

To,  
The Board of Directors,  
Hindustan Foods Limited (“HFL”),  
Office No. 03, Level 2, Centrium, Phoenix  
Market City, 15, Lal Bahadur Shastri Rd, Kurla,  
Mumbai, Maharashtra, India, 400070

To,  
The Board of Directors,  
Avalon Cosmetics Private Limited (“ACPL”)  
Unit No 03, Level 02, Centrium, Phoenix  
Market City, Kurla, Mumbai, Maharashtra,  
India, 400070

To,  
The Board of Directors,  
Vanity Case India Private Limited (“VCIPL”),  
Office No. 03, Level- 02, Centrium Phoenix Market  
City, 15 Lbs Marg, Kamani Junction, Kurla (West),  
Mumbai, Maharashtra, India, 400070

**Sub: Addendum to Valuation Report**

Dear Sir / Madam,

**Valuation Methodology**

Methodology	Name	Remark
<b>Asset Approach</b>	HFL	The Asset Approach is not adopted as this methodology shall not capture the future cash flow of the company.
	ACPL	The Asset Approach is not adopted as this methodology shall not capture the future cash flow of the company.
	VCIPL	Refer note 1 below
<b>Income Approach</b>	HFL	HFL is a listed company and since the information related to future financial projections of the Company is price sensitive in nature, we were not provided with the financial projections of HFL by the Management. We have therefore not used DCF method to determine the fair value of the equity shares of HFL.
	ACPL	ACPL is a profit-making company and generates surplus cash. Going forward as well, ACPL is expected to make profits and generate surplus cash in future. We have therefore used DCF method to determine the fair value of the equity shares of ACPL.
	VCIPL	Refer note 1 below
<b>Market Approach</b>	HFL	HFL is listed on BSE & NSE and these are frequently traded in NSE with reasonable volume on the exchange, we have considered valuation a per regulation 164 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to arrive at fair value of equity shares. Relevant date considered is 24 <sup>th</sup> Sep 2024, being the date of board meeting.
	ACPL	As no related peer company is available, we have not considered Market approach.
	VCIPL	Refer note 1 below

**Note 1**

VC IPL as on date of this report holds 4,64,58,145 (40.55%) equity shares of the face value of INR 2 fully paid-up of HFL. Upon the effective date pursuant to amalgamation of VC IPL with HFL, the entire shareholding of VC IPL with HFL will be cancelled and the shareholders of VC IPL would be issued same number of fully paid up equity shares of HFL proportionate to their holding in VC IPL on the effective date in HFL. Pursuant to amalgamation, there would be no change in the paid-up capital of HFL. As mentioned above, post amalgamation, the shareholders of VC IPL will hold the same number of shares as VC IPL holds in HFL. Consequently, there is no impact on the shareholding pattern of other shareholders of HFL and therefore no valuation of HFL and of VC IPL is required.

Below is the calculation of valuation approach considered in our valuation report dated 24<sup>th</sup> September 2024.

**Hindustan Foods Limited ("HFL")**

Method	Value per share	Weight	Product
Asset Approach (**)	58.77	0.00 %	0.00
Market Approach (*)	615.45	100.00 %	615.45
Income Approach (***)	50.32	0.00 %	0.00
Weight Average Value per share			615.45

(\*) The Weighted Average Price for the 90-10 trading Days on NSE is considered as the market price of the company.

(\*\*) Value per share as per Asset Approach Method is not reflecting the correct value, hence no weightage is considered for Asset Approach.

(\*\*\*) Value per share as per Income Approach is lower than Market Approach Method and not reflecting the true potential of the company, hence, no weightage is considered for Income Approach.

**As per Regulation 164 SEBI, ICDR**

Method	in INR	
90 trading days' volume weighted average price (*)	A	562.16
10 trading days' volume weighted average price (*)	B	615.45
Higher of A & B	C	615.45

**Revised calculation of Volume Weighted Average Price for 90 trading days on NSE. (\*)**

Sr. No.	Date	No. of Share Traded	Traded Turnover
1	23-Sep-24	3,77,888	25,16,09,842.35
2	20-Sep-24	3,75,000	24,04,42,636.95
3	19-Sep-24	1,54,182	9,54,28,413.75
4	18-Sep-24	3,97,851	25,00,28,813.70
5	17-Sep-24	6,84,482	42,30,26,255.15
6	16-Sep-24	4,44,835	26,47,80,787.00
7	13-Sep-24	2,73,906	15,51,99,999.65
8	12-Sep-24	58,004	3,32,83,294.50
9	11-Sep-24	4,14,389	24,83,66,577.35

10	10-Sep-24	1,58,163	9,26,44,141.90
11	09-Sep-24	54,281	3,07,51,484.00
12	06-Sep-24	53,180	3,08,82,697.00
13	05-Sep-24	69,820	4,06,04,743.20
14	04-Sep-24	54,230	3,13,53,023.15
15	03-Sep-24	72,988	4,24,59,131.70
16	02-Sep-24	60,024	3,45,05,091.75
17	30-Aug-24	56,465	3,25,45,939.45
18	29-Aug-24	32,767	1,88,46,096.95
19	28-Aug-24	99,411	5,76,66,004.70
20	27-Aug-24	60,673	3,45,96,046.95
21	26-Aug-24	75,409	4,31,82,197.35
22	23-Aug-24	37,557	2,16,02,089.70
23	22-Aug-24	51,165	2,97,36,375.05
24	21-Aug-24	81,602	4,63,11,435.15
25	20-Aug-24	61,537	3,48,66,022.80
26	19-Aug-24	82,863	4,82,92,453.25
27	16-Aug-24	1,22,354	6,96,72,152.75
28	14-Aug-24	1,37,190	7,74,58,179.05
29	13-Aug-24	60,565	3,38,09,811.25
30	12-Aug-24	57,746	3,26,98,130.90
31	09-Aug-24	26,647	1,49,50,282.50
32	08-Aug-24	32,517	1,82,62,938.65
33	07-Aug-24	30,970	1,73,61,090.30
34	06-Aug-24	67,935	3,79,91,206.90
35	05-Aug-24	1,75,668	9,93,87,701.75
36	02-Aug-24	40,816	2,39,69,380.50
37	01-Aug-24	85,388	5,00,84,992.00
38	31-Jul-24	80,277	4,77,70,284.70
39	30-Jul-24	51,527	3,06,04,298.05
40	29-Jul-24	73,796	4,38,94,150.45
41	26-Jul-24	71,658	4,24,84,343.15
42	25-Jul-24	79,760	4,75,53,163.05
43	24-Jul-24	97,251	5,80,72,563.20
44	23-Jul-24	1,64,086	9,62,29,408.30
45	22-Jul-24	3,37,059	19,91,93,821.20
46	19-Jul-24	1,87,420	10,89,34,759.25
47	18-Jul-24	5,89,382	34,05,09,847.65
48	16-Jul-24	1,28,214	7,27,20,001.25
49	15-Jul-24	2,47,682	14,00,02,513.20
50	12-Jul-24	2,22,840	12,46,07,403.90
51	11-Jul-24	3,58,149	20,13,59,060.50
52	10-Jul-24	3,18,347	17,76,59,834.85
53	09-Jul-24	3,94,667	21,96,38,390.15

# Bhavesh M Rathod

Registered Valuer – Securities or Financial Assets

54	08-Jul-24	1,10,323	6,07,05,609.60
55	05-Jul-24	2,02,604	11,21,45,988.50
56	04-Jul-24	6,94,960	38,34,28,195.90
57	03-Jul-24	67,543	3,53,73,533.20
58	02-Jul-24	1,02,698	5,40,49,859.45
59	01-Jul-24	1,21,550	6,49,16,767.60
60	28-Jun-24	2,28,229	12,12,02,491.50
61	27-Jun-24	13,22,511	69,12,09,362.00
62	26-Jun-24	36,08,556	2,01,54,22,453.00
63	25-Jun-24	4,03,907	20,42,78,106.40
64	24-Jun-24	69,875	3,54,24,173.80
65	21-Jun-24	57,897	2,91,24,896.65
66	20-Jun-24	65,850	3,29,19,330.95
67	19-Jun-24	76,432	3,80,83,894.35
68	18-Jun-24	85,974	4,32,05,419.15
69	14-Jun-24	1,09,340	5,52,71,602.30
70	13-Jun-24	74,618	3,85,23,697.40
71	12-Jun-24	37,664	1,91,27,754.75
72	11-Jun-24	70,840	3,59,12,743.55
73	10-Jun-24	1,53,469	7,77,95,490.70
74	07-Jun-24	46,029	2,36,04,389.25
75	06-Jun-24	86,219	4,44,26,570.10
76	05-Jun-24	5,04,739	26,16,35,367.95
77	04-Jun-24	1,40,832	6,78,29,522.15
78	03-Jun-24	49,077	2,39,21,711.20
79	31-May-24	45,643	2,22,53,703.00
80	30-May-24	25,195	1,23,73,600.30
81	29-May-24	38,301	1,89,37,374.75
82	28-May-24	32,844	1,62,30,905.05
83	27-May-24	45,701	2,25,43,218.15
84	24-May-24	38,660	1,91,31,868.05
85	23-May-24	50,023	2,47,45,924.00
86	22-May-24	80,336	3,97,89,961.00
87	21-May-24	50,617	2,51,69,727.85
88	18-May-24	6,138	30,63,066.30
89	17-May-24	22,890	1,14,13,322.05
90	16-May-24	19,683	97,99,003.95
		<b>1,75,30,350</b>	<b>9,85,48,81,910</b>

<b>Total Turnover</b>	<b>9,854,881,910</b>
<b>Total No. of Shares traded</b>	<b>17,530,350</b>
<b>Volume Weighted Average Price for 90 trading Days</b>	<b>562.16</b>

**Volume Weighted Average Price for 10 trading Days on NSE**

Date	No. of Trades	Total Turnover (Rs.)
23-Sep-24	3,77,888	25,16,09,842
20-Sep-24	3,75,000	24,04,42,637
19-Sep-24	1,54,182	9,54,28,414
18-Sep-24	3,97,851	25,00,28,814
17-Sep-24	6,84,482	42,30,26,255
16-Sep-24	4,44,835	26,47,80,787
13-Sep-24	2,73,906	15,52,00,000
12-Sep-24	58,004	3,32,83,295
11-Sep-24	4,14,389	24,83,66,577
10-Sep-24	1,58,163	9,26,44,142
<b>Total</b>	<b>33,38,700</b>	<b>2,05,48,10,762</b>

<b>Total Turnover</b>	<b>2,054,810,762</b>
<b>Total No. of Shares traded</b>	<b>3,338,700</b>
<b>Volume Weighted Average Price for 10 trading Days</b>	<b>615.45</b>

(\*) while extracting data from the NSE for 28<sup>th</sup> August 2024, an error occurred whereby the BL series was erroneously used in place of the EQ series for traded shares. This resulted in a minor adjustment to the 90-days price, changing it from 562.18 to 562.16. However, this discrepancy does not affect the valuation, as the highest price used is based on the 10-days price calculations, which remains unchanged at INR 615.45.

**Adjusted NAV Method as on 30<sup>th</sup> June 2024****(INR Lakhs)**

Particulars	Amount
<b>Assets</b>	
<b>Non-Current Assets</b>	
-Tangible Assets	84,686.57
-Intangible Assets	111.96
-CWIP	840.25
-Goodwill	652.15
-Right to use of Assets	5,386.84
-Intangible Assets Under Development	33.68
Deferred tax assets (net)	450.04
Other Non-Current Assets	13,610.07
<b>Current Assets</b>	
Inventories	49,340.03
Trade receivables	17,577.40
Cash and bank balances	4,928.91
Other Current Assets	14,906.79
<b>Total Assets</b>	<b>A 1,92,524.69</b>
<b>Non-Current Liabilities</b>	
Long Term Borrowings	49,519.56

Long Term Provision		1,295.57
Deferred Tax Liabilities		4,133.45
Lease Liabilities		4,058.72
Current liabilities		
Short Term Borrowings		19,073.08
Trade payables		42,580.12
Other current liabilities		6,780.96
Short-term provisions		139.85
Lease Liabilities		330.29
<b>Total Liabilities</b>	<b>B</b>	<b>1,27,911.60</b>
<b>Net Worth as on 31-March-2024</b>	<b>C = A - B</b>	<b>64,613.09</b>
Add: PAT as on 30-Jun-2024	<b>D</b>	2,725.03
<b>Adjusted Networth as on 30-Jun-2024</b>	<b>E = C + D</b>	<b>67,338.12</b>
No. of Equity Shares	<b>F</b>	11,45,73,353
<b>Value Per Share</b>	<b>G = E / F</b>	<b>58.77</b>

**Profit Earning Capitalization Value Method (PECV Method)**

(INR Lakhs)

Particulars	FY23	FY24	Jun 24 (TTM)
<b>Profit After Tax (*)</b>	7,478.74	9,301.72	9,163.50
<b>Average Profit</b>			8,647.99
<b>Capitalization</b>	<b>15.00%</b>		57,653.24
<b>No. of Equity Shares</b>			11,45,73,353
<b>Value per share (Rs.)</b>			50.32

(\*) Operational PAT i.e. Profit After Tax excluding deferred tax is considered

**Capitalization Rate****Organisation Specific Discount Rate**

- Cost of Equity of 15.00% is taken as Capitalization rate, calculated using,
  - Historical Market Return of BSE 500 from February 01, 1999, to September 18, 2024, is 15.20%

	Rate	Source
Market Return (Rm)	15.20 %	Return of BSE 500 for the period of Feb 01, 1999, to September 18, 2024.

Based on the above parameters, the Cost of Equity has been calculated at **15.00 %**. (Rounded off)

### Avalon Cosmetics Private Limited ("ACPL")

Method	Value per share	Weight	Product
Asset Approach (*)	3.35	0	0.00
Market Approach (**)	0.00	0	0.00
Income Approach	114.00	1	114.00
	<b>Weight Average Value per share</b>		<b>114.00</b>

(\*) Value per share as per Asset Approach Method is not reflecting the correct value, hence no weightage is considered for the Asset Approach.

(\*\*) As the Company is unlisted and due to the absence of its comparable instruments, we have not adopted the Market Approach.

### Discounted Cash Flow Method

We have been provided with the business projection of the Company for **Five years** by the Management, which we have considered for our Analysis. Accordingly, the projected free cash flows to Equity ("FCFE") based on these financial statements is set out below:

(INR Lakhs)

Number of Months	9	12	12	12	12	
Particulars	FY25	FY26	FY27	FY28	FY29	TV
PAT	444.46	910.10	1,098.72	1,328.93	1,605.19	1,669.39
Add: Depreciation	91.09	91.09	91.09	91.09	91.09	94.73
Less: Capex	-485.35	0.00	0.00	0.00	0.00	
(Increase)/ decrease in working capital	-566.65	-886.12	-273.72	-328.44	-394.13	-100.42
Free cash flow to firm ('FCFF')	-516.44	115.06	916.09	1,091.58	1,302.15	1,663.71
Net Debt Taken / (Repaid)	188.20	0.00	0.00	0.00	0.00	
Other Non-Current Liability	19.31	0.00	0.00	0.00	0.00	
Other Non-Current Assets	0.00	0.00	0.00	0.00	0.00	
Free cash flow to Equity ('FCFE')	-308.93	115.06	916.09	1,091.58	1,302.15	1,663.71
	0.00	0.00	0.00	0.00	0.00	
Annual factor	0.75	1.00	1.00	1.00	1.00	
Discounting period (end year)	0.75	1.75	2.75	3.75	4.75	
PV factor	15.01%	0.90	0.78	0.68	0.59	0.51
PV of FCFE	-278.14	90.07	623.54	646.02	670.05	

PV of FCFE for the horizon period	1,751.55	A
FCFE for terminal year	1,663.71	
WACC	15.01%	
Perpetuity Growth	4.00%	
Capitalisation Rate	11.01%	
Gross terminal value	15,109.69	
PV factor	0.51	
PV of terminal value	7,775.06	B
Enterprise value	9,526.61	A+B
Add: Cash & Bank	525.73	
Fair Value of Equity	10,052.34	
No of Share	88,47,049	
Value Per Share (in INR)	113.62	
Value Per Share (in INR) (R/off)	114.00	

#### Assumptions

Cost of Equity	15.01 %
Long Term Growth Rate	4.00 %
Market Return (Rm)	12.01 %

#### 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 by taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimates growth rate of the industry and economy. Based on dynamics of the sector and discussions with the Management we have assumed a terminal growth rate of **4.00 %** for the Company beyond the projections periods. The cash flows of **Rs. 1,663.71 Lakhs** have been used to determine the terminal value. Based on these assumptions the terminal value has been calculated at **Rs. 15,109.69 Lakhs**.

Using these cash flows and a discount rate of **15.01 %**, we estimate the equity value of the Company **Rs. 10,052.34 Lakhs**.

#### Discount Factor

#### Organisation Specific Discount Rate

- Cost of Equity of 15.01 % is taken as Discounting rate, calculated using,
  - Historical Market Return of BSE SENSEX from June 30, 2014, to June 28, 2024, is 12.01%
  - We have considered Premium of 3.00 % towards risk and illiquidity



	Rate	Source
Market Return (Rm)	12.01 %	Return of BSE SENSEX for the period of Jun 30, 2014, to Jun 28, 2024.
Company Specific Risk	3.00%	Contingency of revenues, projected high profitability, achievability of projections

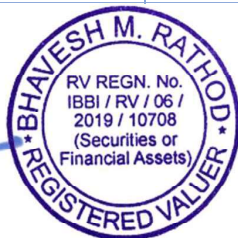
**Net Asset Value Method of Demerged Unit as on 30<sup>th</sup> June 2024.**

(INR Lakhs)

Particulars		Amount
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed Assets		
-Tangible Assets		578.26
Deferred tax assets (net)		26.81
<b>Current assets</b>		
Trade receivables		119.58
Cash and bank balances		12.92
Inter unit receivable		194.00
Other Current Assets		89.00
<b>Total Assets</b>	<b>A</b>	<b>1,020.58</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Other non-current liabilities		71.02
<b>Current liabilities</b>		
Short Term Borrowings		311.80
Trade payables		303.65
Other current liabilities		37.60
<b>Total Liabilities</b>	<b>B</b>	<b>724.07</b>
<b>Net Worth</b>	<b>(A - B)</b>	<b>296.50</b>
No. of Shares	<b>C</b>	88,47,049
<b>Value Per Share</b>	<b>(A - B) / C</b>	<b>3.35</b>

Thank you.





Bhavesh M Rathod  
Chartered Accountants  
M No: 119158  
Registered Valuer - Securities or Financial Assets  
(Reg No: IBBI/RV/06/2019/10708)  
Place: Mumbai  
Date: 26/11/24

Date: 28-12-2024

To,  
The Board of Directors,  
Hindustan Foods Limited ("HFL"),  
Office No. 03, Level 2, Centrium, Phoenix Market  
City, 15, Lal Bahadur Shastri Rd, Kurla, Mumbai,  
Maharashtra, India, 400070

To,  
The Board of Directors,  
Avalon Cosmetics Private Limited ("ACPL")  
Unit No 03, Level 02, Centrium, Phoenix Market  
City, Kurla, Mumbai, Maharashtra, India, 400070

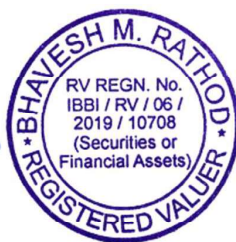
To,  
The Board of Directors,  
Vanity Case India Private Limited ("VCIPL"),  
Office No. 03, Level- 02, Centrium Phoenix Market  
City, 15 Lbs Marg, Kamani Junction, Kurla (West),  
Mumbai, Maharashtra, India, 400070

Dear Sir(s)/ Madam(s),

**Sub: Addendum to our valuation report dated 24<sup>th</sup> September 2024 recommending fair equity share exchange ratio for the proposed Scheme of Arrangement between Avalon Cosmetics Private Limited ("the Demerged Company" or "ACPL") and Vanity Case India Private Limited ("the Transferor Company" or "VCIPL") with Hindustan Foods Limited ("the Resulting Company" or "the Transferee Company" or "HFL") and their respective shareholders ("Scheme").**

This is to confirm that the share exchange ratio and valuation arrived at in the said Valuation report is after considering the projections and assumptions of Nashik unit (the Demerged Unit) of ACPL and not entire company.

Thank you.



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

Place: Mumbai  
Date: 28-12-2024