

VALUATION REPORT

on

Equity Shares for Preferential Allotment

JHANDEWALAS FOODS LIMITED

Nikunj Kanodia

Registered Valuer – Securities & Financial Assets

Office 510, Dilkap Chambers, Plot – A/7, Veera Desai Road,
Andheri West, Mumbai - 400053

Email: advisors@corpwis.com

Mobile: +91 22 49729990/1/2

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Valuation Analysis

We refer to our Engagement dated 30th March 2024 as Independent Valuers of **JHANDEWALAS FOODS LIMITED** (the “Company”). In the following paragraphs, we have summarized our valuation Analysis (the “Analysis”) of the business of the Company as informed by the management and detailed herein, together with the description of the methodologies used and limitation on our scope of work.

1 Context and Purpose

Based on discussion with the management, we understand that the Company’s management are evaluating the possibility of preferential allotment of equity shares. In the context of these proposed transactions, the management requires our assistance in determining the **Value of Equity Shares** of the Company as per Chapter V the SEBI (ICDR) Regulations, Companies Act 2013 and others acts, rules and regulations relevant for the said issue.

Proposed Transaction:

During the financial year 2024-2025, Company is evaluating the possibility of preferential allotment of equity shares. In this context, the management of **Jhandewalas Foods Limited** (the “Management”) has requested us to estimate the value of the Equity Shares. - “Proposed Transaction”.

2 Conditions and major assumptions

Conditions

The historical financial information about the Company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report and it should not be used by anyone to obtain credit or for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country. We have not audited, reviewed or compiled the financial statements and express no assurance on them.

Readers of this report should be aware that a business valuation is based on future earnings potential that may or may not be materialised. Any financial projection e.g. projected balance sheet, projected profit & loss account, projected cash flow statements as presented in this report are included solely to assist in the development of the value conclusion. The actual results may vary from the projections given, and the variations may be material, which may change the overall value.



This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.

We acknowledge that we have no present or contemplated financial interest in the Company. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

We have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not to require to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.

Assumptions

The opinion of value given in this report is based on information provided by the management of the Company and other sources as listed in the report. This information is assumed to be accurate and complete.

We have relied upon the representations contained in the public and other documents in our possession and any other assets or liabilities except as specifically stated to the contrary in this report.

We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.

We have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry. This report presumes that the management of the Company will maintain the character and integrity of the Company.

We have been informed by the management that there are no Significant lawsuits or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

3 Background of the Company

Jhandewalas Foods Limited (“JFL”) is a listed Public company limited by shares incorporated on 14th August, 2006 having CIN: L15209RJ2006PLC022941 and having

Nikunj Kanodia

Practising Chartered Accountant

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Registered Office Address at B-70, 1st Floor, Upasana House, Janta Store, Bapu Nagar, Jaipur, Rajasthan, India, 302015. It is classified as Non-government/ company and is registered at Registrar of Companies, Jaipur. Its authorized share capital is Rs. 12,00,00,000 and its paid-up capital is Rs. 10,26,03,580. The company is listed with BSE since 12th January 2018.

The company is engaged in the business of packaged foods of dairy and food products.

Directors and Key Managerial Persons

DIN/PAN	Name	Designation
02531975	Jinko Devi Koolwal	Director
08765552	Manan Jain	Director
07781908	Rajat Kasliwal	Director
00615150	Raakesh B Kulwal	Managing Director
****5732G	Irfan Naqvi	CFO

4 Valuation Premise

The premise of value for our analyses is going concern value as there is neither a planned or contemplated discontinuance of any line of business nor any liquidation of the Company.

5 Valuation Date

The Analysis of the Value of Equity shares of the **JHANDEWALAS FOODS LIMITED** of the Company has been carried out based on the trading days as per Regulation 164 of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements), 2018. The value arrived is as on close of trading hours of 26th March 2024.

6 Valuation Standards

The Report has been prepared in compliance with the internationally accepted valuation standards and valuation standard adopted by RVO Estate Managers and Appraisers Foundation Registered Valuers' Organisation.

7 Valuation Methodology and Approach

The standard of value used in the Analysis is "Fair Value", which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for sale on the open market for a reasonable period of time, with both buyer and seller being in possession of the pertinent facts and neither being under any compulsion to act.

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. This

exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- whether the entity is listed on a stock exchange
- industry to which the Company belongs
- past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated
- Extent to which industry and comparable Company information is available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue.

The Analysis is based on a review of the business plan of the Company provided by the Management and information relating to sector as available in the public domain. Specifically, the sources of information include:

- Trading Data of the company from the BSE Website.
- Public Information available from BSE Website and other public domains.
- Details of Shareholding and numbers of fully diluted Equity Shares as on valuation date;
- Discussions with the Management / representative of the Company;
- All Company specific information were sourced from the management of the Company, either in the written hard copy or digital form;
- Other information / data available in public domain.

In addition to the above, we have also obtained such other information and explanations from the Company as were considered relevant for the purpose of the valuation. It may be mentioned that the Management has been provided the opportunity to review our draft report as part of our standard practice to make sure that factual inaccuracies are avoided in our final report.

For the purpose of our calculation in this engagement, we have based our calculation as prescribed by Regulation 164 and 166A of the SEBI (ICDR) Regulations, 2018

As per Regulation 164(5) of SEBI (ICDR) Regulations, 2018:

For the purpose of this Chapter, "frequently traded shares" means the shares of the issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer:



Provided that where the share capital of a particular class of shares of the issuer is not identical throughout such period, the weighted average number of total shares of such class of the issuer shall represent the total number of shares.

Explanation: For the purpose of this regulation, 'stock exchange' means any of the recognised stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 205[90 trading days] prior to the relevant date.

As per Regulation 164(1) of SEBI (ICDR) Regulations, 2018:

If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

- a. the 90 trading days of the volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or*
- b. the 10 trading days of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.*

As per Regulation 166A of SEBI (ICDR) Regulations, 2018:

(1) Any preferential issue, which may result in a change in control or allotment of more than five per cent of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price:

Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable:

Provided further that if any proposed preferential issue is likely to result in a change in control of the issuer, the valuation report from the registered valuer shall also cover guidance on control premium, which shall be computed over and above the price determined in terms of the first proviso:

Jhandewalas Foods Limited is listed since 12th January 2018 i.e. more than 90 trading days as on the relevant date.

Also, the total traded turnover on BSE during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer.

8 Caveats

Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice. The services do not represent accounting, assurance, financial due diligence review, consulting, transfer pricing or domestic/international tax-related services that may otherwise be provided by us.

Our review of the affairs of the Company and their books and account does not constitute an audit in accordance with Auditing Standards. We have relied on explanations and information provided by the Management of the Company and accepted the information provided to us as accurate and complete in all respects. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided. Nothing has come to our attention to indicate that the information provided had material misstatements or would not afford reasonable grounds upon which to base the Report.

The report is based on the financial projections provided to us by the Management of the company and thus the responsibility for forecasts and the assumptions on which they are based is solely that of the Management of the Company and we do not provide any confirmation or assurance on the achievability of these projections. It must be emphasized that profit forecasts necessarily depend upon subjective judgement. Similarly, we have relied on data from external sources. These sources are considered to be reliable and therefore, we assume no liability for the accuracy of the data. We have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences.

The valuation worksheets prepared for the exercise are proprietary to the valuer and cannot be shared. Any clarifications on the workings will be provided on request, prior to finalizing the Report, as per the terms of our engagement.

The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them.

The Valuation Analysis contained herein represents the value only on the date that is specifically stated in this Report. This report is issued on the understanding that the Management of the Company has drawn our attention to all matters of which they are aware, which have an impact on our report up to the date of signature. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

We have no present or planned future interest in the Company and the fee for this Report is not contingent upon the values reported herein.

Nikunj Kanodia

Practising Chartered Accountant

Registered Valuer – Securities and Financial Assets

Our Valuation analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction with the Company.

9 Distribution of Report

The Analysis is confidential and has been prepared exclusively for **Jhandewalas Foods Limited** for their use and purpose. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of the valuer. Such consent will only be given after full consideration of the circumstances at the time. However, we do understand that the report will be shared with the investor / buyers of the Company / submission to government authorities and regulators towards statutory compliances.



10 Opinion on Value of Equity Shares:

Based on our valuation exercise, the **minimum issue price** of the equity shares **as at the close of trading hours of the date preceding the relevant date (27th March 2024) i.e. 26th March 2024** is as follows:

Higher of:

Volume Weighted Average Price of 10 Trading days:	70.03
Volume Weighted Average Price of 90 Trading days:	60.53

We trust the above report meets your requirements. Please feel free to contact us in case you require any additional information or clarifications.

Yours faithfully

Nikunj Kanodia
Practising Chartered Accountant
M No. 069995
Registered Valuer - Securities or Financial Assets
(Reg No: IBBI/RV/01/2020/13470)

March 30, 2024
Mumbai

11 Annexures

Market Value Method

Higher of	BSE
Volume Weighted Average Price of 10 Trading days:	70.03
Volume Weighted Average Price of 90 Trading days:	60.53

PRICE AS PER REG 164:

(A) Date	(B) Total Turnover (Rs.)	(C) Nos. of Shares	(D) Sum of Total Turnover	(E) Sum of Nos. of Shares Traded	(F) Average VWAP [D/ E]
26-Mar-24	2,96,340	4,000			
22-Mar-24	27,83,760	40,000			
21-Mar-24	10,56,980	16,000			
20-Mar-24	10,80,700	16,000			
19-Mar-24	42,51,660	64,000			
18-Mar-24	23,68,820	34,000			
15-Mar-24	16,05,540	22,000			
14-Mar-24	27,30,300	36,000			
13-Mar-24	1,58,460	2,000			
12-Mar-24	3,33,600	4,000			
10 Trading Days			1,66,66,160	2,38,000	70.03
11-Mar-24	12,84,060	14,000			
07-Mar-24	-	-			
06-Mar-24	16,63,040	18,000			
05-Mar-24	39,69,240	40,000			
04-Mar-24	48,76,680	52,000			
02-Mar-24	9,10,700	10,000			
01-Mar-24	19,28,380	20,000			
29-Feb-24	79,80,080	80,000			
28-Feb-24	20,08,600	20,000			
27-Feb-24	84,96,880	80,000			
26-Feb-24	38,06,600	34,000			
23-Feb-24	98,12,200	80,000			
22-Feb-24	1,40,76,040	1,16,000			
21-Feb-24	1,41,88,020	1,22,000			
20-Feb-24	2,14,71,980	2,00,000			
19-Feb-24	3,69,36,800	3,54,000			
16-Feb-24	78,81,120	78,000			
15-Feb-24	17,32,140	18,000			
14-Feb-24	27,49,500	30,000			
13-Feb-24	29,67,860	34,000			
12-Feb-24	4,63,21,780	5,70,000			

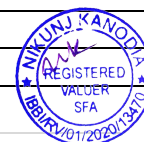


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09-Feb-24	15,83,800	20,000			
08-Feb-24	25,64,280	34,000			
07-Feb-24	27,29,540	38,000			
06-Feb-24	5,47,280	8,000			
05-Feb-24	32,58,000	50,000			
02-Feb-24	96,81,360	1,56,000			
01-Feb-24	9,45,760	16,000			
31-Jan-24	2,25,200	4,000			
30-Jan-24	4,28,960	8,000			
29-Jan-24	1,02,140	2,000			
25-Jan-24	5,83,680	12,000			
24-Jan-24	92,660	2,000			
23-Jan-24	20,21,260	46,000			
20-Jan-24	16,65,720	40,000			
19-Jan-24	30,46,920	74,000			
18-Jan-24	13,59,380	34,000			
17-Jan-24	2,31,940	6,000			
16-Jan-24	13,63,300	36,000			
15-Jan-24	5,34,660	14,000			
12-Jan-24	1,45,520	4,000			
11-Jan-24	6,17,000	18,000			
10-Jan-24	9,43,460	28,000			
09-Jan-24	11,41,880	32,000			
08-Jan-24	13,34,440	38,000			
05-Jan-24	15,58,120	44,000			
04-Jan-24	28,44,240	76,000			
03-Jan-24	37,91,160	1,06,000			
02-Jan-24	52,41,920	1,44,000			
01-Jan-24	41,24,680	1,16,000			
29-Dec-23	1,21,14,700	3,62,000			
28-Dec-23	3,23,700	10,000			
27-Dec-23	4,31,620	14,000			
26-Dec-23	7,63,620	26,000			
22-Dec-23	5,59,600	20,000			
21-Dec-23	12,79,200	48,000			
20-Dec-23	3,04,680	12,000			
19-Dec-23	96,760	4,000			
18-Dec-23	92,160	4,000			
15-Dec-23	1,31,700	6,000			
14-Dec-23	41,820	2,000			
13-Dec-23	89,61,700	4,50,000			
12-Dec-23	59,18,300	3,14,000			
11-Dec-23	72,320	4,000			
08-Dec-23	1,37,760	8,000			
07-Dec-23	65,600	4,000			
06-Dec-23	9,37,200	60,000			
05-Dec-23	89,280	6,000			



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04-Dec-23	28,360	2,000			
01-Dec-23	-	-			
30-Nov-23	1,89,140	14,000			
29-Nov-23	51,480	4,000			
28-Nov-23	24,520	2,000			
24-Nov-23	23,360	2,000			
23-Nov-23	18,47,580	1,66,000			
22-Nov-23	42,400	4,000			
21-Nov-23	40,400	4,000			
20-Nov-23	38,480	4,000			
17-Nov-23	18,340	2,000			
16-Nov-23	17,480	2,000			
90 Trading Days			30,10,79,380	49,74,000	60.53

