CA Mukesh Kumar Jain

Registered Valuer – Securities & Financial Assets

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

STRICTLY PRIVATE & CONFIDENTIAL

January 20 2026

To,

The Board of Directors / Audit Committee / Committee of Independent Directors / Other Committees (duly constituted by the Company),

SER Industries Limited
Chikkakuntanahalli Villagebidadi
Hobli Ramnagaram Taluk,
Bangalore, Karnataka, India, 562109

Sub: **Fair valuation of equity share of SER Industries Limited for the proposed issue of equity shares, 3% Compulsorily Convertible Non-Cumulative Preference shares ("CCPS") and 5% Compulsorily Convertible Debentures ("CCDS") in accordance with the provisions of SEBI ICDR Regulations *(defined hereinafter)***

Dear Sir / Madam,

I, CA 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") for fair valuation of equity share of the Company on a preferential basis in accordance with the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ("SEBI ICDR Regulations").

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 Company or its promoters or its director 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.

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

The report is structured as under:

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

1. PURPOSE OF VALUATION

1.1 I understand that the management of SER Industries Limited is contemplating issue of equity shares, CCPS and CCDS of the Company on preferential basis, by way of a share swap, in exchange for the equity shares and CCPS (Compulsorily Convertible Preference Shares) of SNA Milk and Milk Products Limited and equity Share of DFSU Farmer Connect Private Limited. The aforesaid transactions are to be in accordance with the applicable provisions of the Companies Act, 2013 and rules & regulations framed in this regard (to the extent applicable) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time and other applicable SEBI Regulations, if any ("Proposed Issue").

1.2 In this regard, CA Mukesh Kumar Jain, Registered Valuer – Securities or Financial Assets has been appointed by the Company for fair valuation of equity share of the Company as on January 19, 2025 ('Valuation Date') in accordance with Regulation 166A and Chapter V read with other relevant regulations of the SEBI ICDR Regulations for the purpose of the proposed preferential issue of equity shares, CCPS and CCDS of the Company. The relevant date for the purpose of this report, as confirmed by the management of the Company is January 21, 2026 ("Relevant Date").

1.3 The 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 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).

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 30th 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%
Total	**9,89,590**	**100.00%**

Source: https://www.bseindia.com

3. SOURCES OF INFORMATION

3.1. For the purpose of the valuation exercise, I have relied upon the information(s) provided by the management of the Company and information(s) available in the public domain:

(a) Audited financial statements of SER for the period ended 31st March 2025, as provided by the management of the Company;

(b) Limited Reviewed financial statements of SER for the period 1st April 2025 to 30th September 2025 as provided by the management of the Company;

(c) Projected financial statements comprising of Balance Sheet and Statement of Profit and Loss Account of SER for the period 1st October 2025 to 31st March 2026, FY 2026-27 to FY 2029-30, as provided by the management of the Company;

(d) Latest shareholding pattern of SER based on information available in the public domain and as provided by the management of the Company;

(e) Market price and volume information of SER as available BSE;

(f) Other relevant details of the Company such as its history, past and present activities, future plans and prospects, and other relevant information; and

(g) Such other information and explanations as required and which have been provided by the management of SER.

Besides the above information and documents, there may be other information provided by the Company which may not have been perused by me in any detail, if not considered relevant for the defined scope. The Company 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 equity 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. In case of companies listed on stock exchanges, the preferential issue of shares shall be undertaken in compliance with the provisions of SEBI ICDR Regulations, for fair valuation of equity shares of the Company.

4.3. In the present case, the equity shares of the Company are not 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 for a period of more than 90 days 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 relevant regulation i.e., 164(1) in case of frequently traded shares for more than 90 days provides 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:

- *the 90 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date; or*
- *the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.*
- *Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.*

4.4. The management of the Company has represented that the proposed preferential issue of equity shares may not tantamount to change of control of the Company. However, the management has represented that the proposed allotment pursuant to preferential issue of shares shall be more than five percent of the post issue fully diluted share capital of the Company. Accordingly, the provisions of the said regulations are applicable to the Company and the pricing (floor price) of the proposed preferential issue of equity shares is required to be undertaken in the manner prescribed in the said SEBI ICDR Regulations.

4.5. Further, SEBI ICDR Regulations provides for specified formula to compute the minimum price for the purpose of preferential issue and Regulation 166A provides that in case of any preferential issue, which may result in a change in control or allotment of more than five percent of the post issue fully diluted share capital of the issuer, shall require a valuation report from an independent registered valuer and consider the same for determining the price, however, the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of Regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable. Further, the proposed preferential issue of shares shall not result in change in control or management, as represented by the management of the Company and hence, it may not be appropriate to consider control premium for the present valuation exercise.

4.6. For the purpose of the valuation exercise under Regulation 166A, generally the following valuation approaches are adopted:

(a) the 'Underlying Asset' approach;

(b) the 'Income' approach; and

(c) the 'Market' approach.

4.7. '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.

I have not considered it appropriate to provide any weight to the 'Underlying Asset' approach since the present valuation exercise of the Company is undertaken on a going concern basis, i.e., proceeding on the basis that there is no intention of disposing off its material operating assets.

4.8. <u>'Income' approach</u>

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.

<u>DCF Method – FCFF Approach (for instance)</u>

(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.

Considering the nature of business of the Company and based on review of projected financial statement/information made available to me by the Company, 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 Company.

4.9. <u>'Market' Approach</u>

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

(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.

Based on my analysis and professional judgment, and considering that the Company is listed on a recognised stock exchange and 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 Company operates. Accordingly, due to the lack of relevant market comparables, I have not applied the said method for the purpose of current valuation exercise.

(c) Comparable Transaction Multiple ("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.

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.

4.10. The equity value so arrived at under any of the approaches is divided by the outstanding number of equity shares as on the date of valuation to arrive at the value per equity share of the Company.

4.11. 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, 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. I have been given to understand by the management of the Company that the Articles of Association ('AOA') of the Company does not categorically provide for any clause in relation to method of determination which results in a floor price higher than that determined under the SEBI ICDR regulations. The floor price of equity share of a frequently traded listed company should be in accordance with pricing provisions of Chapter V of the SEBI ICDR Regulations, as amended from time to time.

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 given below), in my opinion, price per equity share 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, would be as under:

Valuation Approach	**SER**	
	Value per Equity Share (INR)	**Weight**
Asset Approach – Net Asset Value Method (i) ***(Annexure-B)***	4.99	0%
Income Approach (ii) ***(Annexure-A)***	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
Relative Value per Share [Considering (iii)]	**135.0**	

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 given below), in my opinion, for the purpose of determination of floor price in accordance with relevant regulations of the Chapter V of the SEBI ICDR Regulations, being Regulation 164(1) read with

Regulation 166A of the SEBI ICDR Regulations for the Company, floor price in terms of first proviso to the sub regulation I of Regulation 166A of the SEBI ICDR Regulations shall be higher of the following:

Valuation Approach	Floor Price per Share of SER (INR)
Fair Value in terms of the sub regulation 1 of Regulation 164 of the SEBI ICDR Regulations (a)	NA
Price determined under the valuation report from the independent registered valuer (b) *(Refer Para 5.4)*	135.0
Price determined in accordance with the provisions of the Articles of Association of the issuer (c)	Not Applicable, as represented by the management of the Company
Concluded Floor Price per Equity Share [Higher of (a), (b) and (c)]	**135.0**

Accordingly, the floor price of the equity share of the Company having face value of INR 10/- each in terms of SEBI ICDR Regulations as at Relevant Date is INR 135.0/- (Indian Rupees One Hundred Thirty-Five Only) per equity share.

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 Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. Therefore, no responsibility is assumed for matters of legal nature.

6.3. 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 Company has drawn my attention to all material information, which they are aware of concerning the financial position of the Company and any other matter, which may have an impact on my opinion, on the fair value of the equity shares of the Company, 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.

6.4. The recommendation is based on the estimates of future financial performance as projected by the management of the Company, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to the commercial and financial aspects of the Company and the industry in which the Company operates. 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 me being associated with or a party to such projections.

6.5. The work does not constitute certification of the historical financial statements including the working results of the Company 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 Company and other parties connected thereto.

6.7. In the course of the valuation, I was provided with both written and verbal information. I have evaluated the information provided to me by the Company through broad inquiry, analysis and review. I assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise. 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 Company, 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 after obtaining prior permission in writing.

6.10. This report is prepared exclusively for the use of the Company solely for the purpose of assisting the Company, under consideration, in recommending floor price per equity share of the Company. Further, the fees for this engagement is not contingent upon the results arrived under this valuation exercise.

6.11. The decision to carry out the transaction (including consideration thereof) lies entirely with the management / Board of Directors / Committees of the Board of the Company and the work and the finding shall not constitute recommendation as to whether or not the management / the Board of Directors / Committees of the Board of the Company should carry out the proposed issue.

6.12. By its very nature, valuation 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, opinion on the valuation exercise may differ due to application of the facts and assumptions, formulas used and numerous other factors. There is, therefore, no indisputable single value or standard methodology for arriving at the value per equity share. Although my conclusions are in my opinion reasonable, it is quite possible that others may not agree.

6.13. CA Mukesh Kumar Jain, nor his 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 Company referred herein or any person connected thereto.

Thanking you,

Yours faithfully

CA MUKESH KUMAR JAIN

REGISTERED VALUER – Securities or Financial Assets

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

Membership No. 502822

Date: January 20 2026

Place: Raipur (C.G.)

UDIN: 26502822BGNGNA6977

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 I 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.

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

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:

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

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 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 (β)**

  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 (α)**

  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%
Cost of Equity Financing (COE)	**17.4%**
Cost of Debt	0.0%
Tax Rate	25.2%
Cost of Debt Financing	**0.0%**

Particulars	Value
Target Weightage	
Debt	0.0%
Equity	100.0%
Weighted Average Cost of Capital	**17.4%**

- **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.

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

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
Terminal value	**1,919.6**
Present value factor	0.55
PV of Terminal Value	**1,061.8**

- **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 31.03.2026	31.03.2027	31.03.2028	31.03.2029	31.03.2030	Terminal Value
Revenue	**56.0**	**174.4**	**322.1**	**542.4**	**836.6**	**878.4**
Annualised Y-o-Y growth %	*n.a*	*93.7%*	*84.8%*	*68.4%*	*54.2%*	*5.0%*
EBIT	**5.4**	**48.9**	**92.2**	**157.5**	**244.9**	**257.1**
% of Revenue	*9.7%*	*28.0%*	*28.6%*	*29.0%*	*29.3%*	*29.3%*
Less: Tax Expense	1.4	12.3	23.2	39.6	61.6	64.7
Profit After Tax	**4.1**	**36.6**	**69.0**	**117.8**	**183.3**	**192.4**
Add: Depreciation	0.0	3.4	4.4	5.2	6.1	6.4
Cash Profit After Tax	**4.1**	**40.0**	**73.4**	**123.1**	**189.3**	**198.8**
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
Free Cash Flow to Firm	**(4.1)**	**10.6**	**53.6**	**104.2**	**97.1**	**185.8**
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	
Net Present Value	***(4.0)***	***9.5***	***40.9***	***67.7***	***53.7***	

Statement showing Value per Share

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

Annexure-B

NAV Per share For SER Industries Limited

(Amount in INR Lakhs)

Particulars	September 30, 2025	September 30, 2025
	Book Value	Fair Value
ASSETS		
Non-current assets		
Property, plant and equipment	4.70	4.70
Investments	15.88	43.02
Deferred tax assets (net)	0.68	0.68
Total Non-Current Assets	**21.26**	**48.40**
Current assets		
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
Total Current Assets	**3.08**	**3.08**
Total Assets	**24.34**	**51.48**
Less:		
Liabilities		
Current liabilities		
Other current liabilities	2.07	2.07
Total Liabilities	**2.07**	**2.07**
Net Asset Value		
Net worth	**22.27**	**49.41**
Total No. Shares	9,89,590	9,89,590
Value per Equity Share (INR)	**2.25**	**4.99**