

# Mukesh Kumar Jain

Registered Valuer – Securities & Financial Assets

(IBBI Registration No. IBBI/RV/03/2019/12285)

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## STRICTLY PRIVATE & CONFIDENTIAL

20 January 2026

To,  
**The Audit Committee and Board of Directors,  
SER Industries Limited**  
Chikkakuntanahalli Villagebidadi  
Hobli Ramnagaram Taluk,  
Bangalore, Karnataka, India, 562109

**AND**  
**The Board of Directors,  
SNA Milk and Milk Products Private Limited**  
H. No. 452, G. No. 537,  
Chaskaman Punarvasan, Khandale,  
Taluka-Shirur, Burunjwadi, Pune, Shirur,  
Maharashtra, India, 412208

**AND**  
**The Board of Directors,  
DFSU Farmer Connect Private Limited**  
FL-G-401, Pride Platinum,  
SN-16 NR Pancard Club, Baner Gaon,  
Pune, Haveli, Maharashtra, India, 411045

**Sub: Report on recommendation of fair valuation of equity shares of SER Industries Limited,  
SNA Milk and Milk Products Private Limited and DFSU Farmer Connect Private Limited  
for the Proposed Transaction (defined hereinafter)**

Dear Madam / Sir,

I, Mukesh Kumar Jain, Registered Valuer – Securities or Financial Assets (hereinafter referred to as “the Valuer” or “I”) has been appointed by the management of SER Industries Limited [CIN: L60231KA1963PLC004604] (hereinafter referred to as “SER” or “the Company” or “the Acquirer Company”), SNA Milk and Milk Products Limited [CIN: U74999PN2016PLC164715] (hereinafter referred to as “SNA”) and DFSU Farmer Connect Private Limited [CIN: U10501PN2025PTC245603] (hereinafter referred to as “DFSU”) (SER, SNA and DFSU be hereinafter collectively referred to as the

“Companies”) to issue a report containing recommendation on (i) fair valuation of the equity shares of SER and DFSU (ii) valuation of equity shares and CCPS of SNA, for the purpose of proposed preferential issue of equity shares, 3% Compulsorily Convertible Non-Cumulative Preference shares (“CCPS”) and 5% Compulsorily Convertible Debentures (“CCDS”) of SER, as consideration for the proposed acquisition of (i) equity shares and CCPS of SNA and (ii) equity shares of DFSU as detailed hereinafter.

I am a Registered Valuer as notified under section 247 of the Companies Act, 2013. I hereby further state that I have carried out the valuation exercise in my capacity as an Independent Valuer. I further state that I am not related to the Companies or their promoters or their directors or their relatives. As on the date of this report, I have no interest or conflict of interest with respect to the valuation exercise under consideration.

*SER, SNA and DFSU are hereinafter collectively referred to as “Companies”, as the context may require.*

In the following paragraphs, I have summarized my understanding of the key facts; key information relied upon, basis of recommendation and exclusions to my scope of work.

The report is structured as under:

1. Purpose of this Report
2. Background
3. Sources of Information
4. Valuation Approach
5. Recommendation
6. Exclusions and Disclaimers

## **1. PURPOSE OF THIS REPORT**

- 1.1 I understand that the management of the SER is contemplating acquisition of the (i) entire equity shares and CCPS of SNA and (ii) entire equity shares of DFSU, from its shareholders. The consideration for the proposed acquisition of equity shares and CCPS of SNA and equity shares of DFSU is proposed to be discharged by SER through issuance of its equity shares, 3% Compulsorily Convertible Non-Cumulative Preference shares (“CCPS”) and 5% Compulsorily Convertible Debentures (“CCDS”) on a preferential allotment basis (“Proposed Transaction”).
- 1.2 In this connection, the Company is desirous of ascertaining the fair value of the shares of SER, SNA and DFSU in compliance with Regulation 163(3) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR

Regulations”) and Section 62(1)(c) of the Companies Act, 2013 (*to the extent applicable*) and rules & regulations framed in this regard (including any statutory modifications, reenactment or amendments thereof) and other capital market laws and other statutory enactments framed in this regard, as may be required to be complied with for the Proposed Transaction.

- 1.3 In this regard, Mukesh Kumar Jain, Registered Valuer – Securities or Financial Assets has been appointed by the Companies to issue a report on recommendation of fair value per equity share of the Companies along with fair value of CCPS of SNA for the purpose of Section 62(1)(c) of the Companies Act, 2013 (*to the extent applicable*) and in accordance with Regulation 163(3) read with other relevant regulations of the SEBI ICDR Regulations for the purpose of the proposed swap of shares for the Proposed Transaction, considering 19 January 2026 as the Valuation Date for SER, SNA and DFSU. The Relevant Date for the purpose of computation of Market Price of SER in terms of applicable SEBI regulations, as confirmed by the management of the Company is 21 January 2026 (“Relevant Date”).
- 1.4 The present valuation exercise is undertaken in accordance with the Indian Valuation Standards issued by the Institute of Chartered Accountants of India (ICAI), wherever applicable as per the procedures laid down therein.

## 2. BACKGROUND

### 2.1 SER INDUSTRIES LIMITED (“SER”)

- 2.1.1 **SER Industries Limited** is an Indian public limited company incorporated on 18 February 1963 with Corporate Identification Number L60231KA1963PLC004604. The company is headquartered in Chikkakuntanahalli Village, Bidadi Hobli, Ramnagaram Taluk, Bangalore, Karnataka, India, 562109 and is registered under the jurisdiction of ROC Bangalore. It is an active listed company on the Bombay Stock Exchange (BSE: 507984).

SER Industries operates in the transportation and logistics sector, primarily engaged in providing transport and carrier services, including bulk movement of goods using its fleet, comprehensive warehousing, freight and logistical support services. The company’s operations focus on timely and efficient transport solutions to meet the supply chain requirements of its customers across India.

- 2.1.2 The summarized equity shareholding pattern of SER as on 30<sup>th</sup> September 2025 is as under:

Category of the Shareholder	No. of shares (FV INR 10)	Shareholding (%)
Promoter & Promoter Group	5,47,215	55.30%
Public	4,42,375	44.70%
<b>Total</b>	<b>9,89,590</b>	<b>100.00%</b>

Source: <https://www.bseindia.com>

## 2.2 SNA Milk and Milk Products Limited (“SNA”)

2.2.1 **SNA Milk and Milk Products Limited** is an Indian public limited company incorporated on 27 May 2016 under the Companies Act, 2013 with Corporate Identification Number U74999PN2016PLC164715. The company is registered with the Registrar of Companies (ROC), Pune, and is currently classified as an active non-government company limited by shares. Its registered office is located at H. No. 452, G. No. 537, Chaskaman Punarvasan, Khandale, Taluka-Shirur, Burunjwadi, Pune, Shirur, Maharashtra, India, 412208.

The company operates in the food and beverages sector, with its primary business activity being the processing and manufacture of milk and dairy products. It produces a range of dairy offerings, including fresh milk, curd, paneer, ghee, yogurt, lassi, buttermilk, shrikhand, and other related products, typically marketed under the Desi Farms brand, which focuses on fresh, chemical-free dairy products from farm to consumer.

SNA engage in operations aimed at delivering high-quality, preservative-free dairy products with an emphasis on freshness and transparency. The company’s ethos includes supporting local farmers by integrating them into its supply chain and promoting healthier consumer lifestyle choices through its product portfolio.

### Structure of SNA

<b>SNA Milk and Milk Products Limited (Holding Company)</b>		
<b>Vedaaz Organics Private Limited</b> (Wholly Owned Subsidiary)	<b>Smiling Nature Foods Private Limited</b> (Wholly Owned Subsidiary)	<b>Suruchi Dairy Industries Private Limited</b> (Subsidiary)
		↓
		<b>Suruchi Dairy and Dairy Products Private Limited</b> (Wholly Owned Subsidiary)

2.2.2 The diluted shareholding pattern of SNA as on the date of this report is as under:

❖ **Equity Share Holding Pattern**

<b>Name of Shareholder</b>	<b>No. of Shares</b>	<b>In %</b>
Sunil Kumar Shahi	21,259	22.43%
Nav Capital VCC - Nav Capital Emerging Star Fund	6,435	6.79%
Ajay Upadhyaya	3,706	3.91%
Amita Singh	3,519	3.71%
Navbharat Investment Trust-Navbharat Investment Opportunities Fund	2,224	2.35%
Nova Global Opportunities Fund PCC - Touchstone	1,458	1.54%
Sandeep Shridhar Ghate	1,060	1.12%
Guhapriya Sridhar	1,000	1.06%
Others	54,123	57.10%
<b>Total</b>	<b>94,784</b>	<b>100.00%</b>

❖ **CCPS Holding Pattern**

<b>Name of Shareholder</b>	<b>No. of Shares</b>	<b>in %</b>
Anjali Ashutosh Taparia	1,853	10.03%
Nidhi Vishwanshu Agarwal	1,853	10.03%
Nav Capital VCC - Nav Capital Emerging Star Fund	1,500	8.12%
Saurav Raidani	1,490	8.06%
Pace Commodity Brokers Private Limited	1,112	6.02%
Mukkta Maneckji	927	5.02%
Neville Maneckji	927	5.02%
Others	8,815	47.71%
<b>Total</b>	<b>18,477</b>	<b>100.00%</b>

*Source: Management Information*

**2.3 DFSU Farmer Connect Private Limited (“DFSU”)**

2.3.1 **DFSU Farmer Connect Private Limited** is an Indian private limited company incorporated on 27 August 2025 under the Companies Act, 2013 with Corporate Identification Number U10501PN2025PTC245603. The company is registered with the Registrar of Companies (ROC), Pune, Maharashtra, India. It is classified as a private company limited by shares and is currently active in the Ministry of Corporate Affairs records. Its registered office is located at FL-G-401, Pride Platinum, SN-16 NR Pancard Club, BanerGaon, Pune, Haveli, Maharashtra, India, 411045

The board of directors, as per corporate filings, includes Sunil Kumar Shahi and Sourabh Rajoria, both appointed on the date of incorporation.

While detailed financial performance and principal business activities are not broadly published in public databases due to its recent incorporation, the company is listed in business registries as active since incorporation. Its primary classification under corporate data sources aligns it with the manufacture or processing of food products and related activities, though detailed product/service disclosures may be limited given its early stage of operations.

2.3.2 The diluted shareholding pattern of DFSU as on the date of this report is as under:

Name of Shareholder	No. of Shares	In %
Sunil Kumar Shahi	1,41,09,990	78.10%
Mukkta Maneckji	2,40,000	1.33%
Neville Maneckji	2,40,000	1.33%
Minerva Ventures Fund	2,30,000	1.27%
Mindscope Advisors LLP	2,25,000	1.25%
Vineet Arora	2,20,000	1.22%
Others	28,02,694	15.51%
<b>Total</b>	<b>1,80,67,684</b>	<b>100.00%</b>

*Source: Management Information*

#### 2.4 Key Terms of Compulsorily Convertible Non-Cumulative Preference shares (CCPS) and Compulsorily Convertible Debentures (CCDs)

The key terms of CCPS which are proposed to be issued including the dividend rate, face value, conversion terms, etc. is as follows:

Particulars	
<b>Instrument</b>	Compulsorily Convertible Non-Cumulative Preference shares (CCPS)
<b>Face Value</b>	INR 10 each
<b>Dividend Rate</b>	The holders shall be entitled to cumulative preferential dividend at the rate of 3.0% per year for all the CCPS till such time that the CCPS are outstanding.
<b>Conversion Terms</b>	Each CCPS shall be converted into 1 (One) fully paid-up equity share of the Company. CCPS shall be converted into equity not earlier than 1 month and not later than 12 Months from the date of issue, at the discretion of Board of Directors of the company.
<b>Voting Rights</b>	The equity shares allotted on conversion shall rank pari passu with the existing equity shares of the company

*Note: Terms not specified above shall carry meaning similar to their respective agreement.*

*(Source: Management)*

The key terms of CCDS which are proposed to be issued including the coupon rate, face value, conversion terms, etc. is as follows:

Particulars	
<b>Instrument</b>	Compulsorily Convertible Debentures (CCDS)
<b>Face Value</b>	INR 10 each
<b>Coupon Rate</b>	5% p.a
<b>Conversion Terms</b>	Each CCD shall be converted into 1 (One) fully paid-up equity share of the Company. CCD shall be converted into equity not earlier than 1 month and not later than 15 Months from the date of issue, at the discretion of Board of Directors of the company.
<b>Voting Rights</b>	The equity shares allotted on conversion shall rank pari passu with the existing equity shares of the company

*Note: Terms not specified above shall carry meaning similar to their respective agreement.*

*(Source: Management)*

### 3. SOURCES OF INFORMATION

For the purpose of the recommendation of the fair value of the shares of the Companies, I have relied upon the following information:

- (a) Audited financial statements of SER (Including with subsidiaries) for the period ended 31<sup>st</sup> March 2025, as provided by the management of the Company;
- (b) Limited Reviewed financial statements of SER for the period 1<sup>st</sup> April 2025 to 30<sup>th</sup> September 2025 as provided by the management of the Company;
- (c) Provisional consolidated financial statement of the SNA from 1<sup>st</sup> April 2025 to 19<sup>th</sup> January 2026.
- (d) Provisional financial statement of DFSU from 27<sup>th</sup> August 2025 to 19<sup>th</sup> January 2026.
- (e) Projected financial statements comprising of Balance Sheet and Statement of Profit and Loss Account of SER for the period 1<sup>st</sup> April 2025 to March 31, 2030, as provided by the management of the Company;
- (f) Projected financial statements comprising of Balance Sheet and Statement of Profit and Loss Account of DFSU for the period 20<sup>th</sup> January 2026 to 31<sup>st</sup> March 2030 and projected consolidated financial statements comprising of consolidated Balance Sheet and consolidated Statement of Profit and Loss Account of SNA for the period 1<sup>st</sup> April 2025 to 31<sup>st</sup> March 2030, as provided by the management of the Company;
- (g) Latest shareholding pattern of SER, SNA and DFSU based on information available in the public domain and as provided by the management of the Company;
- (h) Terms of the CCPS and CCD of SNA.
- (i) Market price and volume information of SER as available on BSE;
- (j) Other relevant details of the Companies such as their history, past and present activities, future plans and prospects, and other relevant information; and

- (k) Such other information and explanations as required and which have been provided by the management of the Companies.

*Besides the above information and documents, there may be other information provided by the Companies which may not have been perused by me in any detail, if not considered relevant for the defined scope. The management of the Companies has been provided with the opportunity to review the draft report as part of the standard practice to make sure that factual inaccuracy & omissions are avoided in the final report.*

#### **4. VALUATION APPROACH**

4.1. "Value is a word of many meanings". The term "value" can have different connotations depending upon the purpose for which it is intended to be used. The valuation of shares of any company would need to be based on a fair value concept. The purpose of fair value is to enable valuer to exercise his discretion and judgement in light of all circumstances, in order to arrive at a value, which is fair to all parties.

4.2. For the purpose of the valuation exercise, generally the following valuation approaches are adopted:

- (a) the 'Underlying Asset' approach;
- (b) the 'Income' approach; and
- (c) the 'Market' approach.

#### 4.3. Underlying Asset' approach

(a) In case of the 'Underlying Asset' approach, the value per equity share is determined by arriving at the Net Assets (Assets *less* Liabilities) of the Company. The said approach is considered taking into account fair value of assets and liabilities, to the extent possible, the respective asset would fetch or liability is payable as on the Valuation Date. The following adjustments be made to arrive at the fair value per equity share as per the 'Underlying Asset' approach at fair values:

- The fair value of quoted shares/securities held by the Company, if any, be considered at market value of such shares/securities;
- The fair value of unquoted quoted shares/securities held by the Company, if any, in other entities be arrived at as per suitable approach to that entity to arrive at fair value of investments held by the Company;
- The fair value of immovable properties, if any, held by the Company be considered at market value / ready reckoner value as on the Valuation Date, made available by the management of the Company;

- Adjustments may be made to book value of any other assets for their recoverability on conservative basis after taking into account the management representations and their estimate of the recoverability of the same;
  - Liabilities of the Company be considered at their respective book values or their payable amounts as on the Valuation Date; and
  - Potential contingent liability, if any, be considered based on the discussions with the management and their reasonable estimate of the outflow on account of the same.
- (b) Alternatively, the value may be determined considering the book value of the net assets (Assets *less* Liabilities) of the Company and/or replacement cost basis, to the extent possible.

**For SER** – I have not considered it appropriate to provide any weight to the ‘Underlying Asset’ approach since the company is listed which would be a basis for determining the value of the company for the current valuation exercise.

**For SNA and DFSU** - I have not considered it appropriate to value SNA and DFSU as per ‘Underlying Asset’ approach since the present valuation is proposed to be carried out on a going concern basis for the purpose of Proposed Transaction and actual realization of operating and/or non-operating assets is not contemplated pursuant to the Proposed Transaction. Further, assets of the Companies may not truly reflect the earning potential, nor asset base dominate earning capacity of the Companies. For the present valuation exercise, other methodologies may hold more relevance for the stated purpose of valuation. Accordingly, no weightage has been given to this approach.

#### 4.4. ‘Income’ approach

Under the ‘Income’ approach, the equity shares of the Company can be valued using Discounted Cash Flow (DCF) Method – FCFF approach or FCFE approach or such other approaches.

##### DCF Method – FCFF Approach (for instance)

- (i) Under the DCF method, the projected free cash flows from business operations after considering fund requirements for projected capital expenditure, incremental working capital and other adjustments are discounted at the Weight Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.
- (ii) Using the DCF method involves determining the following:
  - *Estimating the future free cash flows:*

Future free cash flows are the cash flows expected to be generated by the entity that are available to the providers of entity's capital. The free cash flows under the FCFF method are determined by adjusting the profit after tax for depreciation and other non-cash items, interest (net-off tax), incremental working capital requirements and capital expenditure.

- *Time frame of such cash flows:*  
The time frame for free cash flows is determined by separating the value of the business in the explicit projection period and the post explicit projection period.
- *Appropriate discount rate (WACC):*  
Under DCF-FCFF method, the time value of money is recognized by applying a discount rate viz. WACC to the future free cash flows to arrive at their present value as on the date of valuation. WACC is considered as the most appropriate discount rate in the DCF method, since it reflects both the business and the financial risk of the Company. In other words, WACC is generally the weighted average of the Company's cost of equity capital and debt. Normally, in stable growth companies, the cost of equity is determined by using Capital Asset Pricing Model ('CAPM').
- *Terminal or perpetuity value:*  
The perpetuity value of an ongoing business is determined as present value of the estimated future free cash flows by capitalizing the free cash flows of the last year of the explicit projection period into perpetuity using an appropriate rate of return and perpetual growth rate.
- *Valuation of Investment in other entities:*  
The investment of the Company in other entities is to be valued as per the valuation methodologies suitable to that entity.
- *Value for equity shareholders:*  
The value of business so arrived considering the Net Present Value of the explicit period and terminal or exit value is adjusted for net of cash & cash equivalents, surplus assets, investments, borrowings, etc. as on the Valuation Date to arrive at the value for equity shareholders as on the Valuation Date.

**For SNA, DFSU and SER** - Considering the nature of business of the Companies (including their subsidiaries, as applicable) and based on review of projected financial statement/information made available to me by the Companies (including their subsidiaries, as applicable), I am of the view that 'Income' approach may be appropriate for the current valuation exercise for arriving at fair value per equity share of the Companies.

#### 4.5. 'Market' Approach

(a) Market Price Method (“MP Method”)

The market price of an equity share is the barometer of the true value of the company in case of listed companies. The market value of shares of the company quoted on a recognized stock exchange, where quotations are arising from regular trading reflects the investor’s perception about the true worth of the listed companies. The valuation is based on the principles that market valuations arising out of regular trading captures all the factors relevant to the company with an underlying assumption that markets are perfect, where transactions are being undertaken between informed buyers and informed sellers on the floor of the recognized stock exchange.

However, as the stock markets and stock prices are subject to volatility, and as the equity shares of the Company has been frequently traded as per the definition provided under Chapter V - Preferential Issue of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and considering the proposed transaction, in my opinion, it is thought appropriate to arrive at the Market Price as per the pricing formula provided under Regulation 164(1) under Chapter V - preferential issue of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for frequently traded shares listed on a recognized stock exchange as on the relevant date.

“Frequently traded shares” means shares of the issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of the shares of the issuer.

The Regulations provide that the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than the higher of the following:

- i) the 90 trading days volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date; or
- ii) the 10 trading days volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date.

**For SER** - Based on review of market data and discussions with the management, it was noted that trading in the Company’s shares was suspended as a part of Surveillance measures in accordance with stock exchange and SEBI framework (purely on account of market surveillance measure and not as an adverse action against the company) and

accordingly the shares of the Company does not qualify as frequently traded shares as per the definition provided under the SEBI ICDR regulations.

**For SNA and DFSU -** As, the equity shares of SNA and DFSU are not listed or quoted on any recognized stock exchange, hence, market price method is not be applicable for valuation of equity shares of SNA and DFSU for the present valuation exercise.

**(b) Comparable Companies Multiple (“CCM”) Method**

Under the CCM method, the value of the equity share of a company is determined based on publicly available information of the market valuations of the comparable companies on the basis of multiples derived from such market information. This method is applied on the premise that markets are perfect and have captured all the information and factors, which are reflected through their market valuations.

**For SNA, DFSU and SER -** Based on my analysis and professional judgment, and considering that the valuation is being conducted on a going concern basis, I have evaluated the applicability of various valuation methodologies. However, in my opinion, the Comparable Companies Multiple (CCM) method may not be appropriate for the current valuation exercise, as there are no comparable companies available in the public domain that are sufficiently comparable in terms of the nature or size of operations, financial parameters and risks associated with the markets in which the Companies (including their subsidiaries, as applicable) operates. Accordingly, due to the lack of relevant market comparables, I have not applied the said method for the purpose of current valuation exercise of the Companies.

**(c) Comparable Transaction Multiples (“CTM”) Method**

Under the CTM method, the value of the equity share of a company is determined considering the past transaction of similar companies as well as the market value of comparable companies that have an equivalent business model to the company being valued.

**For SNA, DFSU and SER -** Under the CTM Method, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Due to different purposes of investments, transaction rationale and synergy benefits, different control premiums and minority discounts are embedded in the transaction values. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

The multiples of comparable transactions include premiums and discounts for which information is not available in the public domain. Due to lack of information on premium and discount of comparable transactions, I have not applied the said method for the purpose of current valuation exercise.

4.6. The value so arrived at under any of the approaches is divided by the outstanding number of equity shares (on fully diluted basis) as on the Valuation Date to arrive at the value per equity share of the Companies.

4.7. It is universally recognized that the valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. The application of any particular method of valuation depends upon various factors including nature of its business, overall objective of the transaction and the purpose of valuation.

## **5. RECOMMENDATION**

5.1 It is recognized that valuation of any company or assets as a matter is inherently subjective and subject to various factors, which are difficult to predict and beyond control. Valuation exercise involves various assumptions with respect to the specific industry, general business and economic conditions, which are beyond the control of the companies. The assumptions and analysis of market conditions, comparables, and prospects of the industry as a whole and the company, which influences the valuation of companies are subject to change over a period of time and even differ between the valuers at the given point of time.

5.2 In the ultimate analysis, recommendation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g., present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in *Gold Coast Selection Trust Ltd. vs. Humphrey* reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

*'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position*

*of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'*

- 5.3 In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined herein in this report (including exclusions and disclaimers, provided below), in my opinion and considering relevant SEBI ICDR Regulations, it is thought fit to consider value per equity share of SER considering the 'Underlying Asset' approach, 'Market Price' method and 'Income' approach – DCF method and by providing appropriate weight to each of the method in the ultimate analysis, as the fair value per equity share of SER, which works out to **INR 135.0** /- per equity share having face value of INR 10 each. The value per equity share under aforesaid approaches is as under:

Valuation Approach	SER	
	Value per Equity Share (INR)	Weight
Asset Approach – Net Asset Value Method (i) <b>(Annexure-D)</b>	4.99	0%
Income Approach (ii) <b>(Annexure-A)</b>	135.0	100%
Market Approach – Market Price Method (iii)	NA	0%
Market Approach – CCM Method (iv)	NA	NA
Market Approach – CTM Method (v)	NA	NA
<b>Relative Value per Share [Considering (iii)]</b>	<b>135.0</b>	

*NA stands for Not Applicable / Not Adopted*

- 5.4 In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined herein in this report (including exclusions and disclaimers, provided below), in my opinion, it is thought fit to consider value per equity share determined as per the 'Underlying Asset' approach, 'Market Price' method and 'Income' approach – DCF method and by providing appropriate weight to each of the method in the ultimate analysis, as the fair value per equity share of SNA, which works out to **INR 27,000.0** /- for each equity share having face value of INR 100 each.

Valuation Approach	SNA	
	Value per Equity Share (INR)	Weight
Asset Approach – Net Asset Value Method (i) <i>(Annexure-E)</i>	15,449.2	0%
Income Approach (ii) <i>(Annexure-B)</i>	27,000.0	100.00%
Market Approach – Market Price Method (iii)	NA	NA
Market Approach – CCM Method (iv)	NA	NA
Market Approach – CTM Method (v)	NA	NA
<b>Relative Value per equity Share [Considering (ii)]</b>	<b>27,000.0</b>	

*NA stands for Not Applicable / Not Adopted*

- 5.5 In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined herein in this report (including exclusions and disclaimers, provided below), in my opinion, it is thought fit to consider value per equity share determined as per the ‘Underlying Asset’ approach, ‘Market Price’ method and ‘Income’ approach – DCF method and by providing appropriate weight to each of the method in the ultimate analysis, as the fair value per equity share of DFSU, which works out to **INR 135.0** /- for each equity share having face value of INR 10 each.

Valuation Approach	DFSU	
	Value per Equity Share (INR)	Weight
Asset Approach – Net Asset Value Method (i) <i>(Annexure-F)</i>	13.1	0%
Income Approach (ii) <i>(Annexure-C)</i>	135.0	100.00%
Market Approach – Market Price Method (iii)	NA	NA
Market Approach – CCM Method (iv)	NA	NA
Market Approach – CTM Method (v)	NA	NA
<b>Relative Value per equity Share [Considering (ii)]</b>	<b>135.0</b>	

*NA stands for Not Applicable / Not Adopted*

- 5.6 Further, as per the term of the CCPS of SNA, each CCPS shall be converted in the ratio of 1:1.

5.7 In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report (including exclusions and disclaimers, given below), in my opinion, I recommend that the value per equity share of SER may be considered as **INR 135.0/-** for each equity share having face value of INR 10 each and value per equity share and CCPS of SNA may be considered as **INR 27,000.0 /-** for each equity share having face value of INR 100 each and value per equity share of DFSU may be considered as **INR 135.0 /-** for each equity share having face value of INR 10 each of swap of shares, pursuant to Regulation 163(3) of the SEBI (ICDR) Regulations and other applicable provisions of the Companies Act, 2013.

5.8 Based on the aforementioned recommendation of fair value per share of SER, SNA and DFSU, in my opinion, I recommend that the share swap ratio for the Proposed Transaction, may be considered as fair and reasonable:

**For SNA**

***“200 (Two Hundred) equity shares of SER of the face value of INR 10 each, fully paid-up for every 1 (One) equity share of SNA of the face value of INR 100 each, fully paid-up.***

***200 (Two Hundred) CCPS of SER of the face value of INR 10 each, fully paid-up for every 1 (One) CCPS of SNA of the face value of INR 100 each, fully paid-up.***

***200 (Two Hundred) CCD of SER of the face value of INR 10 each, fully paid-up for every 1 (One) CCD of SNA of the face value of INR 100 each, fully paid-up.***

**For DFSU**

***“1 (One) equity share of SER of the face value of INR 10 each, fully paid-up for every 1 (One) equity share of DFSU of the face value of INR 10 each, fully paid-up.***

## **6. EXCLUSIONS AND DISCLAIMERS**

6.1 The report is subject to the exclusions and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

6.2 No investigation of the title of assets of the Companies has been made for the purpose of my recommendation and their claim to such rights has been assumed to be valid as represented by the management of the Companies. Therefore, no responsibility is assumed for matters of a legal nature.

- 6.3 The recommendation is based on the estimates of future financial performance of the Companies (including their subsidiaries, as applicable) as provided to me by the management, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to the past performance and best estimates of the future performance and taking into considerations economic conditions, performance of the Companies (including their subsidiaries, as applicable). But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the projected financial statements may vary from those contained in the statement and the variation may be material. The fact that I have considered the projections in this valuation exercise should not be construed or taken as I being associated with or a party to such projections.
- 6.4 A valuation of this nature involves consideration of various factors based on prevailing stock market, financial, economic and other conditions including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Companies has drawn my attention to all material information, which they are aware of concerning the financial position of the Companies (including their subsidiaries, as applicable) and any other matter, which may have an impact on my opinion, on the fair value of the shares of the Companies (including their subsidiaries, as applicable), including any significant changes that have taken place or are likely to take place in the financial position, subsequent to the report date. I have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 6.5 The work does not constitute certification of the historical financial statements including the working results of the Companies (including their subsidiaries, as applicable) referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report is as per agreed terms of the engagement. It may not be valid or used for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 6.6 This valuation report does not look into the business / commercial reasons behind the Proposed Transaction or address any potential synergies to the Companies (including their subsidiaries, as applicable) and other parties connected thereto.
- 6.7 In the course of issuing this report, I was provided with both written and verbal information. I have evaluated the information provided to me by the management of the Companies through broad inquiry, analysis and review. I assume no responsibility for any errors in the above information furnished by the management of the Companies and consequential impact on my recommendation. I do not express any opinion or offer any assurance regarding accuracy or

completeness of any information made available to me. Any inadvertent or typographical errors in the report may be ignored by the reader of this report. Further, the same may not have any impact on the recommendation of valuation exercise.

- 6.8 The report is not, nor should it be construed as me opining or certifying any compliance with the provisions of any law, whether in India or any other country including companies, taxation and capital market related laws or as regards any legal implications or issues arising from any transaction proposed to be contemplated based on this report.
- 6.9 The information contained herein and the report is confidential. Any person/party intending to provide finance/invest in the shares/securities/instruments/businesses of the Companies (including their subsidiaries, as applicable), shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, can be done only with prior permission in writing.
- 6.10 The valuation analysis was completed as on the date of this report, a date subsequent to the Valuation Date and accordingly I have taken into account such valuation parameters and over such period, as I considered appropriate and relevant, up to a date close to such completion date.
- 6.11 This report is prepared exclusively for the Board of Directors of the Companies for the purpose of recommending the fair value per equity shares of the Companies for the Proposed Transaction. Further, the fees for this engagement is not contingent upon the recommendation considering the facts and purpose of recommendation.
- 6.12 The decision to carry out the transaction (including consideration thereof) lies entirely with the management / Board of Directors of the Companies and the work and the finding shall not constitute recommendation as to whether or not the management / the Board of Directors of the Companies should carry out the transaction.
- 6.13 By its very nature, my work cannot be regarded as an exact science, the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions / approach, opinions may differ due to application of the facts and assumptions / approach, formulas used and numerous other factors. There is, therefore, no indisputable single or standard methodology / approach for arriving at my recommendation. Although the conclusions are in my opinion reasonable, it is quite possible that others may not agree.
- 6.14 Mukesh Kumar Jain, nor its employees or agents or any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the report is issued. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the report. I am not liable to any third party in relation to issue of this report. In no event, I shall be liable for any

loss, damage, cost or expense arising in any way from any acts carried out by the Companies referred herein or any person connected thereto.

If you require any clarifications on the above, I would be happy to clarify the same. I am thankful to your team for kind co-operation and support during this assignment.

Thanking you,  
Yours faithfully,



**MUKESH KUMAR JAIN**

REGISTERED VALUER – Securities or Financial Assets

IBBI Registration No. IBBI/RV/03/2019/12285

Date: 20 January 2026

Place: Raipur (C.G.)

UDIN: 26502822ZNCYQV4988

## *Annexure-A*

### **Valuation of SER Industries Limited**

The Discounted Free Cash Flows method is one of the most rigorous approaches for the valuation of a business/asset/equity. For arriving at the valuation of equity shares, projected free cash flows to various stakeholders are discounted at the cost of equity to arrive at the value of the business and subtracting outstanding Debts & Preference shareholding, if any, there from and adjusting surplus assets & liabilities, if any, thereto.

Using the Discounted Free Cash Flows method involves determining the following:

- Estimating future free cash flows,
- The time frame of the cash flows i.e. the explicit forecast Period,
- Appropriate Discount rate to be applied to cash flows
- The continuing value i.e. the cumulative value of the free cash flows beyond the explicit forecast period which is also known as Terminal Value
- Value of cash and cash equivalents and Surplus Assets

#### ➤ **Free Cash Flows to Firm (FCFF)**

FCFF are the cash flows expected to be generated by the Company that are available to providers of the equity and debt capital. FCFF is determined by Operating Profit after Taxes, to which any non-cash expenses like Depreciation and amortization are added back. The above is adjusted for (i) investments in capital expenditure and (ii) change in working capital requirements and other assets. Free cash flows thus calculated will be equal to the sum of the cash flows available to equity and debt holders.

#### ➤ **Time Frame of Cash Flows**

A problem faced in valuing a business is its indefinite life, especially where the valuation, as in the present case, is on a going concern basis. This problem could be tackled by separating the value of the business into two-time periods viz. explicit forecast period and post explicit forecast period. In such a case, the value of business will be value of free cash flows generated during the explicit forecast period and value of free cash flows generated during the post explicit forecast period. While projected free cash flows of the explicit forecast period could be estimated on the basis of business plan, the free cash flows of the post explicit forecast period could be estimated using an appropriate method. In the present case, I have been furnished with the financial projections for April 01, 2025 to March 31, 2030. For the purpose of projecting figures for the period from October 1, 2025, to March 31, 2026, the actual figures up to September 30, 2025, have been excluded and we have considered the same for the purpose of valuation after adjusting stub factor up to the Valuation Date I have considered the same for the purpose of valuation.

#### ➤ **Appropriate Discounting Rate i.e. Weighted Average Cost of Capital**

The Weighted Average Cost of Capital (WACC) is the average rate that a company is expected to pay to all its equity and debt holders, to finance its assets. The WACC is the weighted average return that a company must earn on an existing asset base to satisfy its owners and debt holders. Broadly speaking, a company's assets are financed by either debt or equity. WACC is the weighted average return for cost for equity shareholders as well as debt holders.

### Discounting Factor

The discount factor considered for arriving at the present value of the FCFF is the WACC, which comprises of cost of debt and equity.

$$\text{WACC} = \left( \text{Kd} * (1 - t) * \left[ \frac{\text{D}}{\text{D} + \text{E}} \right] \right) + \left( \text{Ke} * \left[ \frac{\text{E}}{\text{D} + \text{E}} \right] \right)$$

Where 'D' and 'E' represent the debt and equity portion respectively in the capital structure.

The WACC using the above parameters has been estimated at 17.4% after giving appropriate allowances for company specific risk including risk associated with achieving the financial projections, etc.

Given that the cash flow would be generated over the period, I have applied the mid-period discounting.

#### ➤ Cost of Debt (Kd)

Cost of debt refers to the effective rate a company pays on its current debt. The cost of debt is used after including the tax impact. As informed by the Management, the average effective interest rate for the debt will be Nil p.a.

I have been represented by the Management that effective tax rate applicable to the Company is at 25.2% to calculate the tax benefit on interest expense and have arrived at Nil as post tax cost of debt.

#### ➤ Cost of Equity (Ke)

The cost of equity has been determined using the Capital Assets Pricing Model. For this purpose, the formula used is as under:

$$\text{CAPM (Ke)} = \text{Rf} + \beta (\text{Rm} - \text{Rf}) + \alpha$$

#### Where,

CAPM (Ke) = Discount rate derived from Capital Assets Pricing Model

Rf = Risk free rate of return

$\beta$  = Beta factor as a measure of the systematic risk

Rm = Representative Market Return

(Rm - Rf) = Equity Market premium (ERP)

$\alpha$  = Company Specific Risk Premium

Capital-Asset Pricing Model (CAPM) describes the relationship between systematic risk and expected return for assets, particularly stocks. CAPM is widely used throughout finance for pricing risky securities and generating expected returns for assets given the risk of those assets and cost of capital.

#### ➤ Risk Free Rate

The risk-free rate is generally based on the returns available from long-term Government Bonds and securities. These returns are used since they represent a very low default risk, are liquid (freely tradable)

and include the expected long-term inflation premium. Based on 3-months average of daily yield of India 10 Year Security bond, risk free rate has been considered as 6.5% in the present case.

➤ **Equity Risk Premium**

The Equity Risk Premium (ERP) is the additional amount of return over the risk-free rate that is required to compensate the investor for the additional risk of investing in the equity. It is typically measured by the amount by which historical returns in the equity security markets, over a long period of time, have exceeded the returns from risk-free investments. Such historical return from investment in the equity markets – which is the sum of return by way of capital appreciation and return by way of dividend yield – is the market return. I have considered an equity risk premium of 7.0%.

➤ **Beta ( $\beta$ )**

Systematic risk is measured in the CAPM by a factor known as Beta. Beta is a measure of volatility or systematic risk, of a security or a portfolio in comparison to the market as a whole. The beta of the asset has to be estimated relative to the market portfolio and by selecting the comparable companies closely associated with the subject company. I have considered Beta of 0.83 for the purpose of calculation of cost of equity.

➤ **Company Specific Risk Premium ( $\alpha$ )**

Company Specific Risk Premium (CSRP) is the risk unique to the company. It includes Additional Business Risk, Economic Risk, Projection Risk, Technology Risk and Legal Risk. Hence to compensate the investor for this aspect, I have considered 5.0% premium towards CSRP.

**Statement Showing Calculation of Weighted Average Cost of Capital**

Particulars	Value
Risk Free Rate of Return	6.5%
Beta Coefficient	0.83
Market Equity Risk Premium	7.0%
Business Risk	5.0%
<b>Cost of Equity Financing (COE)</b>	<b>17.4%</b>
Cost of Debt	0.0%
Tax Rate	25.2%
<b>Cost of Debt Financing</b>	<b>0.0%</b>
<b>Target Weightage</b>	
Debt	0.0%
Equity	100.0%
<b>Weighted Average Cost of Capital</b>	<b>17.4%</b>

➤ **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 taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimated growth rate of the industry and economy. Since, the Company is in high growth phase at the end of explicit period i.e. FY 2029-30, We have applied the H model for calculation of terminal value. The cash flow of FY 2029-30 has been used as the base to determine the terminal value.

Based on dynamics of the sector, market reach of the Company by FY 2029-30 and discussions with the Management, I have assumed a long-term growth rate of 5.0% to calculate the terminal value. The Management expects the Company's growth to mature by FY 2031-32. I have therefore, considered a period of 2 years from FY 2029-30, for the Company to reach stable long term growth rate of 5.0% from growth rate of 56.7% in FY 2029-30.

$$\text{Terminal Value} = \frac{(D_0 * (1 + G_s))}{K_o - G_s} + \frac{(D_0 * H * (G_h - G_s))}{K_o - G_s}$$

Where,

$D_0$  = The most recent earnings

$G_h$  = The initial High Growth Rate

$G_s$  = The Terminal Growth Rate

$K_o$  = Discounting Factor

H = Half life of high growth period

Terminal Value - H-Growth	INR Lakhs
Cash flows for terminal year	185.8
Cash flows for March 31, 2030	104.2
WACC	17.4%
Growth rate - high	54.2%
Growth rate - normal	5.0%
High growth period (years)	2
<b>Terminal value</b>	<b>1,919.6</b>
Present value factor	0.55
<b>PV of Terminal Value</b>	<b>1,061.8</b>

#### ➤ Other Considerations

To arrive at the value attributable to equity shareholders of the Company, the value arrived using DCF method has been adjusted for

1. Cash & Cash equivalents of INR 1.8 Lacs as on September 30, 2025.
2. Debt and debt like items amounting to INR Nil as on September 30, 2025.
3. Investments amounting to 15.9 Lacs as on September 30, 2025.

The Management has represented that there are no unascertained or contingent liabilities to be adjusted for the purpose of arriving at the fair market value of equity shares.

The total adjusted value for shareholders is then divided by total number of equity shares to arrive at the value per share.

### Statement showing Free Cash Flow to Firm

(Amount in INR Lakhs)

FCFF Analysis INR lakhs	01.10.2025 to					Terminal	
	31.03.2026	31.03.2027	31.03.2028	31.03.2029	31.03.2030	Value	
Revenue	56.0	174.4	322.1	542.4	836.6	878.4	
	<i>Annualised Y-o-Y growth %</i>	<i>n.a</i>	<i>93.7%</i>	<i>84.8%</i>	<i>68.4%</i>	<i>54.2%</i>	<i>5.0%</i>
EBIT	5.4	48.9	92.2	157.5	244.9	257.1	
	<i>% of Revenue</i>	<i>9.7%</i>	<i>28.0%</i>	<i>28.6%</i>	<i>29.0%</i>	<i>29.3%</i>	<i>29.3%</i>
Less: Tax Expense	1.4	12.3	23.2	39.6	61.6	64.7	
<b>Profit After Tax</b>	<b>4.1</b>	<b>36.6</b>	<b>69.0</b>	<b>117.8</b>	<b>183.3</b>	<b>192.4</b>	
Add: Depreciation	0.0	3.4	4.4	5.2	6.1	6.4	
<b>Cash Profit After Tax</b>	<b>4.1</b>	<b>40.0</b>	<b>73.4</b>	<b>123.1</b>	<b>189.3</b>	<b>198.8</b>	
Less: Incremental Capital Expenditure	0.1	20.0	6.0	5.0	5.0	6.4	
Less: Changes in Working Capital	8.2	9.4	13.8	13.9	87.2	6.6	
<b>Free Cash Flow to Firm</b>	<b>(4.1)</b>	<b>10.6</b>	<b>53.6</b>	<b>104.2</b>	<b>97.1</b>	<b>185.8</b>	
Discounting Period (In Years)	0.3	0.7	1.7	2.7	3.7		
Mid-Period Discounting factor	0.96	0.89	0.76	0.65	0.55		
<b>Net Present Value</b>	<b>(4.0)</b>	<b>9.5</b>	<b>40.9</b>	<b>67.7</b>	<b>53.7</b>		

### Statement showing Value per Share

DCF Working	INR lakhs
PV of Explicit Cash Flows	167.7
PV of Terminal Value	1,061.8
<b>Enterprise Value as on September 30, 2025</b>	<b>1,229.5</b>
Stub Factor	1.05
<b>Adjusted Enterprise Value as on January 19, 2026</b>	<b>1,291.2</b>
Less: Debt & Debt like items	-
Add: Investments	43.0
Add: Cash & Bank Balance	1.8
<b>Equity Value as on January 19, 2026</b>	<b>1,335.9</b>
Total no. of shares	9,89,590
<b>Value Per Share (INR)</b>	<b>135.0</b>

## *Annexure – B*

### **Valuation of SNA Milk and Milk Products Private Limited**

The Discounted Free Cash Flows method is one of the most rigorous approaches for the valuation of a business/asset/equity. For arriving at the valuation of equity shares, projected free cash flows to various stakeholders are discounted at the cost of equity to arrive at the value of the business and subtracting outstanding Debts & Preference shareholding, if any, there from and adjusting surplus assets & liabilities, if any, thereto.

Using the Discounted Free Cash Flows method involves determining the following:

- Estimating future free cash flows,
- The time frame of the cash flows i.e. the explicit forecast Period,
- Appropriate Discount rate to be applied to cash flows
- The continuing value i.e. the cumulative value of the free cash flows beyond the explicit forecast period which is also known as Terminal Value
- Value of cash and cash equivalents and Surplus Assets

#### ➤ **Free Cash Flows to Firm (FCFF)**

FCFF are the cash flows expected to be generated by the Company that are available to providers of the equity and debt capital. FCFF is determined by Operating Profit after Taxes, to which any non-cash expenses like Depreciation and amortization are added back. The above is adjusted for (i) investments in capital expenditure and (ii) change in working capital requirements and other assets. Free cash flows thus calculated will be equal to the sum of the cash flows available to equity and debt holders.

#### ➤ **Time Frame of Cash Flows**

A problem faced in valuing a business is its indefinite life, especially where the valuation, as in the present case, is on a going concern basis. This problem could be tackled by separating the value of the business into two-time periods viz. explicit forecast period and post explicit forecast period. In such a case, the value of business will be value of free cash flows generated during the explicit forecast period and value of free cash flows generated during the post explicit forecast period. While projected free cash flows of the explicit forecast period could be estimated on the basis of business plan, the free cash flows of the post explicit forecast period could be estimated using an appropriate method. In the present case, I have been furnished with the financial projections for April 01, 2025 to March 31, 2030. For the purpose of projecting figures for the period from January 20, 2026, to March 31, 2026, the actual figures up to January 19, 2026, have been excluded and we have considered the same for the purpose of valuation after adjusting stub factor up to the Valuation Date I have considered the same for the purpose of valuation.

#### ➤ **Appropriate Discounting Rate i.e. Weighted Average Cost of Capital**

The Weighted Average Cost of Capital (WACC) is the average rate that a company is expected to pay to all its equity and debt holders, to finance its assets. The WACC is the weighted average return that a company must earn on an existing asset base to satisfy its owners and debt holders. Broadly speaking, a company's assets are financed by either debt or equity. WACC is the weighted average return for cost for equity shareholders as well as debt holders.

### **Discounting Factor**

The discount factor considered for arriving at the present value of the FCFF is the WACC, which comprises of cost of debt and equity.

$$\text{WACC} = \left( \text{Kd} * (1 - \text{t}) * \left[ \frac{\text{D}}{\text{D} + \text{E}} \right] \right) + \left( \text{Ke} * \left[ \frac{\text{E}}{\text{D} + \text{E}} \right] \right)$$

Where 'D' and 'E' represent the debt and equity portion respectively in the capital structure.

The WACC using the above parameters has been estimated at 16.8% after giving appropriate allowances for company specific risk including risk associated with achieving the financial projections, etc.

Given that the cash flow would be generated over the period, I have applied the mid-period discounting.

#### ➤ **Cost of Debt (Kd)**

Cost of debt refers to the effective rate a company pays on its current debt. The cost of debt is used after including the tax impact. As informed by the Management, the average effective interest rate for the debt will be 12.0% p.a.

I have been represented by the Management that effective tax rate applicable to the Company is at 25.2% to calculate the tax benefit on interest expense and have arrived at 9.0% as post tax cost of debt.

#### ➤ **Cost of Equity (Ke)**

The cost of equity has been determined using the Capital Assets Pricing Model. For this purpose, the formula used is as under:

$$\text{CAPM (Ke)} = \text{Rf} + \beta (\text{Rm} - \text{Rf}) + \alpha$$

#### **Where,**

CAPM (Ke) = Discount rate derived from Capital Assets Pricing Model

Rf = Risk free rate of return

β = Beta factor as a measure of the systematic risk

Rm = Representative Market Return

(Rm - Rf) = Equity Market premium (ERP)

α = Company Specific Risk Premium

Capital-Asset Pricing Model (CAPM) describes the relationship between systematic risk and expected return for assets, particularly stocks. CAPM is widely used throughout finance for pricing risky securities and generating expected returns for assets given the risk of those assets and cost of capital.

#### ➤ **Risk Free Rate**

The risk-free rate is generally based on the returns available from long-term Government Bonds and securities. These returns are used since they represent a very low default risk, are liquid (freely tradable) and include the expected long-term inflation premium. Based on 1-year average of daily yield of India 10 Year Security bond, risk free rate has been considered as 6.5% in the present case.

➤ **Equity Risk Premium**

The Equity Risk Premium (ERP) is the additional amount of return over the risk-free rate that is required to compensate the investor for the additional risk of investing in the equity. It is typically measured by the amount by which historical returns in the equity security markets, over a long period of time, have exceeded the returns from risk-free investments. Such historical return from investment in the equity markets – which is the sum of return by way of capital appreciation and return by way of dividend yield – is the market return. I have considered an equity risk premium of 7.0%.

➤ **Beta ( $\beta$ )**

Systematic risk is measured in the CAPM by a factor known as Beta. Beta is a measure of volatility or systematic risk, of a security or a portfolio in comparison to the market as a whole. The beta of the asset has to be estimated relative to the market portfolio and by selecting the comparable companies closely associated with the subject company. I have considered Beta of 0.87 for the purpose of calculation of cost of equity.

➤ **Company Specific Risk Premium ( $\alpha$ )**

Company Specific Risk Premium (CSRP) is the risk unique to the company. It includes Additional Business Risk, Economic Risk, Projection Risk, Technology Risk and Legal Risk. Hence to compensate the investor for this aspect, I have considered 5.0% premium towards CSRP.

**Statement Showing Calculation of Weighted Average Cost of Capital**

<b>Particulars</b>	<b>Value</b>
Risk Free Rate of Return	6.5%
Beta Coefficient	0.87
Market Equity Risk Premium	7.0%
Business Risk	5.0%
<b>Cost of Equity Financing (COE)</b>	<b>17.6%</b>
Cost of Debt	12.0%
Tax Rate	25.2%
<b>Cost of Debt Financing</b>	<b>9.0%</b>
<b>Target Weightage</b>	
Debt	9.0%
Equity	91.0%
<b>Weighted Average Cost of Capital</b>	<b>16.8%</b>

➤ **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 taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimated growth rate of the industry and economy. Since, the Company is in high growth phase at the end of explicit period i.e. FY 2029-30, We have applied the H model for calculation of terminal value. The cash flow of FY 2029-30 has been used as the base to determine the terminal value.

Based on dynamics of the sector, market reach of the Company by FY 2029-30 and discussions with the Management, I have assumed a long-term growth rate of 5.0% to calculate the terminal value. The Management expects the Company's growth to mature by FY 2031-32. I have therefore, considered a period of 2 years from FY 2029-30, for the Company to reach stable long term growth rate of 5.0% from growth rate of 30.0% in FY 2029-30.

$$\text{Terminal Value} = \frac{(D_0 * (1 + G_s))}{K_o - G_s} + \frac{(D_0 * H * (G_h - G_s))}{K_o - G_s}$$

Where,

$D_0$  = The most recent earnings

$G_h$  = The initial High Growth Rate

$G_s$  = The Terminal Growth Rate

$K_o$  = Discounting Factor

H = Half life of high growth period

Terminal Value - H-Growth	INR Lakhs
Cash flows for terminal year	5,534.6
Cash flows for March 31, 2030	2,972.1
WACC	16.8%
Growth rate - high	30.0%
Growth rate - normal	5.0%
High growth period (years)	2
<b>Terminal value</b>	<b>53,171.8</b>
Present value factor	0.55
<b>PV of Terminal Value</b>	<b>29,313.0</b>

#### ➤ Other Considerations

To arrive at the value attributable to equity shareholders of the Company, the value arrived using DCF method has been adjusted for

1. Cash & Cash equivalents of INR 43.06 Lacs as on January 19, 2026.
2. Debt and debt like items amounting to INR 3,650.1 Lacs as on January 19, 2026.
3. Non-Controlling Interest amounting to 18.9 Lacs as on January 19, 2026.
4. Investments amounting to 12.5 Lacs as on January 19, 2026.

The Management has represented that there are no unascertained or contingent liabilities to be adjusted for the purpose of arriving at the fair market value of equity shares.

The total adjusted value for shareholders is then divided by total number of equity shares to arrive at the value per share.

## Statement showing Free Cash Flow to Firm

(Amount in INR Lakhs)

FCFF Analysis	20.01.2026 to					Terminal
INR lakhs	31.03.2026	31.03.2027	31.03.2028	31.03.2029	31.03.2030	Value
<b>Revenue</b>	<b>14,423.3</b>	<b>39,887.5</b>	<b>55,842.5</b>	<b>75,387.4</b>	<b>98,003.7</b>	<b>1,02,903.8</b>
Annualised Y-o-Y growth %	n.a	40.0%	40.0%	35.0%	30.0%	5.0%
<b>EBIT</b>	<b>(683.3)</b>	<b>2,852.0</b>	<b>4,898.1</b>	<b>6,603.3</b>	<b>8,106.4</b>	<b>8,511.8</b>
% of Revenue	-4.7%	7.2%	8.8%	8.8%	8.3%	8.3%
Less: Tax Expense	-	717.9	1,232.9	1,662.1	2,040.4	2,142.4
<b>Profit After Tax</b>	<b>(683.3)</b>	<b>2,134.2</b>	<b>3,665.3</b>	<b>4,941.3</b>	<b>6,066.1</b>	<b>6,369.4</b>
Add: Depreciation	530.8	715.0	654.2	603.4	562.8	591.0
<b>Cash Profit After Tax</b>	<b>-152.5</b>	<b>2,849.2</b>	<b>4,319.4</b>	<b>5,544.7</b>	<b>6,628.9</b>	<b>6,960.3</b>
Less: Incremental Capital Expenditure	126.8	400.0	400.0	400.0	400.1	591.0
Less: Changes in Working Capital	(34.7)	1,671.2	2,249.1	2,751.8	3,256.8	834.7
<b>Free Cash Flow to Firm</b>	<b>(244.5)</b>	<b>778.0</b>	<b>1,670.3</b>	<b>2,392.9</b>	<b>2,972.1</b>	<b>5,534.6</b>
Discounting Period (In Years)	0.2	0.8	1.8	2.8	3.8	
Mid-Period Discounting factor	0.97	0.88	0.75	0.64	0.55	
<b>Net Present Value</b>	<b>(238.3)</b>	<b>683.5</b>	<b>1,256.3</b>	<b>1,540.9</b>	<b>1,638.5</b>	

## Statement showing Value per Share

DCF Working	INR lakhs
PV of Explicit Cash Flows	4,880.9
PV of Terminal Value	29,313.0
<b>Enterprise Value as on January 19, 2026</b>	<b>34,193.9</b>
Stub Factor	1.00
<b>Adjusted Enterprise Value as on January 19, 2026</b>	<b>34,193.9</b>
Less: Debt & Debt like items	(3,650.1)
Add: Investments	12.5
Add: Cash & Bank Balance	43.06
Less: Non - Controlling Interest	(18.9)
<b>Equity Value as on January 19, 2026</b>	<b>30,580.5</b>
Total no. of shares (Face Value of Rs.100)	1,13,261
<b>Value Per Share (INR)</b>	<b>27,000.0</b>

### **Valuation of DFSU Farmer Connect Private Limited**

The Discounted Free Cash Flows method is one of the most rigorous approaches for the valuation of a business/asset/equity. For arriving at the valuation of equity shares, projected free cash flows to various stakeholders are discounted at the cost of equity to arrive at the value of the business and subtracting outstanding Debts & Preference shareholding, if any, there from and adjusting surplus assets & liabilities, if any, thereto.

Using the Discounted Free Cash Flows method involves determining the following:

- Estimating future free cash flows,
- The time frame of the cash flows i.e. the explicit forecast Period,
- Appropriate Discount rate to be applied to cash flows
- The continuing value i.e. the cumulative value of the free cash flows beyond the explicit forecast period which is also known as Terminal Value
- Value of cash and cash equivalents and Surplus Assets

#### ➤ **Free Cash Flows to Firm (FCFF)**

FCFF are the cash flows expected to be generated by the Company that are available to providers of the equity and debt capital. FCFF is determined by Operating Profit after Taxes, to which any non-cash expenses like Depreciation and amortization are added back. The above is adjusted for (i) investments in capital expenditure and (ii) change in working capital requirements and other assets. Free cash flows thus calculated will be equal to the sum of the cash flows available to equity and debt holders.

#### ➤ **Time Frame of Cash Flows**

A problem faced in valuing a business is its indefinite life, especially where the valuation, as in the present case, is on a going concern basis. This problem could be tackled by separating the value of the business into two-time periods viz. explicit forecast period and post explicit forecast period. In such a case, the value of business will be value of free cash flows generated during the explicit forecast period and value of free cash flows generated during the post explicit forecast period. While projected free cash flows of the explicit forecast period could be estimated on the basis of business plan, the free cash flows of the post explicit forecast period could be estimated using an appropriate method. In the present case, I have been furnished with the financial projections for January 20, 2026 to March 31, 2030, I have considered the same for the purpose of valuation.

#### ➤ **Appropriate Discounting Rate i.e. Weighted Average Cost of Capital**

The Weighted Average Cost of Capital (WACC) is the average rate that a company is expected to pay to all its equity and debt holders, to finance its assets. The WACC is the weighted average return that a company must earn on an existing asset base to satisfy its owners and debt holders. Broadly speaking, a company's assets are financed by either debt or equity. WACC is the weighted average return for cost for equity shareholders as well as debt holders.

#### **Discounting Factor**

The discount factor considered for arriving at the present value of the FCFF is the WACC, which comprises of cost of debt and equity.

$$\text{WACC} = \left( \text{Kd} * (1 - t) * \left[ \frac{\text{D}}{\text{D} + \text{E}} \right] \right) + \left( \text{Ke} * \left[ \frac{\text{E}}{\text{D} + \text{E}} \right] \right)$$

Where 'D' and 'E' represent the debt and equity portion respectively in the capital structure.

The WACC using the above parameters has been estimated at 21.4% after giving appropriate allowances for company specific risk including risk associated with achieving the financial projections, etc.

Given that the cash flow would be generated over the period, I have applied the mid-period discounting.

➤ **Cost of Debt (Kd)**

Cost of debt refers to the effective rate a company pays on its current debt. The cost of debt is used after including the tax impact. As informed by the Management, the average effective interest rate for the debt will be Nil p.a.

I have been represented by the Management that effective tax rate applicable to the Company is at 25.2% to calculate the tax benefit on interest expense and have arrived at Nil as post tax cost of debt.

➤ **Cost of Equity (Ke)**

The cost of equity has been determined using the Capital Assets Pricing Model. For this purpose, the formula used is as under:

$$\text{CAPM (Ke)} = \text{Rf} + \beta (\text{Rm} - \text{Rf}) + \alpha$$

**Where,**

CAPM (Ke) = Discount rate derived from Capital Assets Pricing Model

Rf = Risk free rate of return

β = Beta factor as a measure of the systematic risk

Rm = Representative Market Return

(Rm - Rf) = Equity Market premium (ERP)

α = Company Specific Risk Premium

Capital-Asset Pricing Model (CAPM) describes the relationship between systematic risk and expected return for assets, particularly stocks. CAPM is widely used throughout finance for pricing risky securities and generating expected returns for assets given the risk of those assets and cost of capital.

➤ **Risk Free Rate**

The risk-free rate is generally based on the returns available from long-term Government Bonds and securities. These returns are used since they represent a very low default risk, are liquid (freely tradable) and include the expected long-term inflation premium. Based on 1-year average of daily yield of India 10 Year Security bond, risk free rate has been considered as 6.5% in the present case.

➤ **Equity Risk Premium**

The Equity Risk Premium (ERP) is the additional amount of return over the risk-free rate that is required to compensate the investor for the additional risk of investing in the equity. It is typically measured by

the amount by which historical returns in the equity security markets, over a long period of time, have exceeded the returns from risk-free investments. Such historical return from investment in the equity markets – which is the sum of return by way of capital appreciation and return by way of dividend yield – is the market return. I have considered an equity risk premium of 7.0%.

➤ **Beta ( $\beta$ )**

Systematic risk is measured in the CAPM by a factor known as Beta. Beta is a measure of volatility or systematic risk, of a security or a portfolio in comparison to the market as a whole. The beta of the asset has to be estimated relative to the market portfolio and by selecting the comparable companies closely associated with the subject company. I have considered Beta of 0.70 for the purpose of calculation of cost of equity.

➤ **Company Specific Risk Premium ( $\alpha$ )**

Company Specific Risk Premium (CSRP) is the risk unique to the company. It includes Additional Business Risk, Economic Risk, Projection Risk, Technology Risk and Legal Risk. Hence to compensate the investor for this aspect, I have considered 10.0% premium towards CSRP.

**Statement Showing Calculation of Weighted Average Cost of Capital**

Particulars	Value
Risk Free Rate of Return	6.5%
Beta Coefficient	0.70
Market Equity Risk Premium	7.0%
Business Risk	10.0%
<b>Cost of Equity Financing (COE)</b>	<b>21.4%</b>
Cost of Debt	0.0%
Tax Rate	25.2%
<b>Cost of Debt Financing</b>	<b>0.0%</b>
<b>Target Weightage</b>	
Debt	0.0%
Equity	100.0%
<b>Weighted Average Cost of Capital</b>	<b>21.4%</b>

➤ **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 taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimated growth rate of the industry and economy. Since, the Company is in high growth phase at the end of explicit period i.e. FY 2029-30, We have applied the H model for calculation of terminal value. The cash flow of FY 2029-30 has been used as the base to determine the terminal value.

Based on dynamics of the sector, market reach of the Company by FY 2029-30 and discussions with the Management, I have assumed a long-term growth rate of 5.0% to calculate the terminal value. The Management expects the Company's growth to mature by FY 2031-32. I have therefore, considered a period of 2 years from FY 2029-30, for the Company to reach stable long term growth rate of 5.0% from growth rate of 129.7% in FY 2029-30.

$$\text{Terminal Value} = \frac{(D_0 * (1 + G_s))}{K_o - G_s} + \frac{(D_0 * H * (G_h - G_s))}{K_o - G_s}$$

Where,

$D_0$  = The most recent earnings

$G_h$  = The initial High Growth Rate

$G_s$  = The Terminal Growth Rate

$K_o$  = Discounting Factor

H = Half life of high growth period

Terminal Value - H-Growth	INR Lakhs
Cash flows for terminal year	3,266.0
Cash flows for March 31, 2030	2,748.2
WACC	21.4%
Growth rate - high	129.7%
Growth rate - normal	5.0%
High growth period (years)	2
<b>Terminal value</b>	<b>40,850.5</b>
Present value factor	0.50
<b>PV of Terminal Value</b>	<b>20,599.4</b>

#### ➤ Other Considerations

To arrive at the value attributable to equity shareholders of the Company, the value arrived using DCF method has been adjusted for

1. Cash & Cash equivalents of INR 2,115.45 Lacs as on January 19, 2026.

The Management has represented that there are no unascertained or contingent liabilities to be adjusted for the purpose of arriving at the fair market value of equity shares.

The total adjusted value for shareholders is then divided by total number of equity shares to arrive at the value per share.

## Statement showing Free Cash Flow to Firm

(Amount in INR Lakhs)

FCFF Analysis INR lakhs	20.01.2026 to					Terminal Value
	31.03.2026	31.03.2027	31.03.2028	31.03.2029	31.03.2030	
<b>Revenue</b>	<b>404.5</b>	<b>1,219.1</b>	<b>3,476.3</b>	<b>9,149.4</b>	<b>21,012.9</b>	<b>22,063.6</b>
<i>Annualised Y-o-Y growth %</i>	<i>n.a</i>	<i>201.4%</i>	<i>185.1%</i>	<i>163.2%</i>	<i>129.7%</i>	<i>5.0%</i>
<b>EBIT</b>	<b>63.6</b>	<b>200.1</b>	<b>598.5</b>	<b>1,706.9</b>	<b>4,184.7</b>	<b>4,394.0</b>
<i>% of Revenue</i>	<i>15.7%</i>	<i>16.4%</i>	<i>17.2%</i>	<i>18.7%</i>	<i>19.9%</i>	<i>19.9%</i>
Less: Tax Expense	16.0	50.4	150.6	429.6	1,053.3	1,106.0
<b>Profit After Tax</b>	<b>47.6</b>	<b>149.7</b>	<b>447.8</b>	<b>1,277.2</b>	<b>3,131.4</b>	<b>3,288.0</b>
Add: Depreciation	4.8	102.9	281.7	469.0	601.4	631.5
<b>Cash Profit After Tax</b>	<b>52.4</b>	<b>252.6</b>	<b>729.6</b>	<b>1,746.3</b>	<b>3,732.9</b>	<b>3,919.5</b>
Less: Incremental Capital Expenditure	12.0	250.0	550.0	750.0	800.0	631.5
Less: Changes in Working Capital	11.9	53.5	69.6	119.7	184.6	22.0
<b>Free Cash Flow to Firm</b>	<b>28.5</b>	<b>(50.9)</b>	<b>110.0</b>	<b>876.6</b>	<b>2,748.2</b>	<b>3,266.0</b>
Discounting Period (In Years)	0.2	0.5	1.5	2.5	3.5	
Mid-Period Discounting factor	0.97	0.90	0.74	0.61	0.50	
<b>Net Present Value</b>	<b>27.6</b>	<b>(45.9)</b>	<b>81.7</b>	<b>536.5</b>	<b>1,385.8</b>	

## Statement showing Value per Share

DCF Working	INR lakhs
PV of Explicit Cash Flows	1,985.8
PV of Terminal Value	20,599.4
<b>Enterprise Value as on December 07, 2025</b>	<b>22,585.2</b>
Stub Factor	1.00
<b>Adjusted Enterprise Value as on December 07, 2025</b>	<b>22,585.2</b>
Less: Debt and debt like items as on December 07, 2025	-
Add: Investments	
Add: Cash & Bank Balance	2,115.45
<b>Equity Value as on December 07, 2025</b>	<b>24,700.6</b>
Total no. of shares	1,82,96,746
<b>Value Per Share (INR)</b>	<b>135.0</b>

*Annexure – D*

**NAV Per share For SER Industries Limited**

*(Amount in INR Lakhs)*

Particulars	September 30,	September 30,
	2025	2025
	Book Value	Fair Value
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4.70	4.70
Investments in Andra Pradesh Heavy Machinery and Engineering Limited 9 shares	0.01	0.01
Investments in Coal India Limited 10000 shares	15.87	43.02
Deferred tax assets (net)	0.68	0.68
<b>Total Non-Current Assets</b>	<b>21.26</b>	<b>48.40</b>
<b>Current assets</b>		
Cash and cash equivalents	0.50	0.50
Bank balances other than cash and cash equivalents	1.26	1.26
Other current assets	1.32	1.32
<b>Total Current Assets</b>	<b>3.08</b>	<b>3.08</b>
<b>Total Assets</b>	<b>24.34</b>	<b>51.48</b>
<b>Less:</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Other current liabilities	2.07	2.07
<b>Total Liabilities</b>	<b>2.07</b>	<b>2.07</b>
<b>Net Asset Value</b>		
<b>Net worth</b>	<b>22.27</b>	<b>49.41</b>
Total No. Shares	9,89,590	9,89,590
<b>Value per Equity Share (INR)</b>	<b>2.25</b>	<b>4.99</b>

*Annexure – E*

**NAV Per share For SNA Milk and Milk Products Limited**

*(Amount in INR Lakhs)*

Particulars	January 19, 2026	January 19, 2026
	Book Value	Fair Value
<b>ASSETS</b>		
<b>Non-current assets</b>		
Tangible Assets	3,787.45	3,787.45
Goodwill	10,369.30	10,369.30
Deferred tax assets (net)	154.46	154.46
Investments	12.51	12.51
<b>Total Non-Current Assets</b>	<b>14,323.72</b>	<b>14,323.72</b>
<b>Current assets</b>		
(a) Deposits	1,143.82	1,143.82
(b) Inventories	1,786.55	1,786.55
(c) Trade receivables	2,019.75	2,019.75
(d) Cash and cash equivalents	43.06	43.06
(e) Other current assets	875.46	875.46
(f) Short term Loans and Adv	1,051.02	1,051.02
<b>Total Current Assets</b>	<b>6,919.66</b>	<b>6,919.66</b>
<b>Total Assets</b>	<b>21,243.38</b>	<b>21,243.38</b>
<b>Less:</b>		
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
(a) Long Term Borrowings - Secured Loan	216.64	216.64
(b) Long Term Borrowings - Overdraft	1,193.18	1,193.18
(c) Long Term Borrowings - Others	2,240.23	2,240.23
<b>Current Liabilities</b>	-	-
(a) Trade Payables	110.35	110.35
(b) Other current liabilities	(75.47)	(75.47)
(c) Short Term Provision	41.59	41.59
<b>Total Liabilities</b>	<b>3,726.52</b>	<b>3,726.52</b>
<b>Net Asset Value</b>		
<b>Net worth</b>	<b>17,516.86</b>	<b>17,516.86</b>
Less: NCI	18.93	18.93
<b>Adjusted Networth</b>	<b>17,497.92</b>	<b>17,497.92</b>
Total No. Shares	1,13,261.00	1,13,261.00
<b>Value per Equity Share (INR)</b>	<b>15,449.21</b>	<b>15,449.21</b>

*Annexure – F*

**NAV Per share for DFSU Farmer Connect Private Limited**

*(Amount in INR Lakhs)*

<b>Particulars</b>	<b>January 19, 2026</b>	<b>January 19, 2026</b>
	<b>Book Value</b>	<b>Fair Value</b>
<b>ASSETS</b>		
<b>Current assets</b>		
(a) Cash and cash equivalents	2,115.45	2,115.45
(b) Other current assets	0.55	0.55
<b>Total Current Assets</b>	<b>2,116.00</b>	<b>2,116.00</b>
<b>Total Assets</b>	<b>2,116.00</b>	<b>2,116.00</b>
<b>Less:</b>		
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>	-	-
<b>Current Liabilities</b>	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>
<b>Net Asset Value</b>		
<b>Net worth</b>	<b>2,116.00</b>	<b>2,116.00</b>
Less: NCI		
<b>Adjusted Networth</b>	<b>2,116.00</b>	<b>2,116.00</b>
Total No. Shares	1,82,96,746.00	1,82,96,746.00
<b>Value per Equity Share (INR)</b>	<b>11.56</b>	<b>11.56</b>