



CASE STUDY

Business Valuation

Background of the case:

Our client is an Indian subsidiary of an Italian company which was planning to raise funds by issuing equity stock to its holding company. The client company required the equity stock to be valued at fair value in order to comply with the legal requirement in India.

How did Warpdrive assist?

- Our subject matter experts assisted the client in preparing a comprehensive business and financial plan to arrive at a defensible set of financial projections for the company in India.
- Developed a financial model using the financial projections and making appropriate assumptions to compute the estimated free cash flows to the firm during the projection period.
- Using the International Valuation Standards issued by the International Valuation Standards Council (IVSC), our consultants conducted a fair value analysis of the Indian subsidiary company's equity stock.
- Our valuation report documented all the assumptions made for the purpose of valuation and provided sensitivity analysis for change in major key assumptions.

Result

The valuation reports of equity stock prepared by us was used for pricing the deal for issue of shares to the holding company.