January 08, 2018

**Techcon Labs Pvt.td**

**Proposal to Provide Business Plan & Valuation**

**Report to Techcon Labs Pvt.td**

Dear Techcon Labs Pvt.tdBoard of Directors

We are pleased to provide this proposal for Business Plan to Techcon Labs Pvt.td(“Board”). Based on the Request for Proposal (“RFP”), we understand that the Board is interested in obtaining information and credentials related to valuation services related to IT & ITES. The purpose of this proposal is to provide a response to the RFP to assist the Board in marketing the business for Funding, Joint Venture or a Sale of Business.

Additionally, Business Deals understands the Board would like to develop an objective & operational business plan and valuation report in it will also determine whether there is a difference in the cost of operations using projection provided by the board and as per market core measures for IT Administration and the quality metrics identified by the industry.

If engaged, we understand that all analyses will be used for management planning and regulatory compliance purposes. The results of any study provided should not be used, in whole or in part, for any other purpose or distributed to third parties without the express written consent of **Techcon Labs Pvt.td**. Our valuation analysis does not constitute a fairness opinion or investment advice in that we will not conduct all of the steps necessary to issue such an opinion.

Please note that the obligation of business deals is solely a corporate obligation, and no officer, principal, director, employee, agent, shareholder, or controlling person shall be subjected to any personal liability whatsoever to any person or entity, nor will any such claim be asserted by or on behalf of any other party to this agreement or any person relying on the opinion.

## MANAGEMENT SUMMARY

*General Bidder Information*

**Company Name:** Business Deals

**Address:** 505 Manisha Building

Nehru Place New Delhi India 110019

**Telephone Number:** ​ 011-4106 4800

**Contact Person:** Vipul Chadha

**Position:** Manager ( M & A )

**Email:** [deals@businessdeals.in](mailto:deals@businessdeals.in)

**Website:** [www.Businessdeals.in](mailto:deals@businessdeals.in)

*Business Deals Overview*

Business Deals focuses solely on providing appraisal, valuation, and transaction advisory services related to services organizations throughout the globe. The firm consists gamut of professionals dedicated to providing

advisory services. The firm routinely provides transaction related valuation and appraisal services of organizations. In addition, the firm has a team dedicated to the valuation of professional service arrangements such as management, co‐management development, intellectual property, and billing and collection agreements.

Business Deals continues to stay abreast of definitions and guidelines utilized in determining Fair Value of businesses for compliance purposes and will apply this knowledge in our Business plan and valuation services. Our efforts also include continual discussions with legal counsel, specialized in industry as well as our attendance to all relevant conferences and educational seminars related to IT, ITES regulations and valuations of business.

Business Deals draws on the expertise of our entire firm to provide clients with focused financial advisory services, including:

* + - Fair Market Value Opinions
    - Facility Development Consulting
    - Feasibility Analysis
    - Transaction Representation
    - Fairness Opinions
    - Solvency Opinions

Business Deals has worked more than 2 dozen clients representing a broad spectrum of industry, including:

* + - IT & ITES
    - Auto Manufacturing
    - Engineering
    - E commerce
    - Health care
    - Travel
    - Real Estate
    - Food and Beverages
    - Education
    - Hotel
    - Import Export
    - Mining
    - Energy
    - Other Services

*Business Deals Approach*

The following are signature characteristics of the VMG approach:

***Senior Level Attention*** – Our clients enjoy a relationship with senior experts who are able to deliver in‐ depth knowledge to our clients by relying on our expertise and vast experience in health care.

***Focus*** – Business Deals believes that focus and insight in a market are the distinguishing characteristics of excellence. Our entire business is focused on understanding the complexities of industry and the everyday challenges our clients face. Experience has shown that most of consulting firms do not have capability of delivering a consistent level of expertise and quality results and here we stand out.

***Value Proposition*** – Business Deals is a national firm that is considered to be the pre‐eminent facility plans, valuation, consulting and development consulting firm in India. We deliver expertise in a timely manner on a cost effective basis to our clients throughout the country.

*Business Deals Service Offerings*

Business Deals is a full transaction support service firm. We have dedicated and focused professional teams consisting of experts in specific areas to assist our clients with their related business transactions. Below is a summary of the specific areas of expertise which may be beyond the scope of performing this engagement, but are available to the extent the need arises. In addition to our business valuation services, BD focused areas of health care transaction expertise include the following:

***Business Plan –*** The business plan for an early-stage company is, in many ways, a first attempt at strategic planning. An entrepreneur should use a business plan as a tool for setting the direction of a company over the next several years, and a plan should set the action steps and processes to guide the company through this period. Many entrepreneurs say that the pressures of the day-to-day management of a company leave them little time for planning, and this is unfortunate because, without it, an owner runs the risks of proceeding blindly through the rapidly changing business environment. Of course, writing a business plan is not a guarantee that problems will not arise. But, with a thoroughly thought-out plan, a business owner can better anticipate a crisis situation and deal with it up front. Further, a well-constructed plan can help avoid certain problems altogether. All in all, business planning is probably more important to the survival of a small and growing company than a larger, more mature one.

***Business Valuation Service –*** Business Deals was founded on providing fair market value business appraisals within industry.BD performs over 300 business valuations per year servicing all sectors. BD provides business valuations for transaction, development, and internal client purposes. *Fair market value* is defined as the price, expressed in terms of cash equivalents, at which a property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm’s length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.

***Transaction Advisory Services*** – BD has dedicated professionals to assist our clients with their pursuits in buying and/or selling targeted entities. Our dedicated team of professionals understands create and implement the project at hand with complete analysis and research done at each level in terms of economic overview with technical, financial and legal aspects as such. We also provide the risk analysis cum feasibility study and allow the user to take informed decisions at the outset so as to combat the threats in particular.

## OUR SOLUTIONS

***Identify Your Objectives***

A successful business plan you must determines who will read the plan, Investor will know about your company, what they want to know about your company.

***Outline Your Business Plan***

Once objectives are identified for the business plan, and we will work on the areas that you want to emphasize, preparing an outline based on special requirements. The outline can be as general or detailed as you desire, but typically a detailed outline will be more useful.

Being cognizant of the general guidelines set forth in Revenue, our investigation and analysis will be conducted as follows:

1. **Investigation.** We will conduct interviews with key management concerning past, present, and prospective operating results of the business and their impact on the value of the business to a hypothetical third‐party investor. Steps include:
   * Develop an understanding of the background of the business
   * Evaluate historical financial results and statistics
2. **Analysis.** We will analyze the historical operating and financial data in order to gain an understanding of the operations of the business. This will allow us to determine the underlying dynamic factors pertinent to the projected operation of the same. Steps include:
   * Analyze historical operational results and statistics
     + Payol and service mix
     + Managed care relationships
   * Prepare prospective operational and financial analysis
     + Staffing
     + Cost projections
     + Capital expenditure requirements
     + Working capital requirements
     + Discount rate analysis, risk of cash flow projections
   * Evaluate service area
   * Evaluate competitive factors
   * Complete physical site visit and interviews with key personnel
3. **Valuation.** We will estimate the fair market value of the businesses fixed and intangible assets according to the appropriate valuation methodology: the market comparison approach (Relative Valuation), and/or the income approach (Discounted Cash Flow).
   * Estimate of value range based upon preliminary DCF,
   * Review preliminary analysis with appropriate party
   * Determination of appropriate valuation methodology: Relative & DCF
   * Final estimation of fair market value
4. **Documentation.** In addition to generating a full report that will outline our investigation and findings, we will accumulate and maintain in our files the requisite source data supporting our recommendation of a fair market value for the business.

**Stage 1 – Basic Proposal**

**# Business Plan**

* Income statement
* Cash Flow

Balance sheet

**# Valuation Report**

* Market based
* Income based

**# Basic Pitch Book**

**Stage 2 – Exhaustive Proposal**

**# Business Plan**

* Executive Summary
* Assumption Sheet
* Revenue Projections
* Income statement
* Cash Flow
* Balance sheet
* Cost Sheet
* Fixed Assets Schedule
* Debt Schedule
* Capex Schedule
* Output Sheet (includes NPV, IRR etc.)

**# Valuation**

* Income based

**# Detailed Pitch Book**

The proposed scope of work timeline is approximately 6 weeks from the receipt of all pertinent data.

We will convey the results of our investigation in a Restricted Use Report and/or a Summary Report. The analyses will consider the all aspects of the business which is apparent to an inspection and an assessment of its competitive position in the local and international markets. The report will communicate the results of this investigation. Supporting data pertaining to the conclusion of value will be retained in our files.

To assist in the performance of the assignments, we respectfully request that the following information be made available for review:

A summary of the previous year historic financial data.

Any historical cost information pertaining to the business.

## COSTS

*Professional Fees*

Business Deals is able to provide all proposed services with or without the use of agency. The applicable professional fees for the services described herein will not exceed 3, 45,000 and are presented below. The quote presented below shall be valid for 120 days.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***For Techcon Labs Pvt. Ltd*** | | | **Price** |  |
| *Business Analysis of Techcon Labs Pvt. Ltd*  *Deliverables*   1. Techcon Labs Pvt. Ltd ‐ Business Plan ( Full Fledge ) 2. Techcon Labs Pvt. Ltd ‐ Valuation Report ( Exhaustive ) 3. Techcon Labs Pvt. Ltd – Pitch Book for Investors ( Advance ) | | | RS 3,45,000 |  |
| 18 % Gst Extra |  |
|  | ***Other Services for Techcon Labs Pvt. Ltd*** | |  |  |
| *1.*Analyse the business and advising on making it more marketable | |  |  |
| *2.* Conducting a continuous marketing activity with existing database of Buyers/Investors | |  |  |
| *3.* Manage and follow up with interested Buyers / Investors from Newspaper Ads, if released by us. | |  |  |
| *4.* Arrange meetings and visits for screened and interested Buyers/ Investors | |  |  |
| *5.* Lead Nurturing | |  |  |
|  | |  |  |
| ***For Techcon Labs Pvt. Ltd***  *Business Analysis of Techcon Labs Pvt. Ltd*  *Deliverables*   1. Techcon Labs Pvt. Ltd ‐ Business Plan ( Beginer ) RS 1,50,000 2. Techcon Labs Pvt. Ltd ‐ Valuation Report ( Basic ) 18 % Gst Extra 3. Techcon Labs Pvt. Ltd – Pitch Book for Investors ( Primary ) | | | | RS 3,45,000 |
|  | |  | | | Gst Extra |

Payment is due upon receipt of our invoice. Our invoice will be issued upon our sending of the preliminary draft of our opinion. Once all balances are paid in full, the final opinion will be distributed. Our fee for this assignment will include the fee quote plus reasonable out‐of‐pocket expenses. Out‐of‐pocket expenses will include travel expenses for the visit out of NCR. This fee range is contingent upon our receiving all data and information in a timely manner.