

**Annexure IV**

To,
The Chief General Manager
Listing Operation,
BSE Limited,
20th Floor, P. J.Towers,
Dalal Street,
Mumbai – 400 001.

Dear Sir,

Sub: Application for “In-principle approval” prior to issue and allotment of 54,76,000 equity shares and 13,740,000 equity share warrants on preferential basis under Regulation 28(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

We, Sayani & Associates, Practicing Company Secretaries have verified the relevant records and documents of Tanvi Foods (India) Limited with respect to the proposed preferential issue by the company as per Chapter V of SEBI (ICDR) Regulations, 2018 and certify that:

- a) None of the proposed allottee(s) has/ have sold any equity shares of the company during the 90 trading days preceding the relevant date. Further, where the proposed allottee(s) is/ are promoter/ promoter group entity, then none of entities in the promoter and promoter group entities has/ have sold any equity share of the company during the 90 trading days preceding the relevant date.
- b) Names of all proposed allottees along with details of equity shares holding in the issuer for a period starting from the relevant date till the date of preferential allotment is given below:

| S. No. | Name of the Subscriber | Pre Issue | |
|--------|--|---------------|------|
| | | No. of shares | % |
| 1 | Kesara Charita | 3,04,000 | 5.66 |
| 2 | Sonal Dhiren Shethia | - | - |
| 3 | Rich `n' Rich Finance and Holdings Limited | - | - |
| 4 | Sainaren Properties Private Limited | 2,50,000 | 4.66 |
| 5 | Meena Jain | 20,000 | 0.37 |
| 6 | Suraj Sankhala | 2,000 | 0.04 |



SAYANI & ASSOCIATES

Practicing Company Secretaries

Office No. 302, MGR Estates, Dwarakapuri Colony
Panjagutta, Hyderabad – 500 082, Telangana

| | | | |
|----|--------------------------------------|----------|------|
| 7 | Shreeji Capital and Finance Limited | - | - |
| 8 | Darshan P Desai HUF | - | - |
| 9 | Vaibhav Rajendra Doshi (HUF) | - | - |
| 10 | Ashok Kumar Gupta | - | - |
| 11 | Geeta Gupta | - | - |
| 12 | Anantapur Gugila Prithvi Reddy | - | - |
| 13 | Yarlagadda Siva Krishna | - | - |
| 14 | Lekhya Entertainment Private Limited | - | - |
| 15 | Jeevan Krishna Kuchipudi | - | - |
| 16 | Krishna Kishore Kuchipudi | - | - |
| 17 | K Vanaja | - | - |
| 18 | Mothukuri Snigdha | - | - |
| 19 | Sanivarapu Navya Reddy | - | - |
| 20 | Sreenivasulu Devarasetty | - | - |
| 21 | Jonnala Sudhakar | - | - |
| 22 | Namineni Chandra Mouli | - | - |
| 23 | Tradewell Finvest Private Limited | - | - |
| 24 | K Ravindranath | - | - |
| 25 | Prakash Chand Kothari | - | - |
| 26 | Salim Punjani | 10,000 | 0.19 |
| 27 | Chereddi Ramachandra Naidu | - | - |
| 28 | Vankineni Pruthvi Krishna | 10,000 | 0.19 |
| 29 | Sravan Kumar Kotha | 8,000 | 0.15 |
| 30 | Naresh Babu R | 4,000 | 0.07 |
| 31 | Srinivasa Rao Paturi | - | - |
| 32 | Srivalli Padmanabhan | - | - |
| 33 | Tondapu Venkata Appa Rao | - | - |
| 34 | Vasavi Adusumilli | 3,38,038 | 6.30 |



- c) The pre-preferential shareholding of each of proposed allottee(s) has been locked in accordance with Regulation 167 (6) SEBI (ICDR) Regulations, 2018. Further, there is no sale/ pledge of pre-preferential holding from relevant date i.e., May 15, 2023 till date of lock-in i.e., May 16, 2023 and May 17, 2023. The details of allottee-wise pre-preferential shareholding and lock-in thereon is as given hereunder:

| Name of Proposed Allottee | DP ID * | Pre-preferential holding | Lock-in details | | Pledged with | Pledge end date |
|-------------------------------------|-------------------|--------------------------|-----------------|------------|--------------|-----------------|
| | | | From | To | | |
| Salim Punjani | IN30051315851079 | 10,000 | 17.05.2023 | 15.11.2023 | - | - |
| Sainaren Properties Private Limited | IN30286310360593 | 2,50,000 | 17.05.2023 | 15.11.2023 | - | - |
| Meena Jain | IN30051319246573 | 20,000 | 17.05.2023 | 15.11.2023 | - | - |
| Suraj Sankhala | IN30302820716377 | 2,000 | 17.05.2023 | 15.11.2023 | - | - |
| Vasavi Adusumilli | IN30021427183974 | 3,38,038 | 17.05.2023 | 15.11.2023 | - | - |
| Vankineni Pruthvi Krishna | '1208160001646513 | 10,000 | 16.05.2023 | 15.11.2023 | - | - |
| Sravan Kumar Kotha | '1208160084202438 | 8,000 | 16.05.2023 | 15.11.2023 | - | - |
| Naresh Babu R | '1208160005613981 | 4,000 | 16.05.2023 | 15.11.2023 | - | - |
| Kesara Charita | '1204470018133996 | 3,04,000 | 16.05.2023 | 15.11.2023 | - | - |

(*) client id/ folio no in case allottee hold the securities in physical form

- d) None of the proposed allottees belonging to promoter(s) or the promoter group is ineligible for allotment in terms of Regulations 159 of SEBI (ICDR) Regulations, 2018.
- e) The proposed issue is being made in accordance with the requirements of Chapter V of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018, Section 42 and 62 of the Companies Act 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other requirements of Companies Act, 2013. Further, the company has complied with all legal and statutory formalities and no statutory authority has restrained the company from issuing these proposed securities.



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- f) The proposed preferential issue is being made in compliance with the provisions of Memorandum of Association (MoA) and Article of Association (AoA) of the company. It is further confirmed that for the proposed preferential issue, the price of the equity shares of the company has been determined in compliance with the valuation requirement as mentioned in the AoA of the company.”
- g) The total allotment to the allottee or allottees acting in concert in the present preferential issue is more than 5% of the post issue fully diluted share capital of the issuer.

for Sayani & Associates
Practicing Company Secretaries

Zoheb
Sultan
Ali
Sayani

Digitally signed
by Zoheb Sultan
Ali Sayani
Date: 2023.05.19
13:32:50 +05'30'

Zoheb S Sayani
Proprietor

C.P. No.: 26128

M. No.: F10881

UDIN: F010881E000336096

Peer Review Certificate no. 2787/2022

19.05.2023
Hyderabad

ANNAMREDDY SRAVANTHI

B.COM, ACA
Registered Valuer
(Securities or Financial Assets)

**VALUATION REPORT ON VALUE OF SHARES
OF
M/s. TANVI FOODS INDIA LIMITED**

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Valuation Summary

| | |
|----------------------|---|
| Valuation Date | 31-03-2023 |
| Subject of valuation | To Determine Value Per Share of M/s. TANVI FOODS (INDIA) LIMITED |
| Purpose of Valuation | Preferential Allotment of Equity Shares |
| Valuation Method | Net Asset Replacement Cost Method under Cost Approach, Discounted Cash Flow Method under Income Approach and Comparable Companies Multiple Method under Market Approach |
| Valuation Conclusion | Value per Equity Share of M/s Tanvi Foods (India) Limited is Rs. 47.83 |
| Appendix-A | Statement of Assumptions and Limiting Conditions |

| Approach | Method | Applicability | Value per share | Weights | Wt.value |
|------------------------|--------------------------------------|---------------|-----------------|---------|----------|
| Cost Approach | Net Asset Replacement Cost Method | Applicable | 43.81 | 20% | 8.76 |
| Income Approach | Discounted Cash Flow Method | Applicable | 51.03 | 40% | 20.41 |
| Market Approach | Comparable Companies Multiple Method | Applicable | 46.63 | 40% | 18.65 |
| Value per Equity Share | | | | | 47.83 |



Preamble

I, Mrs. Annamreddy Sravanthi, Independent Registered Valuer Registered with IBBI , Vide in Registration Number **IBBI/RV/05/2019/12377** and Practicing Chartered Accountant, have been appointed by M/s. Tanvi Foods (India) Limited to determine the value of Equity Shares of M/s. Tanvi Foods (India) Limited for the purpose of Preferential Allotment of Equity Shares pursuant to and in compliance with the guidelines / regulations issued by SEBI (Issue of Capital and Disclosure Requirement) Regulations 2018, and subsequent amendments thereto ('Regulations') and also as per the provisions of the Companies Act 2013.


Brief About M/s. TANVI FOODS INDIA LIMITED

M/s. Tanvi Foods (India) Limited having its Registered Office at Flat No. 101, Alekhaya Homes Temple Tree, Raghavendra Colony Kondapur HYDERABAD Hyderabad TG 500084 IN was incorporated on 30/03/2007. The CIN of Tanvi Foods (India) Limited is L15433TG2007PLC053406.

The shares were infrequently traded

The Company is engaged in the manufacturing and trading of Frozen Fruits & Vegetables (i.e. American Sweet Corn, Green Peas, Mix Vegetables, Carrot, Drumsticks, Ladies Finger, Beetroot, Ivy Guard), Frozen Snacks (i.e. different types of Frozen Samosa and Frozen Spring Rolls) and Frozen Dal & Curries (i.e. Mango, Tomato, Brinjal and Ridge Guard). Currently, the Company operates its business in Vijayawada, Andhra Pradesh and in Hyderabad, Telangana, in both B2B and B2C segments, though, more focused in B2B segment, under the registered brand names "FORZEN KINGS" and "TANVI FOODS".





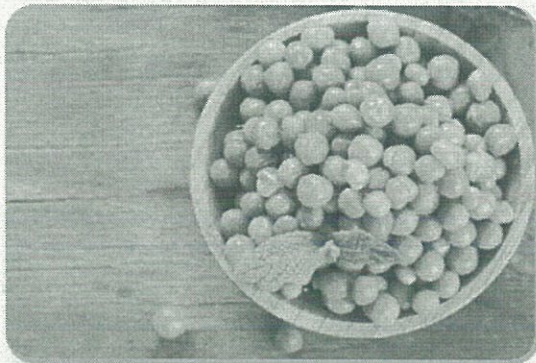
Why Tanvi

- Strong supply chain of high-quality raw materials around the year.
- A wide variety of products such as Frozen snacks, & Frozen vegetable chutneys.
- With strongly established brands of Frozen King's & Corn Club.
- In-house blast freezing, cold storage, and refrigerated transportation facilities.
- Experienced technical and managerial staff.

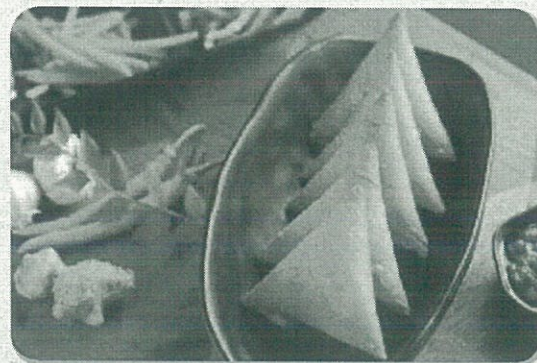
BRANDS



PRODUCTS

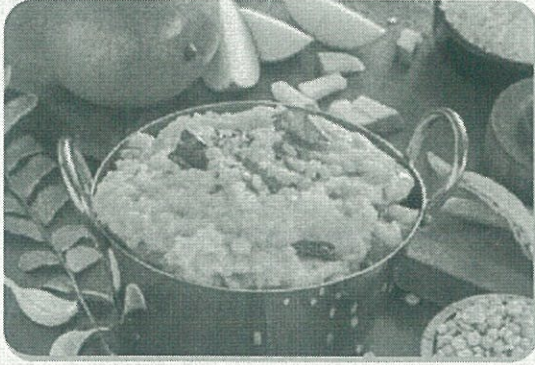


Fresh & Frozen Agri Products

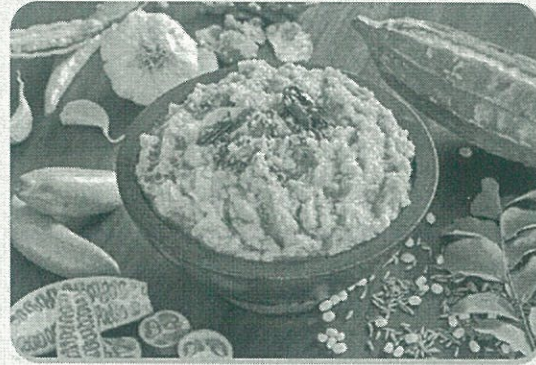


Frozen Snacks





Frozen Dal & Curries



Frozen Vegetable Chutneys

Existing Facilities/Usage in Future/Lease details:

| Future | Address |
|---|--|
| Corporate Office | Registered Corporate Office Flat No 101, Alekhya Homes, Temple Tree, Raghavendra Colony, Kondapur, Hyderabad — 500084, Telangana, INDIA |
| Manufacturing Unit (Existing) | Processing Unit - 1 D.No. 54-20/ 9/ 9A, Thimmarusu Street, Sri Nagar Colony, Vijayawada, Andhra Pradesh — 520008 |
| Manufacturing Unit (Under Construction) | New factory Sitaramapuram D.No.3— 157, Sitaramapuram, Nuzividu Mandal, Krishna District, AP — 521106, INDIA |
| Cold Storage | Cold Storage — 1 B- 12, Sanath Nagar, Industrial Estate, Opposite Post office, Sanath Nagar, Hyderabad — 500018, Telangana, INDIA |
| Cold Storage | Cold Storage — 2 #54/6/ 52, 4th road, Industrial Estate, Phase II, Nehru Auto Nagar, Vijayawada, Krishna District, Andhra Pradesh — 520007, INDIA |
| Cold Storage | Cold Storage — 3 Plot No. 151,152, Sai RTC Colony, Apparaopet Road, Kesarapalli Village, Gannavaram Mandal, Krishna District, Andhra Pradesh — 521102. |
| Sale Point | Sale Point Hyderabad B- 12, Sanath Nagar, Industrial Estate, Opposite Post office, Sanath Nagar, Hyderabad — 500018. |

The Company is in the process of constructing a new plant at Sitarampuram, around 20 kilometers to the Vijayawada International Airport. This facility is in addition to their current facility in Vijayawada that is in the residential area(s) with a space of 11,000 square feet of building.

Features of New Plant at Sitaramapuram:

The Company is in the process of constructing a new plant at Sitarampuram, around 20 kilometers to the Vijayawada International Airport. This facility is in addition to our current facility in Vijayawada that is in the residential area(s) with a space of 11,000 square feet of building.

The factory is designed in compliance of BRC (British Retail Consortium) norms which are the strictest and best standards with 302 clauses which includes food safety plans, FSMS (Food safety management systems), product controls, process controls, personal Hygiene & safety for food and human safety would give us scope to export our products easily.

The main objective of constructing the new plant is get-equipped with the market trends by bringing innovative technology in the industry and thereby to increase the production & market level(s). It also helps us to enable and self-sustain through the single line of business rather on multiple business verticals such as Trading and distribution etc.

The plant is being constructed within a space of 3.5 acre(s) with a multi-variant storage facility available at the site-location of which the exclusive factory construction is with the built-up area of 80,737 square feet.

The facility will be equipped with state-of-the-art machinery which are imported from Taiwan and Korea and operations will beg'. automatic & Semi-automatic mode's.



The Pros & Cons of the new Plant is being derived here:

- Designed with all the Industrial standards in available resources zone.
- With the increase in production capacity, it provides opportunity and open(s) us for market the product across PAN India and for foreign export(s).
- Increases productivity and thereby helps us to improve the Quality of the Product, as well as Productivity and Shelf of the product.
- The plant is also designed in-line with the BRCGS along with the ISO 14001: 2013 (EMS), ISO 45001: 2018 (OH&S) & SA 8000: 2014 (ISA). New OHS consideration and priorities to food and human safeties to meet the BRC standards and create healthy and safe work environment.

List of Products offered by the company**Samosa Range (Frozen)**

1. Products Range - Samosa's
2. Corn Samosa
3. Corn Cocktail Samosa
4. Irani Samosa
5. Onion Samosa
6. Veg.Samosa
7. Paneer samosa
8. Coconut Gujiya Samosa (Sweet)

Spring roll range (Frozen)

1. Corn Spring Roll
2. Shanghai Roll
3. Paneer Roll
4. Chocolate Roll (Sweet)

Vegetable Chutneys (Frozen)

1. Brinjal & cucumber
2. Tomato Chutney
3. Cabbage & Tomato
4. Ridge Gourd & Tomato
5. Ivy Gourd & Ridge Gourd
6. Gongura (Pitwaa)-Red Chilli chutney
7. Coriander Chutney
8. Kandi (Toor dal) Chutney



9. Coconut & Red chilli chutney
10. Coconut & Tomato chutney
11. Coconut & Mango Chutney (Seasonal)

Other Products

1. Frozen Sweet corn.
2. Frozen Green peas.
3. Frozen Curries.
4. Frozen Fresh Vegetables.

As on Valuation date, the Authorized Share Capital of the company is Rs. 650,00,000 comprising of 65,00,000 equity shares of Rs. 10/- each and the Issued, Subscribed and Paid up Equity Share Capital is Rs. 5,36,67,750 comprising of 53,66,775 Equity Shares of Rs. 10/- each. The Equity Shares of M/s TANVI FOODS (INDIA) LIMITED are listed on Bombay Stock Exchange Limited (BSE).

BSE: TANVI | 540332 | INE978V01015

Board of Directors of the Company as on Valuation Date

| Name | Designation |
|-----------------------------|------------------------------|
| Adusumilli Sri Nagaveer | Chairman & Managing Director |
| Ms. Vasavi Adusumilli | Whole Time Director |
| Mr. Ryali Gangachari | Chief Financial Officer |
| Mr. Sai Sumith Balusu | Independent Director |
| Ms. Badram Vijaya Lakshmi | Independent Director |
| Mrs. Jonnada Vaghira Kumari | Independent Director |
| Ms. Kesara Charita | Whole Time Director |



Management Team**Mr. Sri Nagaveer Adusumilli –(Founder & Managing Director)**

Sri Nagaveer. A, being Founder & MD. was graduated in BUSINESS MANAGEMENT from Nagarjuna university in ANDHRA PRADESH. Post graduated in COMPUTER APPLICATIONS from MADRAS UNIVERSITY. He excels in space of frozen food industry conceptualizing the lines of purity and quality, and offering the best quality foods that are, healthy as well as tasty. Born in an agricultural family and passionate towards Agri and food processing aims at revolutionizing the frozen food industry market, with unique products and technologies contributing and defying stereotypes by tainting the business world with highly motivated spirits. an entrepreneur who started his entrepreneurial journey out of passion at the age of 21, for healthy and nutritional food, today trains & creates more entrepreneurs.

As a passionate founder surging in the space of Frozen Food with a desire to offer clean, healthy, nutritious ready to eat & cook food products to the world.

Mrs. Vasavi Adusumilli - (Executive Director)

Mrs. Vasavi Adusumilli, graduated in commerce from Nagarjuna university, worked as Head-Admin in ICFAI UNIVERSITY. She has an experience of 15 years in food industry and specialization in frozen food. A passionate cook from childhood she does R&D with frozen traditional dishes, which led to the foundation of frozen traditional south Indian pickles (CHUTNEYS). She is striving hard to make a difference in the world by offering affordable healthy living food products. Her creativity & experimenting nature led her to invent many wide ranges of products like frozen Dall's, Curries, and traditional Deserts. Outshines as an unparalleled maven in creating the perfect taste, healthy and nutritional food through various frozen varieties in various segments thus making her clients' dreams a beautiful reality.

She committed towards empowering women and women should be given equal opportunity in every field irrespective of any discrimination.



Mrs. Charita Kesara (Executive Director)

Ms. Charita Kesara a computer science engineer from J. N.T.U, Hyderabad with a specialization in SAP with Advanced Business Application and Programming.

She has worked for SATYAM COMPUTERS from 2006 to 2009 for companies like COKE. she established the business presence out of passion in the digital space. She worked as Business Head at Dr. Amar Bariatric & Metabolic Centre and as a consultant to Tanvi foods India Ltd., extending her expertise in branding, product photography, packaging and digital media marketing.

Her passion for photography is explicitly visible with the love that she holds for professional cameras. She specializes in portrait photography and post- processing editing. As they say, “To photograph truthfully and effectively is to see beneath the, surfaces”, she conceives of a picture in her mind before she clicks. A lifelong learner, photographer, sports enthusiast and a traveler at heart, she document's everything that she likes in the story of her life through memorable pictures.

Mrs. Vaghira Jonnada- (Independent Director)

She is a BA. (Geography) Hons, Law Graduate from NBM Law College, Visakhapatnam and a qualified Associate Member of the Institute of Company Secretaries of India (ICSI). She became an office bearer and Management Committee Member of Visakhapatnam Chapter of ICSI since 2016 and she is currently acting as the Chairperson of the Vishakhapatnam Chapter of ICSI for the year 2022-23.

She had not only handled the general compliances under the Companies Act, 2013 but also involved various merger, acquisitions, obtaining valuation reports, registration of trademarks and patents and an advisor to many of the medium to Large Scale enterprises. She not only develops her own skills by venturing into various field (not just restricting to Companies Act, 2013) she had been a guide, advisor and philosopher to many upcoming Company Secretaries and in-terns under whose guidance carved out their respective careers.



MR. SAI SUMITH BALUSU – INDEPENDENT DIRECTOR

Mr. Sai Sumith Balusu has done his Masters of Science in Information & Technology from Alpen-Adria University in Austria. He has around 5.3 years of experience in IT/Software Industry. He has expertise in understanding the TIBCO Active Enterprise Suite and considerable experience in designing and implementation. He has extensive experience in installation, configuration and troubleshooting of TIBCO Administrator, TIBCO Rendezvous, TIBCO Business Works, TIBCO EMS, TIBCO Hawk, TIBCO Adapter for Active Database and TIBCO Adapter for Files. He has worked on projects for TESCO, London based company, Royal Bank Scotland. KPN Netherlands etc.

MS. BADRAM VIJAYA LAKSHMI - INDEPENDENT DIRECTOR

Ms. Badram Vijaya Lakshmi has done her Post Graduate Diploma in Business Analytics from Symbiosis Institute and has over 15 years of experience in Human Resource. She is an HR professional well experienced in the HR generalist profile including HR Operations, HR Services, Talent Acquisition, Performance Management, Employee Engagement. Handling a role of Corporate HR with key focus on streamlining various HR processes in the organization. She has previously worked for Prolease India Private Limited, Navayuga Group, Sita Corp India Private Limited, Wavelabs Technologies Private Limited etc. She has exposure to SAP HR.



Industry Analysis

Business overview & future of frozen industry.

The increasing consumer preference toward convenience foods indirectly favors the increasing demand for frozen products as they require less time and effort as compared to cooking from scratch. The processed food market is driven by the greater need for convenience due to the busy lifestyles of consumers. This, in turn increases the demand for frozen products. Increasing disposable income is also one such factor that has a huge influence on the growth of the frozen food market as it increases the buying power of consumers.

The frozen food market is estimated to account for about USD 259.4 billion in 2021 and is projected to reach a value of about USD 312.3 billion by 2025, at a CAGR of 5.0%. Developments in the retail landscape, rising demand for convenience food, and technological advancements in the cold chain market, are the major driving factors for the market. On the other hand, the rising preference for fresh and natural food products is a restraining factor for the frozen food market.

By Distribution channel, the offline segment is estimated to account for the largest share in the market in 2021. The infrastructure of the convenience stores and hypermarkets includes freezing and temperature-controlled facilities, which are driving the growth of this segment as a distribution channel for frozen products. The ready-to-cook segment is estimated to grow at the highest CAGR. Factors such as changing lifestyles and increasing population of working women are driving the growth of ready-to-eat frozen food, globally.

Europe accounted for the largest market share in the market. Population growth, rapid urbanization, and the rise in consumer awareness about the benefits of frozen food are the key factors driving the demand for frozen food in the region.



Key frozen food segments in India

The foodservice segment dominates the overall frozen food market and values at INR 29.08 million. It is primarily driven by the growth in the organized segment of chain restaurants such as Pizza Hut, Domino's, McDonald's, KFC, etc. growing at a rate of 23% YoY. The retail market for frozen food accounts for 32% of the total frozen food market.

Frozen meat, seafood and vegetables hold more than 85% of the frozen food market in India. The consumer preference for frozen potato fries and nuggets is driving the frozen snack segment. The traditional Indian taste palettes have pushed companies to develop more Indian variants within frozen foods such as samosas, cutlets, kebabs, and parathas. COVID-19 greatly impacted the restaurant businesses, giving more momentum to frozen foods. The frozen vegetable is the second-largest segment, growing due to the year-round availability of seasonal vegetables in frozen format. Urban areas account for 80 per cent of the demand for frozen food. The domestic consumption of frozen meat and seafood is small but is growing at a rate of 10%. North India accounts for a significant share of 40% of the frozen food market, followed by West (30%) and East India (10%).

Demand for Ready to eat / Ready to cook Frozen snacks among Consumers

Many consumers are increasingly looking for a convenient frozen based ready to cook or ready to eat -based snack, which deliver health benefits, tastes good, and offers a healthy snacking experience. The frozen snack and vegetable industry in this sector is able to offer products with minimal processing, for easy eating experiences that go beyond the traditional three-square meal experience (good and filling meal). Milk-based frozen desserts provide food rich in nutrients, like vitamin D, calcium, potassium, magnesium, and vitamin A. Milk-based snacks also add more calories, protein, and several vitamins and minerals. They can, therefore, provide positive nutrition and help reduce nutrition deficiency.



Competitive Landscape

The frozen food market is highly consolidated, with fewer players dominating the frozen food market and the top four companies accounting for more than 50% share in the retail segment. The foodservice segment is even more concentrated as Quick Service Restaurants, which consumes the major volume in the segment, have a limited number of approved vendors to supply frozen food products. Based on their business model, these players can be classified into three segments: (i) the Indian entities of a multinational company such as McCain India and Al-Kabeer, (ii) Vertically integrated companies such as Venky's and Mother dairy, and (iii) Indian entities with focus only on frozen foods such as Innovative Foods, Darshan foods, Oceanic Edibles International. With the growing acceptance of frozen food, many companies are focused on expansion from regional to national presence. For example, Keventer, the Kolkata-based company, aims to establish a frozen foods business nationwide in the next two to three years. Major players like ITC have expanded their frozen food distribution and launched new products in the category in recent years. Last year, Raipur-based steel manufacturer Goel Group entered a frozen food business called GOELD.

A decade back, consumers did not accept frozen food due to high prices and the misconception that frozen products are not fresh. However, in recent years' consumers have become more aware and are health conscious. Post-pandemic, the frozen foods are likely to get more acceptance due to changes in consumer preferences, which will transform the frozen food market in India. With improvements in cold chain infrastructure and logistics, it is anticipated that this segment will witness new entrants and further investments.

Global Frozen Food Market is segmented by Category into **ready-to-eat, ready-to-cook, ready-to-drink**, and others; by type into frozen fruits and vegetables, frozen meat and fish, frozen-cooked ready meals, frozen desserts, frozen snacks, and others; by Freezing Technique into individual quick freezing (IQF), blast freezing, belt freezing, and other freezing techniques; by distribution channel into Supermarkets & Hypermarkets, Convenience Stores, Online Channels, and Others; and by Geography.



International Market:

As demand in frozen industry increased post COVID. Demand for snack range and regular household traditional food provided in frozen as become convenience for the people looking forward for the convenience food.

As tested and tasted by many, the traditional frozen chutneys which is born out of our kitchen has become huge success is ready for launch. Coming into new category of regular curries and dall's with a pure traditional taste will satisfy most of the people tastes who are staying out of their home.

Being demand for frozen ready to eat and ready to cook products are increasing there is a lot of untapped market in various parts of Indian population across the globe. Having received various enquires from US, UK, Australia & New Zealand for all variants gives us scope to expand our reach and moreover we can customize as per needs of that particular geography along with existing products in the same basket once the new facility is ready for commencing the production.

Current Space:

With the current production capacities our market has been expanded to the core level in Institutional segment in Andhra Pradesh, and 50 % in Telangana being majorly in retail space. We have been supplying to some parts of Karnataka & to Chennai.

Expansion Scope:

There is a huge scope for growth in PAN INDIA. Being the monopoly in this product space there is an opportunity to grow the business as the awareness of the frozen products is increasing. As SAMOSA being a regularly liked snack by any segment of people, we have an immense opportunity to expand and grow the business. With a wide range of snacks that too non availability of easy to cook snacks helps us to grow further.

Having covered only Andhra Pradesh & Hyderabad only till date gives us wide scope to expand across Telangana, Karnataka, Tamil Nadu all other states and moreover exclusively Vegetarian preferred state like Gujarat gives us opportunity to expand with immediate effect.

Wholesale giants like Walmart, Metro, Reliance have approached us for placing our products in their stores across INDIA.



Resellers - Current market sales are covered with most of this category in Andhra Pradesh. There have been continuous enquires from other resellers from several parts of Andhra, Telangana, Tamil Nadu & Karnataka based on the limitation of production facility we were unable cater to them and put them on hold.

Institutions - Schools & colleges across India can be planned for supplies by appointing local distributors in each state which will help out in reaching them easily with on time connectivity.

Theatres - Age old tradition of samosa as a familiar street snack and huge wastage of the cooked product the organizations are looking for frozen products which can be cooked and served hot within minutes of orders received which directly increases their profit ratios.

SWOT Analysis:

| | |
|---|---|
| <p>strength:</p> <ul style="list-style-type: none"> ✓ R&D team lead by Promoters, and proactive approach in new product development based on the market needs, regional tastes and current trends. ✓ Plant in compliance with British Retail Consortium (BRC) standards which allows sale anywhere across the world. ✓ Having Own Fleet of vehicles in various capacities helps to plan as per customer requirement and within the timelines. ✓ Unique Selling Point (USP) has been developed having explored the domestic market across India as per the regional tastes. ✓ Being into the root level of institutional sales, it would become easy for the vendors or caterers to handle ready to cook food in huge volumes, rather than cooking by themselves which involves huge of manpower. ✓ Cold storage spaces operated & maintained by in-house team. | <p>Weakness:</p> <ul style="list-style-type: none"> ✓ Limited Sales area coverage due to production output or Working Capital |
| <p>Opportunities:</p> <ul style="list-style-type: none"> ✓ Utilization of frozen products across 'the globe has risen up every year especially since last 5 years it has doubled or even tripled to its revenue before 2017 that too in the snack range. ✓ Theatres across India are looking for Samosa range product alongside French fires in hot basket close to our fancied street food. | <p>Threats:</p> <ul style="list-style-type: none"> ✓ Raw Material dependence on Agri foods where price keep fluctuating which may result in varying margins. ✓ As all ways new entrants will be disruptive which |



| | |
|--|---|
| <ul style="list-style-type: none"> ✓ Private labelling requests from Wholesale giants (Walmart, Metro Reliance) can cover some segments of market space. ✓ Huge margins in Export Market where the product is already tested under private labelling. ✓ Scope for Expansion to other countries in the Export Market | <p>will be part of challenges in the business.</p> <ul style="list-style-type: none"> ✓ High Inflation on Raw Materials. |
|--|---|

Valuation Basis

We have considered to value M/s. Tanvi Foods (India) Limited on Market value basis. As per International Valuation Standard 104, *“Market value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, Prudently and without compulsion*

Valuation Methodology

As per the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 and subsequent amendments thereto (‘Regulations’), the price determined by the issuer shall be taken into account for valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of shares of such companies.

The assessment of value necessarily involves selecting the method or approach that is suitable for the purpose and based on the specific circumstances of the case, a particular methodology or a combination of methodologies may be adopted.



We have considered the Valuation Approaches and Methodologies as per the International Valuation standards issued by IVSC in valuing the Equity shares of M/s. Tanvi Foods (India) Limited.

Valuation Approaches

A valuer can make use of one or more of the processes or methods available for each approach.

1. Market Approach
2. Income Approach
3. Cost Approach

The appropriateness of a valuation approach for determining the value of an asset would depend on valuation bases and premises. In addition, some of the key factors that a valuer shall consider while determining the appropriateness of a specific valuation approach and method are:

- (a) nature of asset to be valued;
- (b) availability of adequate inputs or information and its reliability;
- (c) strengths and weakness of each valuation approach and method; and
- (d) valuation approach/method considered by market participants.

Market Approach

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

The following are some of the instances where a *valuer* applies the market approach:

- (a) where the asset to be valued or a comparable or identical asset is traded in the active market;
- (b) there is a recent, orderly transaction in the asset to be valued; or
- (c) there are recent comparable orderly transactions in identical or comparable asset(s) and information for the same is available and reliable.



Income Approach

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

This approach involves discounting future amounts (cash flows/income/cost savings) to a single present value.

The following are some of the instances where a *valuer* may apply the income approach:

- (a) where the asset does not have any market comparable or comparable transaction;
- (b) where the asset has fewer relevant market comparables; or
- (c) where the asset is an income producing asset for which the future cash flows are available and can reasonably be projected.

Cost Approach

Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

In certain situations, historical cost of the asset may be considered by the *valuer* where it has been prescribed by the applicable regulations/law/guidelines or is appropriate considering the nature of the asset.

Examples of situations where a *valuer* applies the cost approach are:

- (a) an asset can be quickly recreated with substantially the same utility as the asset to be valued;
- (b) in case where liquidation value is to be determined; or
- (c) income approach and/or market approach cannot be used.



There are several commonly used and accepted methods for determining the fair value of the shares of a company which are mentioned hereunder:

- Net Asset Value Method
- Dividend Yield Method
- Market Price Method
- Profit Earning Capacity Value Method
- Discounted Cash Flow Method

We have considered the merits and demerits of the methods referred to above to determine the most appropriate methods suitable for the valuation of Shares in the present circumstances

Net Asset Replacement Cost Method under Cost Approach:

The valuation of the Equity shares of the Company under this method is arrived at by determining Net worth of the business undertaking on the business of the Financial Statements duly adjusted for extra ordinary items if any. We have considered Unaudited Standalone Financial Statements of M/s. Tanvi Foods India Limited for the year ended 31st March 2023. Unaudited Financial Statements of M/s. Polar Cube Storage Solutions Private Limited and M/s. Squarepeg Distribution Services Private Limited for the year ended 31st March 2023

Value per Equity Share as per Net Asset Replacement Cost Method

The value per Equity share of M/s. Tanvi Foods (India) Limited as per the Net Asset Replacement Cost Method under Cost Approach is Rs. 43.81/-. The working under Net Asset Replacement Cost Method is enclosed as Annexure I to this Report.

In our Net Asset Replacement cost Method, we have considered valuation reports of Land & Building and Plant & Machinery issued by M/s. Anvi Technical Advisors India Private Limited, IBBI Registered Valuer Entity



INCOME APPROACH - DISCOUNTED CASH FLOW METHOD (DCF)

The DCF method expresses the present value of the business as a function of its future cash earnings capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. The valuation under the DCF method depends upon the projections of the future cash flows and the selection of the appropriate discount factor. The DCF methodology is considered to be the most appropriate basis for determining the future earning capability of a business.

On the basis of aforementioned factors, we have considered to value Shares as per

DISCOUNTED CASH FLOWS METHOD

- Obtained the back ground information about the company.
- Audited Financial statements for the year ended 31st March 2022 & 2021.
- Unaudited Standalone Financial Statements of Tanvi Foods India Limited for the year ended 31st March 2023.
- Unaudited Financial Statements of M/s. Polar Cube Storage Solutions Private Limited and M/s. Squarepeg Distribution Services Private Limited for the year ended 31st March 2023
- Projected Financial Statements for the 7 years provided by the Management
- We have reviewed the documents Information, explanation and documents provided by the Management personnel and executives
- Performed an analysis on projected financial statement for understanding the nature of business and its earning capacity
- Estimated future free cash flows on the basis of projected financial statements

Calculation of value under the DCF method involves estimation of future cash flows from the total projects undertaken by the company till their completion and discounting those cash flows using appropriate discounting factor.

$$\begin{array}{l}
 \text{Value of the Business} \\
 \sum_{t=1}^{t=n} \frac{\text{Expected cash flow}}{(1+r)^t} + \frac{\text{Terminal value}}{(1+r)^n}
 \end{array}$$



Estimation of Free Cash flows

As indicated above, the future economic benefit, on which financial analysts and business valuer's most frequently focus, is "Net free cash flow", which is defined as follows:

| | | |
|------------------|---|-------------|
| | Net income | XXXX |
| <i>Add:</i> | Non-cash charges | XXXX |
| <i>Less:</i> | Non – operating Income | XXXX |
| <i>Less:</i> | Expenditure incurred on / for capital projects / capital purposes | XXXX |
| <i>Add/Less:</i> | Changes in working capital | XXXX |
| <i>Add/Less:</i> | Changes in the balance of Long-term debt | XXXX |
| | Net cash inflow / (outflow) available to Equity Shares holders | <u>XXXX</u> |

Based on the projected financial statements of the company, this forecast is made to ascertain the probable free net cash flows for the next seven years.

ESTIMATION OF CONTINUATION VALUE

Under the going concern premise the cash flows are expected to be derived by the business entity beyond explicit period and will grow at constant rate forever. Based on the this premise the terminal (continuation) value of the business can be estimated as

$$T = \frac{FCF_{t+1}}{V (K_e - g)}$$

Where, FCF_{t+1} refers to free cash flow for the last year of the projected period.

r = cost of equity and g = expected growth rate



If the equity is being valued the terminal value of equity can be arrived by

$$\text{Terminal value} = \frac{\text{Cash flow to the Equity}_{t+1}}{K_e - g}$$

ESTIMATION OF DISCOUNTING RATE (KE)

The cost of equity (ke) i.e the rate at which the future free cash flows are to be discounted is determined using the CAPM model i.e. Capital Asset Pricing Model. The formula for calculating cost of equity under this model is:

$$K_e = K_{rf} + \beta (K_m - K_{rf}) + a$$

Where

- K_e = expected rate of return on equity
- K_{rf} = risk free rate on bonds
- K_m = expected rate of return on the market
- $K_m - K_{rf}$ = equity risk premium
- β = coefficient of firms' systematic risk
- a = additional risk premium

In addition, additional risk premium has been considered at the rate of 4% in respect of illiquidity risk, small size premium and other business risks.

The discount rate and the cost of equity (ke) for Tanvi Foods as per CAPM Model is estimated as follows

Risk free rate (K_{rf}) = **7.315%** (10years Bond yield - Source: www.Investing.com),

Equity Risk Premium (ER (P)) = **9.62 %** (Source: bseindia)

Industry Beta (Food Processing) **0.90** taken from www.Damodaran.com

Therefore, Cost of Equity of M/s. Tanvi Foods as per CAPM Model is = (7.315 %+(9.62%) *0.90+4%) = 19.97%.



GROWTH RATE (G) FOR TERMINAL PERIOD

While estimating the terminal value, the estimated growth rate of the business shall be reduced from the cost of equity (ke). This is required because of the fact that the future growth will offset the risk involved the cash flows. We have considered a moderate growth rate of 5% for terminal period.

The Equity Value of M/s. Tanvi Foods India Limited as per Discounted Cash Flow Method under Income Approach is Rs. 2738.92/- Lakh and Value per Equity share is Rs. 51.03.

The working under Discounted Cash Flow Method is enclosed as Annexure II to this Report.

Comparable Companies Multiples Method under Market Approach:

We have considered PE multiple of Comparable Companies in the Food Processing industry. The Median of the PE multiple applied for Adjusted PAT for arriving Equity value of M/s. Tanvi Foods India Limited

The Value of Equity arrived after considering non-operating asset and liabilities.

The Value per Equity share as per the Comparable Companies Multiple Method under Market Approach is Rs. 46.66/-

The working under Comparable Companies Multiple Method is enclosed as Annexure III to this Report.



Value per Share

For the purpose of determining the Value per Equity Share of M/s. Tanvi Foods (India) Limited, we have considered the value per share as per Net Assets Replacement Cost Method under Cost Approach, Discounted Cash Flow Method under Income Approach and Comparable Companies Multiple Method under Market Approach . The same is presented hereunder.

| Particulars | Value per Equity share | Weights | value per share |
|--|------------------------|---------|-----------------|
| Value per Equity share as per the Net Assets Replacement Cost Method | 43.81 | 20.00% | 8.76 |
| Value per Equity share as per the Discounted Cash Flow Method | 51.03 | 40.00% | 20.41 |
| Value per Equity share as per the Comparable Companies Multiple Method | 46.63 | 40.00% | 18.65 |
| Value per Equity Share | | | 47.83 |

As per the above table, the value per Equity share is Rs. 47.83/-.

Place: Hyderabad

Date: 12-05-2023

UDIN: 23239567BGYZHJ6045



A. Sravanthi
ANNAMREDDY SRAVANTHI
REGISTERED VALUER
IBBI/RV/05/2019/12377

Appendix A-Statement of Assumptions and Limiting Conditions

The primary assumptions and limiting conditions pertaining to the value estimate conclusion(s) stated in the detailed Valuation report are summarized below. Other assumptions are cited elsewhere in the report.

- 1) The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation 31st March 2023
- 2) The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). I do not accept liability for losses arising from such subsequent changes in value. All opinions and estimates in this publication or report are, regardless of source, given in good faith, and may only be valid as of the stated date of this publication or report and are **subject to change without notice.**
- 3) We have performed a valuation engagement and present our detailed report in conformity with the **“International Valuation Standards”** issued by the **IVSC**. IVSC sets out that the objective of a valuation engagement is “to express an unambiguous opinion as to the of a business, business ownership interest, security or intangible asset which opinion is supported by all procedures that the appraiser deems to be relevant to the valuation.” Also according to the Standard in a valuation engagement the valuer can apply valuation approaches or methods deemed in the analyst’s professional judgment to be appropriate under the circumstances. In a valuation engagement the conclusion is expressed as either a single amount or a range.



- 4) By reason of the operation of privacy laws, the valuer's enquiries in respect of recent transactions have been constrained. Accordingly, the valuer may not have had access to information on recent transactions which has not yet been published in information sources available to the valuer. If other transactions have taken place, knowledge of those transactions may affect the opinions expressed by the valuer. **To the best of my knowledge and belief the statements and opinions in this report are correct and the information provided by others is accurate. However, no responsibility is assumed for its accuracy, which should be checked by appropriate report, search or formal enquiry if required.**
- 5) It should be noted that **I am not an engineer, a plant and equipment, building construction or structural expert and I am therefore unable to certify as to the (structural) soundness of the improvements.** I am not qualified to comment on the structural integrity, defect, rot or infestation of the improvements. Our scope of work does not include an appraisal or valuation of land, **plant and equipment, building construction and any other immovable or movable property individually.**
- 6) We have provided our recommendation of the Valuation based on the information available to us and within the scope of our engagement, others may have a different opinion. **The final responsibility for value/price at which the Proposed Transaction shall take place will be with the Board of Directors of the Company, who should take into account other factors such as their own assessment of the proposed Transaction and input of other advisors.**
- 7) We are not advisors with respect to accounting, legal, tax and regulatory matters for the proposed transaction. This Report does not look into the business/commercial reasons behind the proposed transaction nor the likely benefits arising out of it. Similarly, it does not address the relative merits of the proposed transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.



- 8) This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. I do not take any responsibility for the unauthorized use of this report.
- 9) I owe responsibility to only to the authority/client that has appointed me under the terms of the engagement letters. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. 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 client or companies, their directors, employees or agents.
- 10) The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date
- 11) The valuation of company and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is no indisputable single value and the estimate of the value is normally expressed as falling within a likely range. To comply with the client, I have provided a single value for the overall Value of the Equity of M/s. Tanvi Foods (India) Limited. Whilst, I consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.
- 12) We do not provide assurance on the achievability of the results forecasted by entity because events and circumstances frequently do not occur as expected, differences between actual and expected results may be material, and achievement of the forecasted results is dependent on actions, plans, and strategies of management



- 13) The actual market price achieved may be higher or lower than our estimate of value (or range of value) depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place.
- 14) The client/owner and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the owners/clients, their management and other third parties concerning the financial data, operational data and maintenance schedule of all plant-machinery-equipment-tools-vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. I shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents.
- 15) I have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.
- 16) The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet provided to us.



- 17) The valuation report is tempered by the exercise of judicious discretion by the RV, taking into account 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 may not be apparent from the Balance Sheet but could strongly influence the value.
- 18) I was fully aware that based on the opinion of value expressed in this report, I may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my / our tendering evidence before such authority shall be under the applicable laws.
- 19) While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of you and the client. Our report is subject to the scope and limitations 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 and in the context of the purpose for which it is made.
- 20) An analysis of such nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.



- 21) In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement.
- 22) We are independent of the client/company and have no current or expected interest in the Company or its assets. The fee paid for our services in no way influenced the results of our analysis.
- 23) Any projections of future events described in this report represent the general expectancy concerning such events as on the valuation date. These future events may or may not occur as anticipated, and actual operating results may vary from those described in our report
- 24) Our report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
- 25) This publication or report has been prepared as general information for private use of client to whom the publication or report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor bears the risk of losses in connection with an investment. Before acting on any information in this publication or report, it is recommendable to consult one's financial advisor. The information contained in this publication or report does not constitute advice on the tax consequences of making any particular investment decision.
- 26) I have not conducted any examination in respect of technical feasibility intellectual products owned by the entity.



- 27) The risk of investing in certain financial instruments is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance.
- 28) The valuer may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report. To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of the valuer are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of the Group Companies and personal account dealing
- 29) Our report will not be used for financing or included in a private placement or other public documents and may not be relied upon by any third parties.
- 30) **The valuer does not accept any responsibility or liability for information provided by third parties.** Official confirmation of portfolio holdings with these parties and issues arising from information they have provided must be addressed directly with them.
- 31) I have no financial interest or contemplated financial interest in the companies that are the subject of this report

Place: Hyderabad

Date: 12-05-2023

A. Sravanthi
ANNAMREDDY SRAVANTHI
REGISTERED VALUER
IBBI/RV/05/2019/12377

Annexure – IValuation of Equity share as per Net Asset Replacement Cost Method under Cost Approach

| M/s Tanvi Foods (India) Limited | | |
|---|-----------------|-----------------------------|
| VALUATION AS PER NET ASSET REPLACEMENT COST METHOD | | |
| Particulars | Details | Amount(In Rs) 31-03-2023 |
| Non Current Assets | | |
| Fixed Assets | | |
| Tangible Assets (Note 1) | 6,33,18,501.97 | |
| Intangible Assets | | |
| Capital Work in Progress (Note 1) | 12,38,58,792.00 | |
| Non Current Investments (Note 2) | 1,61,99,001.44 | |
| Long term Loans & Advances | 9,82,28,681.00 | |
| Total (A) | | 30,16,04,976.41 |
| Current Assets | | |
| Inventories | 38,22,44,424.00 | |
| Trade Receivables | 1,93,37,093.00 | |
| Cash & Cash Equivalents | 22,51,390.00 | |
| Short term loans and advances | 1,78,06,046.00 | |
| Other Current Assets | 25,25,990.00 | |
| Total (B) | | 42,41,64,943.00 |
| Total Assets C = (A+B) | | 72,57,69,919.41 |
| Less: Current Liabilities | | |
| Short Term borrowings | 30,23,73,794.00 | |
| Trade Payables | 3,60,29,140.00 | |
| Other Financial Liabilities | | |
| Other Current Liabilities | 5,46,04,587.00 | |
| Short Term Provisions | 30,73,260.00 | |
| Total (D) | | 39,60,80,781.00 |
| Less: Non-Current Liabilities | | |
| Long-Term Borrowings | 8,25,17,995.00 | |
| Deferred tax liabilities | 28,52,624.00 | |
| Long term provisions | 91,93,083.00 | |
| Total (E) | | 9,45,63,702.00 |
| Total Liabilities (F=D+E) | | 49,06,44,483.00 |
| Net Assets (G=C-F) | | 23,51,25,436.41 |
| Net Assets Attributable to equity shareholders(G) | | 23,51,25,436.41 |
| No. of Equity Shares | | 53,66,775 |
| NAV Per Share | | 43.81 |



Note 1:

We have considered valuation reports of Land & Building and Plant & Machinery issued by M/s. Anvi Technical Advisors India Private Limited.

| Particulars | Fair Market value |
|-------------------------|-------------------|
| Land | 1,93,00,000.00 |
| Building & Cold Storage | 6,54,00,000.00 |
| Plant & Machinery | 9,05,28,087.00 |
| Total | 17,52,28,087.00 |

| | |
|--|----------------|
| Total value of Tangible Assets | 4,81,90,524.28 |
| Less: Book Value of Land | 93,57,712.00 |
| Less: Book Value of Building | 84,70,159.76 |
| Less: Book Value of Plant & Machinery | 1,90,80,350.56 |
| | 1,12,82,301.97 |
| Add: Market value of Land | 1,93,00,000.00 |
| Add: Market value of Building | 1,05,00,000.00 |
| Add: Market value of Plant & Machinery | 2,22,36,200.00 |
| | 6,33,18,501.97 |

Capital work in Progress

| | |
|-------------------|-----------------|
| Plant & Machinery | 6,82,91,887.00 |
| Building | 5,49,00,000.00 |
| Other Assets | 6,66,905.00 |
| Total | 12,38,58,792.00 |

Note 2**Non current Investments**

| Name of the Subsidiary | No of Equity shares held | Fair value | Fair value of Investments |
|---|--------------------------|------------|---------------------------|
| Polar Cube Cold Storage Solutions Private Limited | 445000 | 21.56 | 95,96,000.00 |
| Squarepeg Distribution Services Private Limited | 267000 | 24.73 | 66,03,001.44 |
| | | | 1,61,99,001.44 |



| POLAR CUBE COLD STORAGE SOLUTIONS PRIVATE LIMITED | | |
|--|---------|-------------------------------|
| VALUATION AS PER NET ASSET REPLACEMENT COST METHOD | | |
| Particulars | Details | Amount(Rs in Lakhs)31-03-2023 |
| Non Current Assets | | |
| Fixed Assets | | |
| Tangible Assets | 9.05 | |
| Intangible Assets | | |
| Capital Work in Progress | | |
| Non Current Investments | | |
| Deferred tax assets | 1.06 | |
| Total (A) | | 10.11 |
| Current Assets | | |
| Inventories | | |
| Trade Receivables | 52.93 | |
| Cash & Cash Equivalents | 0.50 | |
| Short term loans and advances | 57.62 | |
| Other Current Assets | 3.16 | |
| Total (B) | | 114.21 |
| Total Assets C = (A+B) | | 124.32 |
| Less: Current Liabilities | | |
| Short Term borrowings | | |
| Trade Payables | 5.53 | |
| Other Financial Liabilities | | |
| Other Current Liabilities | 13.66 | |
| Short Term Provisions | 9.17 | |
| Total (D) | | 28.36 |
| Less: Non-Current Liabilities | | |
| Long-Term Borrowings | | |
| Deferred tax liabilities | | |
| Long term provisions | | |
| Total (E) | | - |
| Total Liabilities (F=D+E) | | 28.36 |
| Net Assets (G=C-F) | | 95.96 |
| Net Assets Attributable to equity shareholders(G) | | 95.96 |
| No. of Equity Shares | | 4.45 |
| NAV Per Share | | 21.56 |



| SQUAREPEG DISTRIBUTION SERVICES PRIVATE LIMITED | | |
|--|---------|-------------------------------|
| VALUATION AS PER NET ASSET REPLACEMENT COST METHOD | | |
| Particulars | Details | Amount(Rs in Lakhs)31-03-2023 |
| Non Current Assets | | |
| Fixed Assets | | |
| Tangible Assets | 2.42 | |
| Intangible Assets | | |
| Capital Work in Progress | | |
| Non Current Investments | | |
| Deferred tax assets | | |
| Total (A) | | 2.42 |
| Current Assets | | |
| Inventories | | |
| Trade Receivables | 73.92 | |
| Cash & Cash Equivalents | 0.87 | |
| Short term loans and advances | 52.68 | |
| Other Current Assets | 1.47 | |
| Total (B) | | 128.93 |
| Total Assets C = (A+B) | | 131.35 |
| Less: Current Liabilities | | |
| Short Term borrowings | 9.00 | |
| Trade Payables | 36.51 | |
| Other Current Liabilities | 7.42 | |
| Short Term Provisions | 12.38 | |
| Total (D) | | 65.31 |
| Less: Non-Current Liabilities | | |
| Long-Term Borrowings | | |
| Deferred tax liabilities | 0.01 | |
| Long term provisions | | |
| Total (E) | | 0.01 |
| Total Liabilities (F=D+E) | | 65.32 |
| Net Assets (G=C-F) | | 66.03 |
| Net Assets Attributable to equity shareholders(G) | | 66.03 |
| No. of Equity Shares | | 2.67 |
| NAV Per Share | | 24.73 |



Annexure II

Discounted Cash Flow Method

| TANVI FOODS (INDIA) LIMITED | |
|---|------------------|
| Ascertainment of Value Per Share | |
| Particulars | (In Lakh) |
| NPV of Explicit Period | 931.50 |
| Present Value of Perpetuity | 2,674.41 |
| Total | 3,605.91 |
| Add: Surplus cash/ cash equivalent | 22.51 |
| Add: Investments in Subsidiaries | 184.56 |
| Less: Unsecured Loans | (1,074.09) |
| Equity Value | 2,738.89 |
| No of Equity shares | 53,66,775 |
| Value Per Equity Share | 51.03 |

| TANVI FOODS (INDIA) LIMITED | | | | | | | |
|---|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|
| Projected cash flow(Rs in lakh) | | | | | | | |
| Particulars | 31-03-2024 | 31-03-2025 | 31-03-2026 | 31-03-2027 | 31-03-2028 | 31-03-2029 | 31-03-2030 |
| Profit After Taxation (PAT) | (810.15) | (407.40) | (83.66) | 332.76 | 808.41 | 947.05 | 1,247.12 |
| Add: Depreciation | 567.76 | 498.32 | 452.36 | 402.96 | 357.26 | 322.99 | 285.07 |
| Cash Profits | (242.39) | 90.92 | 368.71 | 735.72 | 1,165.67 | 1,270.04 | 1,532.19 |
| Increase/(Decrease) in of Share application money | | | | | | | |
| Increase/(Decrease) in Secured loans | 49.69 | (220.00) | (230.00) | (201.42) | (200.00) | (220.00) | (25.00) |
| Increase/(Decrease) in Other Non Current Liabilities | - | - | - | - | - | - | - |
| (Increase)/Decrease in Fixed assets Purchased | (1,333.71) | (130.00) | (145.00) | (115.00) | (105.00) | (55.00) | (5.00) |
| (Increase)/Decrease in Investment in Branches | | | | | | | |
| (Increase)/Decrease in Other Non current Assets | (7.58) | (6.91) | (7.60) | (8.36) | (9.19) | (10.11) | (11.13) |
| (Increase) /Decrease in Increase in Current Assets | 3,218.85 | (330.31) | (318.08) | (344.25) | (554.97) | (268.07) | (429.53) |
| Increase /(Decrease) in Increase in Current Liabilities | (965.40) | 84.35 | 75.53 | 108.36 | 108.31 | 82.44 | 84.81 |
| Net cash generated during the year | 719.45 | (511.95) | (256.44) | 175.06 | 404.82 | 799.30 | 1,146.35 |

| Yearly Cash Flows | | | | | | | |
|------------------------------|---------------|-----------------|-----------------|---------------|---------------|---------------|-----------------|
| Year | 31-03-2024 | 31-03-2025 | 31-03-2026 | 31-03-2027 | 31-03-2028 | 31-03-2029 | 31-03-2030 |
| Free Cash Flows | 719.45 | (511.95) | (256.44) | 175.06 | 404.82 | 799.30 | 1,146.35 |
| Discount rate | 19.97% | 19.97% | 19.97% | 19.97% | 19.97% | 19.97% | 19.97% |
| Discounting factor | 0.83 | 0.69 | 0.58 | 0.48 | 0.40 | 0.34 | 0.28 |
| Discounted Cash Flows | 599.70 | (355.71) | (148.52) | 84.51 | 162.90 | 268.10 | 320.51 |



| Perpetuity Value | |
|---|-----------------|
| Particulars | Amount in Lakh |
| Cashprofits for 2029-30 | 1,532.19 |
| Growth Rate | 5% |
| <i>Cashprofits for perpetuity</i> | 1,608.80 |
| <i>Less: Reinvestment</i> | 176.97 |
| Net Cash Flow for Perpetuity | 1,431.83 |
| Capitalized Value for Perpetuity | 9,565.45 |
| Total Capitalized Value | 9,565.45 |
| Discounting Factor | 0.28 |
| Present Value of Perpetuity | 2,674.41 |

| Name of the Subsidiary | No of Equity shares held | Fair value | Fair value of Investments |
|---|--------------------------|------------|---------------------------|
| Polar Cube Cold Storage Solutions Private Limited | 445000 | 26.64 | 1,18,52,976.07 |
| Squarepeg Distribution Services Private Limited | 267000 | 24.73 | 66,03,001.44 |
| | | | 1,84,55,977.52 |

| Polar Cube Cold Storage Solutions Pvt Ltd | |
|---|-----------------|
| Ascertainment of Value Per Share | |
| Particulars | (In Lakhs) |
| NPV of Explicit Period | 70.89 |
| Present Value of Perpetuity | 47.14 |
| Total | 118.03 |
| Add: Surplus cash/ cash equivalent | 0.50 |
| Less: Unsecured Loans | |
| Equity Value | 118.53 |
| No of Equity shares | 4,45,000 |
| Value Per Equity Share | 26.64 |



Annexure III**Comparable Companies Multiple Method under Market Approach**

| Particulars | Amount (In Rs) |
|---------------------------------|-----------------|
| Adjusted PBT for FY 2022-23 | 97,33,609.00 |
| Less: Tax | 24,49,949.39 |
| Adjusted PAT | 72,83,659.61 |
| PE Multiple | 25.91 |
| Equity Value | 18,86,83,202.32 |
| Add: Non current Investments | 1,84,55,977.52 |
| Add: Non operating asset | 18,90,31,407.27 |
| Less: Non operating Liabilities | 14,58,99,411.67 |
| Equity Value | 25,02,71,175.44 |
| No of Equity shares | 5366775 |
| Value per Equity Share | 46.63 |

| Non Current Investments | | | |
|---|--------------------------|------------|---------------------------|
| Name of the Subsidiary | No of Equity shares held | Fair value | Fair value of Investments |
| Polar Cube Cold Storage Solutions Private Limited | 445000 | 26.64 | 1,18,52,976.07 |
| Squarepeg Distribution Services Private Limited | 267000 | 24.73 | 66,03,001.44 |
| | | | 1,84,55,977.52 |

| Company Name | Price Earning P/E | Price to Book Value P/BV | EV/EBITD A | Market Cap/Sales |
|--------------------|-------------------|--------------------------|------------|------------------|
| NHC Foods Limited | 24.26 | 1.62 | 8.75 | 0.26 |
| Oceanic Foods Ltd | 27.55 | 2.46 | 13.24 | 0.58 |
| | | | | |
| Mean | 25.91 | 2.04 | 11.00 | 0.42 |
| Median | 25.91 | 2.04 | 11.00 | 0.42 |
| Standard Deviation | 2.33 | 0.59 | 3.17 | 0.23 |
| Coff of Variation | 8.98 | 29.12 | 28.88 | 53.87 |

