ANNEXURE C

Report

On

Share Exchange Ratio

Hindustan Foods Limited,
Avalon Cosmetics Private Limited
&
ATC Beverages Pvt. Ltd.

Bhavesh Rathod & Co.
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BHAVESH M. RATHOD
RV REGN. No.
IBBI / RV / 06 / 2019 / 10708
(Securities of Financial Assets)
REGISTERED VALUER

16th March 2020

The Board of Directors Hindustan Foods Limited Office no.03, Phoenix Market City, LBS Road, Kurla, Mumbai – 400070	The Board of Directors Avalon Cosmetics Private Limited Gs-No. 195-1A, 1d, Appamaitkentatti, Sulur, Tamil Nadu – 641402	The Board of Directors ATC Beverages Pvt. Ltd. Plot no. 11B, 11C, Kiadb Industrial Area, KA - 571301

Sub: Recommendation of equity share exchange ratio/ equity share entitlement ratio for the proposed merger of ATC Beverages Private Limited with Hindustan Foods Limited (HFL) and demerger of Coimbatore unit of Avalon Cosmetics Private Limited into HFL

Dear Sir,

We refer to our engagement letters whereby Hindustan Foods Limited ("HFL"), Avalon Cosmetics Private Limited ("ACPL") and ATC Beverages Private Limited ("ATC") (together referred to as "Clients", the "Companies", "Businesses" or "You") have requested Bhavesh Mansukhbhai Rathod, Registered Valuer ("the Valuer") to recommend an equity share exchange ratio/ equity share entitlement ratio in connection with the proposed merger of ATC with HFL and demerger of Coimbatore unit of Avalon Cosmetics Private Limited ("ACPL CBE").

RATIONALE FOR THE SCHEME OF MERGER

HFL is engaged in the contract manufacturing of various FMCG segment products such as extruded foods, cereals, frozen processed foods, farinaceous foods, fabric care, hair care, household insecticides, surface cleaning, food and beverages, aerosol, pump spray products, baby products, all type of mosquito coils, repellents, liquid vaporizers, other products related to foot care, foot wear and allied products. The Contract Manufacturing (Coimbatore) Undertaking of ACPL is engaged in Malt based Foods and food products and energy drinks. ATC Beverages Private Limited ('ATC') is engaged in the business of manufacture of beverages like soft drinks, juices and energy drinks. ATC is also carrying on the business of contract manufacturing of carbonated beverages and fruit juices. In order to enable greater focus on these segments, this Scheme provides for the demerger of the Contract Manufacturing (Coimbatore) Business of ACPL into HFL and merger of ATC into HFL.

Amongst others, the demerger of Contract Manufacturing (Coimbatore) Business of ACPL into HFL would result in the following benefits: -

- Concentrated management focus on the businesses in a more professional manner and to create a more competitive business both in scale and operations. The Resulting Company would develop combined long-term corporate strategies and financial policies, thus enabling better management and accelerated growth of the business.
- Operational rationalization, organizational efficiency and optimal utilization of various resources due to pooling of management, administrative and technical skills of various resources of both the

BHAVESH M. RATHOD RV REGN. No. IBBI / RV / 06 / 2019 / 10708 (Securities or Financial Assets) REGISTERED VALUER companies, better administration, and cost reduction, including reduction in managerial, administrative and other common costs.

- Providing better flexibility in accessing capital, focused strategy and specialization for sustained growth; and
- Creation of value for shareholders and various stakeholders.

Amongst others, the merger of ATC into HFL would result in the following benefits: -

- Enhancement of net worth of the combined business to capitalize on future growth potential since both entities are engaged in similar areas of business.
- Achieve optimal utilization of resources, better administration and cost reduction.
- Creation of value for shareholders and various stakeholders; and
- Creating synergies in operational process and enhancing competitive strength.

SCOPE AND PURPOSE OF THE VALUATION REPORT

We understand that the management of the Companies (hereinafter referred to as "the Management") are contemplating the merger ATC with HFL and demerger of ACPL CBE with HFL under a Scheme of Arrangement under the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. Under the proposed Scheme, as consideration for the merger of ACPL CBE and ATC with HFL, the shareholders of ACPL and ATC will be issued equity shares of HFL ("Transaction").

The Valuer has been requested by the Board of Directors/ Audit Committee of the Companies to submit a letter recommending an equity share exchange ratio/ equity share entitlement ratio, as on the date of this report, in connection with the merger of ATC with HFL and share entitlement ratio in connection with the demerger of ACPL CBE with HFL. This valuation report ("Valuation Report") may be placed before the audit committee, as per SEBI Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017 and the circular no. CFO/DIL3/CIR/2017/26 dated 23 March 2017. We understand that this Valuation Report will be used by the Clients for the above-mentioned purpose only and, to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the Transaction.

The scope of our services is to conduct a relative valuation (and not absolute) of the equity shares of HFL and ATC and unit valuation of ACPL CBE to arrive at the equity share exchange ratio/ equity share entitlement ratio respectively of for the proposed arrangement in accordance with generally accepted professional standards.

This Valuation Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the Valuation Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

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SOURCES OF INFORMATION

In connection with preparing this Valuation Report, we have received the following information from the management of the Companies ("Management"):

- Audited financial statements of the Companies for the historical period.
- Provisional Financial Statements (Including Balance Sheet and income Statements) for the period ended 29th February 2020.
- Projected Financial Statements (Which includes Cashflows, Balance Sheets and Income Statements) for 7 years.
- Interviews and discussions with the Management to augment our knowledge of the operations of the Companies.
- Other information, explanations and representations that were required and provided by the Management.
- For our analysis, we have relied on published and secondary sources of data, whether or not made available by the Client. We have not independently verified the accuracy or timeliness of the same; and
- Such other analysis, review and enquiries, as we considered necessary.

We have taken into consideration the current market parameters in our analysis and have made adjustments for additional facts made known to us till the date of our Valuation Report. Further, we have been informed that all material information impacting the Companies have been disclosed to us. The Management has further confirmed to us that there are no unusual/ abnormal events in the Companies since the last audited accounts till the Valuation Report date materially impacting their operating/ financial performance.

The Companies have been provided with the opportunity to review the draft Valuation Report (excluding the recommended Equity Share Exchange Ratio and Equity Share Entitlement Ratio) as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in our final report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issue described herein are areas of regular practice. The service does not represent accounting, assurance, tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The report is subject to the limitation mentioned herein under:

This Valuation Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; and (ii) the date of this Valuation Report and (iii) the latest available financial statements of the Companies and other information provided by the Management or taken from public sources till the measurement date i.e. 29 February 2020.

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A valuation of this nature is necessarily based on (a) prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and (b) the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Valuation Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Valuation Report.

The ultimate analysis will have to be influenced by the exercise of judicious discretion by the Valuer and judgment taking into accounts all the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which are not evident from the face of the balance sheet, but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions.

The recommendation(s) rendered in this Valuation Report only represent our recommendation(s) based upon information received by the Companies till 29 February 2020 and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). Further, the determination of Equity Share Exchange Ratio/ Equity Share Entitlement Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single Equity Share Exchange Ratio/ Equity Share Entitlement Ratio. While we have provided our recommendation of the Equity Share Exchange Ratio/ Equity Share Entitlement Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Equity Share Exchange Ratio/ Equity Share Entitlement Ratio of the equity shares of HFL, ACPL CBE and ATC . You acknowledge and agree that you have the final responsibility for the determination of the Equity Share Exchange Ratio/ Equity Share Entitlement Ratio at which the proposed merger shall take place and factors other than our Valuation Report will need to be taken into account in determining the Equity Share Exchange Ratio/ Equity Share Entitlement Ratio; these will include your own assessment of the Transaction and may include the input of other professional advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Valuation Report and (ii) the accuracy of information made available to us by the Companies. We have not carried out a due diligence or audit of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided. We are not legal or regulatory advisors with respect to legal and regulatory matters for the Transaction. We do not express any form of assurance that the financial information or other information as prepared and provided by the Companies is accurate. Also, with respect to explanation and information sought from the companies, we have been given to understand by the companies that they have not omitted any relevant and material factor and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Accordingly, we don not express any opinion or offer any form of assurance regarding its accuracy and completeness.

Our conclusions are based on these assumptions and information given by/ on behalf of the Companies. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ results. Accordingly, we

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assume no responsibility for any errors in the information furnished by the Companies and its impact on the Valuation Report. Also, we assume no responsibility for technical information (if any) furnished by the Companies. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Valuation Report. We do not imply, and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Valuation Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

The Valuation Report assumes that the specified Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the specified Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in period balance sheet of the specified Companies. Our conclusion of value assumes that the assets and liabilities of the specified Companies, reflected in their respective latest balance sheets remain intact as of the Valuation Report date.

The financial forecasts used in the preparation of the Report reflects judgment of management of Companies, based on present circumstances prevailing around the Valuation Date, as to the most likely set of conditions and the course of action it is most likely to take. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period will almost always differ from the forecasts and as such differences may be material.

This Valuation Report does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation of the Companies' claim to title of assets has been made for the purpose of this Valuation Report and the Companies' claim to such rights has been assumed to be valid. The fee for the engagement is not contingent upon the result of the valuation report.

We owe responsibility to the Audit Committee of the Board of Directors of HFL, ACPL CBE and ATC which have retained us, and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of the other. We do not accept any liability to any third party in relation to the issue of this Valuation Report. This Valuation Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. It is understood that this analysis does not represent a fairness opinion.

This Valuation Report is subject to the laws of India.

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Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement. Further, it cannot be used for purpose other than in connection with the Transaction, without our prior consent. In addition, this Valuation Report does not in any manner address the prices at which equity shares will trade following consummation of the Transaction and we express no opinion or recommendation as to how the shareholders of either Company should vote at any shareholders' meeting(s) to be held in connection with the Transaction.

BACKGROUND OF THE COMPANIES

Hindustan Foods Limited (HFL)

HFL, a company incorporated in 1988 under the Companies Act, 1956 of India. It is a listed company in Bombay Stock Exchange. It is a principal contract manufacturer for a range of leading FMCG products. In 2013, Vanity Case Group bought a controlling stake in Hindustan Foods Ltd. from Dempo Group of Goa and since then the company has diversified across various FMCG categories with manufacturing competencies in food extrusion & blending processes, beverages, leather and pest control products.

The issued and subscribed share capital of HFL as at 29 February 2020 is INR 22,79,80,780 which includes INR 21,19,80,780 consisting of 2,11,98,078 equity shares of INR 10 each and INR 1,60,00,000 consisting of 1,60,000 9% Redeemable, Non-Convertible Preference Shares of Rs. 100 each.

Particulars	Amount in INR
Authorised Capital	
2,20,00,000 Equity Shares of Rs. 10 each	22,00,00,000
2,00,000 9% Redeemable, Non-Convertible Preference Shares of Rs.100/- each	2,00,00,000
Total	**24,00,00,000**
Issued, Subscribed and Paid-up	
2,11,98,078 Equity Shares of Rs. 10 each	21,19,80,780
1,60,000 9% Redeemable, Non-Convertible Preference Shares of Rs.100/- each	1,60,00,000
Total	**22,79,80,780**

Avalon Cosmetics Private Limited - Coimbatore Unit (ACPL CBE)

ACPL, a company incorporated in 2014 under the companies Act, 2013 of India. The Coimbatore unit of Avalon Cosmetics Private Limited is manufacturer of leading cosmetics and health care products.

The issued and subscribed equity capital of ACPL as at 29h February 2020 is INR 1,01,87,090/- consisting of 10,18,709 shares of face value of INR 10 each.

Particulars	Amount in INR
Authorised Capital	
15,00,000 Equity Shares of Rs. 10 each	1,50,00,000
Total	**1,50,00,000**
Issued, Subscribed and Paid-up	
10,18,709 Equity Shares of Rs. 10 each fully paid up	1,01,87,090
Total	**1,01,87,090**

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ATC Beverages Private Limited (ATC)

The ATC Beverages Private Limited (ATC) operates with the main object of manufacture, import, export, process, distribute and sell soft drinks of different flavors from different concentrates including milk products and fruit juices along with any such other drinks as the company may serve to market from time to time.

The Company has a manufacturing plant situated in Plot No 11 -B & 11 – C in the Nanjangud Industrial Area comprised in Sy. No 184 & 185 Chamalapura & 169 Kallahally within the village limits of Kallahally, Hobli Kasaba Taluk Nanjangud District Mysore.

The issued and subscribed share capital of ATC as at 29 February 2020 is INR 30,69,51,860 which includes INR 20,69,29,330 consisting of 2,05,42,933 equity shares of INR 10 each, fully paid up and 6,00,000 equity shares of INR 10 each, partly paid up at INR 2.5 per share; INR 8,72,12,630 consisting of 87,21,263 9% Convertible Preference Shares of Rs. 10 each and 1,28,09,900 consisting 12,80,990 11.5% Convertible Preference Shares of INR 10 each.

Particulars	Amount in INR	Amount in INR
Authorised Capital		
2,11,50,000 Equity Shares of Rs.10/- each		21,15,00,000
1,00,02,253 Preference Shares of Rs.10/- each		10,00,22,530
Total		**31,15,22,530**
Issued, Subscribed and Paid-up		
2,05,42,933Equity Shares of Rs.10/- each fully paid up		20,54,29,330
6,00,000 Equity Shares of Rs.10/- each, partly paid up	60,00,000	
Less: Call in arrears on above	-45,00,000	15,00,000
87,21,263 9% Convertible Preference Shares of Rs.10/-each		8,72,12,630
12,80,990 11.5% Convertible Preference Shares of Rs.10/-each		1,28,09,900
Total		30,69,51,860

APPROACH & METHODOLOGY - BASIS OF TRANSACTION

The Transaction contemplates merger of ATC with HFL demerger of Coimbatore unit of Avalon Cosmetics Private Limited. Arriving at the Equity Share Exchange Ratio for the proposed merger of ATC with HFL and Equity Share Entitlement Ratio of demerger of ACPL CBE with HFL the above-mentioned companies would require determining the value of ACPL CBE & ATC in terms of the value of the equity shares of HFL. These values are to be determined independently as on the measurement date i.e. 29 February 2020 but on a relative basis, and without considering the proposed Transaction.

There are several commonly used and accepted methods for determining the value of the equity shares of a company, which have been considered in the present case by Valuers independently, to the extent relevant and applicable, including:

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1. Market Price method
2. Income Approach/ Earnings based Method/ Discounted Cashflow Method
3. Net Asset Value method (NAV)

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for a transaction of a similar nature, regulatory guidelines and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The valuation methodology used by Bhavesh Rathod to arrive at the value attributable to equity shareholders of HFL, ACPL CBE & ATC as discussed in **Annexure 1.**

BASIS OF EQUITY SHARE EXCHANGE RATIO & EQUITY SHARE ENTITLEMENT RATIO

The basis of merger of ATC into HFL and demerger of ACPL CBE into HFL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending an Equity Share Exchange Ratio of equity shares, it is necessary to arrive at a single value for the equity shares of HFL, ACPL CBE and ATC. It is however important to note that in doing so we are not attempting to arrive at the absolute equity values of the Companies but at their relative values to facilitate the determination of a fair Equity Share Exchange Ratio/ Equity Share Entitlement Ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

The Equity Share Exchange Ratio/ Equity Share Entitlement Ratio has been arrived at on the basis of a relative equity valuation of the Companies based on the various approaches/ methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Businesses, having regard to information base, key underlying assumptions and limitations.

As considered appropriate, we have independently applied methodologies discussed in the Annexures and arrived at the value per share of the Companies. To arrive at the consensus on the equity share exchange ratio/ equity share entitlement ratio for the proposed arrangenent, suitable minor adjustments/ rounding off have been done.

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, we recommend

A. the Equity Share Exchange Ratio of equity shares for merger of ATC with HFL is as under:

   i. 1 Equity Share of HFL for 16,228 equity shares of ATC held by the equity shareholder of ATC. For the purpose of this partly paid up shares will not be considered as the calls have not been paid up fully and the value of per equity share is less than the unpaid value of such calls.

   ii. 1 Equity Share of HFL for 16,228 convertible preference shares (CPS) of ATC held by the CPS holders of ATC.

B. Equity Share Entitlement Ratio of equity shares for demerger of ACPL CBE with HFL is as under:

   1 Equity Share of HFL for 0.755 equity shares of ACPL held by the equity shareholders of ACPL, against the demerger of Coimbatore business unit of ACPL

Our Valuation Report and Equity Share Exchange Ratio/ Equity Share Entitlement Ratio is based on the current equity share capital structure of HFL, ACPL and ATC as mentioned earlier in this Report. Any variation in the equity capital of HFL, ACPL and ATC may have material impact on the share exchange ratio/ Equity Share Entitlement Ratio.

Issued under my hand

Yours faithfully

BHAVESH M. RATHOD
RV REGN. No. IBBI / RV / 06 / 2019 / 10708
(Securities of Financial Assets)
REGISTERED VALUER

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

Place: Mumbai
Date: 16/03/2020

UDIN:

Annexure 1

APPROACH & METHODOLOGY - BASIS OF TRANSACTION

The valuation methodologies used by registered valuer to arrive at the value attributable to the equity shareholders of ACPL, ATC and HFL are discussed hereunder:

Market Price Method:
The market price of an equity shares as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in. Further, in the case of a transaction, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, the shares of HFL are listed on BSE but these are not frequently traded in reasonable volume. In the circumstances, the market approach has not been considered as a reliable approach for the purpose of valuation. Separately, this has not been considered as an appropriate method for the purpose of valuation of ACPL CBE and equity value of ATC.

Income Approach:

1. In the income approach, we have used the Discounted Cash Flow ("DCF") Method to arrive at the fair value of the shares. Under the DCF Method, the future cash flows are discounted back to the present date, generating Net Present Value for the projected cash flow stream of the businesses. A terminal value at the end of the forecast period is also determined and the value is discounted back to the valuation date to give overall value to the company. This method is based on the cash flow of the business and is consistent with the "Going Concern" basis applicable to continuing business entities.

2. The free cash flows are discounted by cost of equity (Ke). The Ke represents the returns expected by the equity investors. The present value of the free cash flows during the explicit period and the perpetuity value (terminal value) indicate the value of the business.

3. Valuation under DCF method is based on the projections of the companies, as may be the case, for the projected financial years as provided to us by the management of the Company. Projections provided by the management are only the best estimates of the Company's growth and sustainability of profitability margins. We have not specifically validated these financial projections but have relied on the estimates provided by the management of Avalon Cosmetics Private Limited, ATC Beverages Private Limited and Hindustan Foods Limited.

In the current scenario and considering the purpose and background of valuation, this method has been considered as most appropriate for the purpose of valuation of HFL, ACPL CBE and ATC.

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Net Asset Value (NAV) Method:

The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. The cost approach is based on the assumption that a prudent investor would pay no more for an entity than the amount for which he could replace or re-create it or an asset with similar utility.

Considering the nature and size of the business operations we have not used NAV method for the purpose of evaluating the value of HFL, ACPL CBE and ATC.

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Computation of Fair Value per share

Method of Valuation	Hindustal Foods Limited		ATC Beverages Private Limited		Contract Manufacturing (Coimbatore) Undertaking of AVALON Cosmetics Private	
	Value per Share (Rs.)	Weights	Value per Share (Rs.)	Weights	Value per Share (Rs.)	Weights
Net asset Method	97.22	0	0.71	0	263.97	0
Market Approach Method	NA	0	NA	0	NA	0
DCF Method	603.00	1	0.04	1	798.90	1
Fair Value Per Share	603.00		0.04		798.90	

Note : ***Considering the provisional financial statement and the nature of business, DCF method is considered appropriate and hence entire weight has been applied to DCF method.***

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Annexure 2

DCF of Hindustan Foods Limited

Determination of Weighted Aerage Cost of Capital:

Presumptions	
Risk Free Rate	6.50%
Expected rate of return	14.46%
Beta	1.00
Growth rate	5.00%
Cost of debt	10.00%
Tax rate	29.12%
Market weight of debt	41 %
Market weight of equity	50 %
WORKING OF WACC	
Cost of Equity	14.46%
Add: Company specefic risk premium	
Cost of equity	14.46%
WACC	11.41%

Net Adjusted Asset Value

Terminal Value

Particular	7th Year Value	Assumed Growth	Terminal Value
PEBDTA of Terminal Year	1,36,82,05,421	5.00%	1,43,66,15,692
Net Cash Flow at Terminal Year			**1,43,66,15,692**
Capitalised at (Cost of Capital)			**22,42,64,57,971**

COMPUTATION OF SHARE VALUE

Year	Free cash flow	Present Value Factor	Weighted Income
31/03/2020	6,70,54,135	0.9909	6,64,43,942
31/03/2021	- 40,29,29,618	0.8894	- 35,83,65,603
31/03/2022	- 43,49,73,403	0.7984	- 34,72,82,765
31/03/2023	67,38,43,298	0.7166	48,28,76,107
31/03/2024	1,39,59,78,650	0.6431	89,77,53,870
31/03/2025	1,40,81,14,043	0.5772	81,27,63,772
31/03/2026	1,56,98,42,882	0.5181	81,33,35,597
Terminal value	22,42,64,57,971	0.5181	11,61,91,47,875
Present value of free cash flow			13,98,66,72,796
Equity Value (Before non-trading investments)			**13,98,66,72,796**
Add: Cash and Cash equivalents			47,42,74,949
Add: Non Current Assets			3,17,65,544
Less: Contingent liabilities			-
Less: Long Term Provisions			(14,48,42,447)
Less: Long Term Borrowings			(1,55,72,52,377)
Equity Value			**12,79,06,18,466**
Less: Illiquidity adjustment @ 10%			-
Net Equity Value			**12,79,06,18,466**
Total number of shares			2,11,98,068
Share valuation per equity share			**603.39**
Say			**603**

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Annexure 3

DCF of ATC Beverages Private Limited

Determination of Weighted Agerage Cost of Capital:

Presumptions	
Risk Free Rate	6.50%
Expected rate of return	14.46%
Beta	1.00
Growth rate	3.00%
Cost of debt	10.00%
Tax rate	27.55%
Market weight of debt	71%
Market weight of equity	29%
WORKING OF WACC	
Cost of Equity	14.46%
Add: Company specefic risk premium	
Cost of equity	14.46%
WACC	9.34%

Net Adjusted Asset Value

Terminal Value

Particular	5th Year Value	Assumed Growth	Terminal Value
PEBDTA of Terminal Year	6,26,65,562	3.00%	6,45,45,529
Less: Working capital requirements	(3,70,25,214)	3.00%	(3,81,35,971)
Less: Taxes	(1,72,64,362)	3.00%	(1,77,82,293)
Net Cash Flow at terminal year			86,27,265
Capitalised at (Cost of Capital)			7,52,81,545

COMPUTATION OF SHARE VALUE

Year	Free Cash Flow	Present Value Factor	Weighted Income
31-03-20	71,16,942	0.9924	70,62,854
31-03-21	4,47,47,748	0.9076	4,06,13,056
31-03-22	70,86,270	0.8301	58,82,312
31-03-23	2,55,18,912	0.7592	1,93,73,958
31-03-24	1,66,60,150	0.5806	96,72,883
Terminal value	7,52,81,545	0.5806	4,37,08,465
Present value of free cash flow			12,63,13,528
Equity Value (Before non-trading investments)			**12,63,13,528**
Add:Cash & bank balance			33,71,558
Less: Long Term Provision		-	39,79,000
Add: Loans & advances			29,54,197
Less: Long term loans			(14,00,00,000)
Equity Value			**(33,81,717)**
Less: Illiquidity adjustment @ 15%			-
Add: Calls in arrears			**45,00,000**
Net Equity Value			**11,18,283**
Total number of shares			3,06,95,186
Share valuation per equity share			**0.04**

BHAVESH M. RATHOD * REGISTERED VALUER * RV REGN. NO. IBBI / RV / 05 / 2019 / 10708 (Securities or Financial Assets)

Annexure 4

DCF of Avalon Cosmetics Pvt Ltd

Determination of Weighted Agerage Cost of Capital:

Presumptions	
Risk Free Rate	6.50%
Expected rate of return	14.40%
Beta	1.00
Growth rate	5.00%
Cost of debt	0.00%
Tax rate	24.48%
Market weight of debt	0.00%
Market weight of equity	100.00%
WORKING OF WACC	
Cost of Equity	14.40%
Add: Company specefic risk premium	
Cost of equity	14.40%
WACC	14.40%

Net Adjusted Asset Value

Terminal Value

Particular	7th Year Value	Assumed Growth	Terminal Value
PEBDTA of Terminal Year	10,23,01,358	5.00%	10,74,16,426
Net Cash Flow at terminal year			**10,74,16,426**
Capitalised at (Cost of Capital)			**1,13,50,95,273**

COMPUTATION OF SHARE VALUE

Year	Free cash flow	Present Value Factor	Weighted Income
31/03/2020	- 7,14,903	0.9886	- 7,06,753
31/03/2021	10,51,88,615	0.8637	9,08,51,407
31/03/2022	11,31,83,709	0.7545	8,53,97,109
31/03/2023	11,26,12,440	0.6592	7,42,34,121
31/03/2024	10,98,82,295	0.5757	6,32,59,237
31/03/2025	10,71,23,766	0.5030	5,38,83,254
31/03/2026	10,23,01,358	0.4394	4,49,51,217
Terminal value	1,13,50,95,273	0.4394	49,87,60,863
Present value of free cash flow			91,06,30,455
Equity Value (Before non-trading investments)			**91,06,30,455**
Add: Cash and Cash equivalents			- 5,39,44,582
Add: Non-current Assets			-
Less: Contingent liabilities			-
Equity Value			**85,66,85,873**
Less: Illiquidity adjustment @ 5%			**4,28,34,294**
Net Enterprise Value			**81,38,51,579**