	714.51	1	714.51
Weight Average Value per share			714.51

We trust the above meets your requirements. Please feel free to contact us in case you require any additional information or clarifications.

Yours faithfully



Bhavesh M Rathod
Chartered Accountants
M No: 119158
Registered Valuer - Securities or Financial Assets
(Reg No: IBBI/RV/06/2019/10708)

Date: 15th December 2023
Place: Mumbai

UDIN: **23119158BGWAFB5924**

12 Annexure 1

Asset Approach: - Net Asset Value as on 15th October 2023 (In INR)

Particulars		Amount
ASSETS		
Non-current assets		
Fixed Assets		
-Tangible Assets		12,88,31,685.97
CWIP		54,00,000.04
Current assets		
Inventories		10,75,55,979.00
Trade receivables		18,56,000.00
Cash and bank balances		24,34,90,198.87
Short-term loans and advances		1,31,89,663.37
Other Current Assets		2,13,61,010.88
Total Assets	A	52,16,84,538.13
Liabilities		
Current liabilities		
Trade payables		11,53,48,487.63
Other current liabilities		55,73,465.37
Total Liabilities	B	12,09,21,953.00
Net Worth	(A - B)	40,07,62,585.13
No. of Shares	C	5,60,893
Value Per Share	(A - B) / C	714.51

13 Annexure 2

Income Approach: - Discounted Cash Flows

We have been provided with the business projection of the Company for **Five years** by the Management, which we have considered for our Analysis. Accordingly, the projected free cash flows to Equity ("FCFE") based on these financial statements is set out below:

(INR Crores)

Number of Months	6	12	12	12	12	
Particulars	FY24	FY25	FY26	FY27	FY28	TV
PAT	4.15	5.76	6.88	8.16	9.09	9.27
Add: Depreciation	0.72	1.52	1.39	1.28	1.17	1.20
Less: Capex	-2.75	-0.25	-0.25	-0.25	-0.25	-1.94

(Increase)/ decrease in working capital		19.99	-23.88	-12.24	-6.95	-11.83	
Free cash flow to firm ('FCFF')		22.11	-16.86	-4.22	2.23	-1.82	8.52
Net Debt Taken / (Repaid)		18.46	0.00	-7.50	-7.50	0.00	
Free cash flow to Equity ('FCFE')		40.57	-16.86	-11.72	-5.27	-1.82	8.52
Annual factor		0.46	1.00	1.00	1.00	1.00	
Discounting period (end year)		0.46	1.46	2.46	3.46	4.46	
PV factor	19.36%	0.92	0.77	0.65	0.54	0.45	
PV of FCFE		20.38	-13.02	-2.73	1.21	-0.82	

PV of FCFE for the horizon period		5.02	A
FCFE for terminal year		8.52	
WACC		19.36%	
Perpetuity Growth		2.00%	
Capitalisation Rate		17.36%	
Gross terminal value		49.09	
PV factor		0.45	
PV of terminal value		22.29	B
Enterprise value		27.32	A+B
Less: PV of Debt		-1.57	
Add: Cash & Bank		24.35	
Equity value		50.10	
Less: Illiquidity Discount	20%	10.02	
Fair Value of Equity		40.08	
No of Share		5,60,893	
Value Per Share (in INR)		714.51	

Assumptions

Cost of Equity	19.36 %
Long Term Growth Rate	2.00 %
Market Return (Rm)	14.36 %
Risk free rate (Rf)	7.24%

Terminal Value

The terminal value refers to the present value of the business as a going concern beyond the period of projections up to infinity. This value is estimated by taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimates growth rate of the industry and economy. Based on dynamics of the sector and discussions with the Management we have assumed a terminal growth rate of **2.00 %** for the Company beyond

the projections periods. The cash flows of **Rs. 8.52 Crores** have been used to determine the terminal value. Based on these assumptions the terminal value has been calculated at **Rs. 49.09 Crores**.

Using these cash flows and a discount rate of **19.36 %**, we estimate the equity value of the Company **Rs. 40.08 Crores**.

Discount Factor

Organisation Specific Discount Rate

- Cost of Equity of 19.36 % is taken as Discounting rate, calculated using,
 - Historical Market Return of BSE 500 from February 01, 1999, to October 13, 2023, is 14.36 %
 - We have considered Premium of 5.00 % towards risk and illiquidity

	Rate	Source
Market Return (Rm)	14.36 %	Return of BSE 500 for the period of Feb 01, 1999, to October 13, 2023.
Company Specific Risk	5.00%	Contingency of revenues, projected high profitability, achievability of projections