

# Valuation Report

November 2024

Ref. No.: LM/Nov14-221/2024

November 14, 2024

To,

The Board of Directors  
**Agro Tech Foods Limited,**  
31, Sarojini Devi Road,  
Secunderabad - 500003  
Telangana, India

The Board of Directors  
**Del Monte Foods Private Limited,**  
4th Floor, Unitech Commercial Tower-2,  
Greenwood City, Block-B, Gurgaon,  
Haryana - 1220003, India

Dear Sir(s)/ Madam(s),

**Sub: Determination of Preferential Issue Price of Equity Shares of Agro Tech Foods Limited as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, Fair valuation of Equity Shares of Del Monte Foods Private Limited (“Del Monte”) and Determination of Shares to be issued for acquisition of Del Monte.**

We, BDO Valuation Advisory LLP (“BDO Val” or “We” or “Us”), have been appointed vide letter dated October 24, 2024, bearing its reference number LM/Oct244/2024 to determine:

1. The Preferential Issue Price of Equity Shares of Agro Tech Foods Limited (“ATFL” or “the Acquirer” or “the Client”) under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (“ICDR Regulations”) for the issuance of equity shares on preferential basis by ATFL for other than cash consideration against the acquisition of 100% equity shares of Del Monte Foods Private Limited (“Del Monte” or “the Target” or “the Client”)(“Proposed Transaction”)
2. For the above purpose, the scope of work covered determination of preferential issue price of ATFL, derivation of Fair Equity Share Value of Del Monte and computation of shares to be issued to the shareholders of Del Monte .

We are pleased to present herewith our report on the same.

The cut-off date for the present valuation exercise has been considered as at November 11, 2024 and the market factors have been considered till November 08, 2024. The attached report details the valuation methodologies, calculations and conclusions with respect to this valuation.

We hereby confirm that we have no present or planned future interest in ATFL and Del Monte except to the extent of our appointment as a registered valuer for this Report.

We believe that our analysis must be considered as a whole. Selected portions of our analysis or the factors we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions.

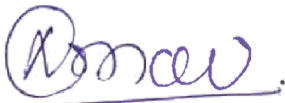
The preparation of valuation is a complex process and is not necessarily amenable to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

This letter should be read in conjunction with the attached report.

Regards,

**For BDO Valuation Advisory LLP**

IBBI No.: IBBI/RV-E/02/2019/103



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Lata Gujar More

Partner

IBBI No.: IBBI/RV/06/2018/10488

VRN No.: IOVRVF/BDO/2024-2025/4358

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## 1. Brief Background of the Companies

### Agro Tech Foods Limited (“Agro Tech” or “the Company” or “ATFL”)

- 1.1. Agro Tech Foods Limited, is a public limited company incorporated in 1986 engaged in the business of manufacturing, marketing and selling of Food products & Edible oils. It is listed both on National Stock Exchange (“NSE”) and Bombay Stock Exchange (“BSE”).
- 1.2. The traded annual turnover of ATFL shares on NSE & BSE is more than 10% of total shares outstanding, hence the shares of ATFL are frequently traded.
- 1.3. The shareholding of Agro Tech as on Report Date is as below:

Shareholder's Name	No. of Equity Shares held	% of holding
Foreign Promoter Bodies Corporates	12,616,619	51.77%
Mutual Funds	1,782,421	7.31%
Alternative Investment Fund	153,432	0.63%
Others	9,816,792	40.28%
<b>Total</b>	<b>24,369,264</b>	<b>100.00%</b>

### Del Monte Foods Private Limited (“Del Monte”)

- 1.4. Del monte Foods Private Limited was incorporated in 2004 under the provisions of the Companies Act, 2013 bearing corporate identification number U15133HR2004PTC041215 and is operating under the brand name Del Monte. It is a joint venture between Bharti Group & Del Monte Pacific Limited and offers a range of food and beverage products under the brand Del Monte.
- 1.5. The shareholding pattern of Del Monte as on Report Date is as below:

Shareholder's Name	No. of Equity Shares held	% of holding
DMPL India Limited	208,018,373	40.71%
Bharti Group	303,011,009	59.29%
<b>Total</b>	<b>511,029,382</b>	<b>100.00%</b>

*Del Monte has issued 94,992,636 right shares to Bharti Group on November 08, 2024*

- 1.6. We have been informed by the Management of ATFL (“the Management”) that ATFL shall acquire Del Monte by issuing shares of ATFL to the existing shareholders of Del Monte.
- 1.7. Hereinafter, Agro Tech and Del Monte are collectively referred to as “the Companies”

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## 2. Purpose of Valuation

- 2.1. ATFL proposes to issue its equity shares on preferential basis for other than cash consideration against the acquisition by ATFL of 100% equity shares of Del Monte.
- 2.2. We, BDO Valuation Advisory LLP (“BDO Val” or “We” or “Us”) have been appointed vide letter dated October 24, 2024 to determine the preferential allotment of shares as per ICDR Regulation.
- 2.3. The determination of shares to be issued would entail the computation of preferential issue price of the Equity Shares of ATFL and thereof Fair Value of Equity shares of Del Monte.
- 2.4. The Client’s Management (“the Management”) have informed us to consider the Relevant Date as per Chapter V of the ICDR Regulations for current valuation exercise as November 11, 2024 (“Valuation Date”) and that the meeting of the shareholders will be held as per time limit mentioned in the ICDR regulations. Therefore, the cut-off date for all information, including market data, has been considered till November 08, 2024 (being the preceding trading day before the Relevant Date).
- 2.5. In case of preferential issue of equity shares, as per regulation 161 of ICDR Regulations ‘relevant date’ is the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.

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### 3. Terms of Engagement

#### Context and Purpose

- 3.1. BDO Val has been appointed for the Purpose mentioned in para 2 of this report (“**Report**”). This valuation exercise and this valuation report are solely for the purpose mentioned in the Report.

#### Restricted Audience

- 3.2. This Report and the information contained herein are absolutely confidential and are intended for the use of the Client only for submitting to the statutory authorities for compliance under ICDR Regulations. The results of our valuation analysis and our Report cannot be used or relied by the Companies and Shareholders for any other purpose or by any other party for any purpose whatsoever.
- 3.3. This Report will be placed before the Board of Directors of the Companies and intended only for their sole use and information only. To the extent mandatorily required under applicable laws of India, this Report maybe produced before judicial, regulatory or government authorities, in connection with the Proposed Transaction. We are not responsible to any other person or party, for any decision of such person or party based on this Report. Any person or party intending to provide finance/ invest in the shares/ business of the Companies or their holding companies, subsidiaries, associates, joint ventures shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Client) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to BDO Val.
- 3.4. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this Report or any part thereof, except for the purpose as set out earlier in this Report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so.
- 3.5. Without limiting the foregoing, we understand that the Client may be required to share this Report with regulatory or judicial authorities including stock exchanges, Securities and Exchange Board of India (“SEBI”), Regional Director, Registrar of Companies, National Company Law Tribunal, Income Tax authorities, professional advisors of the Client (“**Permitted Recipients**”). We hereby give consent to such disclosure of this Report, on the basis that we owe responsibility only to the Client that has engaged us, under the terms of the engagement, and no other person; and that, to the fullest extent permitted by law, we accept no responsibility or liability to any other party, in connection with this Report. It is clarified that reference to this Report in any document and/or filing with Permitted Recipients, shall not be deemed to be an acceptance by us of any responsibility or liability to any person/ party other than the Client.

## 4. Caveats, Limitations and Disclaimers

- 4.1. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- 4.2. This Report, its contents, and the analysis herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement, (ii) the Report date and (iii) based on the data detailed in the section - Sources of Information. The management of the Companies have represented that the business activities of the Companies have been carried out in the normal and ordinary course till the Report date and that no material changes are expected in their respective operations and financial position to occur upto the Report date.
- 4.3. We were provided with relevant information and time to make our opinion for this valuation exercise. However, our opinion may change if any material information is not disclosed / hidden from us during our valuation exercise.
- 4.4. The scope of the assignment did not include performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was used during the course of the work. Accordingly, we express no audit opinion or any other form of assurance on this information on behalf of the Companies. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence or legal title search of the assets or liabilities of the Companies and have considered them at the value as disclosed by the Companies in their regulatory filings or in submissions, oral or written, made to us.
- 4.5. Further, this Valuation Report is based on the extant regulatory environment and the financial, economic, monetary and business/market conditions, and the information made available to us or used by us up to the date hereof, which are dynamic in nature and may change in future, thereby impacting the valuation of the Companies. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and we shall not be obliged to update, review or reaffirm this Report if the information provided to us changes. Further 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.
- 4.6. We have no present or planned future interest in the Companies or any of their group entities.
- 4.7. The recommendation contained herein is not intended to represent value at any time other than the valuation date.
- 4.8. This Report is subject to the laws of India.
- 4.9. The fee for this engagement is not contingent upon the outcome of the Report.
- 4.10. In rendering this Report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.



- 4.11. This Report is based on the information received from the sources mentioned herein and discussions with the representatives of the Companies. We have assumed that no information has been withheld that could have influenced the purpose of our Report.
- 4.12. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us, we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Companies. Nothing has come to our knowledge to indicate that the material provided to us was mis-stated or incorrect or would not afford reasonable grounds upon which to base our Report.
- 4.13. For the present valuation exercise, we have also relied upon information available in the public domain; however, the accuracy and timeliness of the same has not been independently verified by us.
- 4.14. In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out here in which may occur subsequent to the date of our Report or by virtue of fact that the details provided to us are incorrect or inaccurate.
- 4.15. We have arrived at a relative value based on our analysis. Any transaction price may however be different and would depend on the negotiating ability and motivations of the respective buyers and sellers in the transaction.
- 4.16. Our scope is limited to recommendation of fair valuation of the securities as per ICDR regulations and Companies Act, 2013. The Report should not be construed as, our opinion or certifying the other compliances with the provisions of any law including, Foreign Exchange Management Act, 1999, taxation related laws, capital market related laws, any accounting, taxation or legal implications.
- 4.17. The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all their areas of operation unless otherwise stated and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of legal nature, including issues of legal title and compliance with local laws, litigation and other contingent liabilities that are not recorded in the financial statements of the Companies.
- 4.18. This Report does not look into the business/commercial reasons behind the Proposed Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Transaction as compared with any other alternative business transaction or any other alternatives, whether or not such alternatives could be achieved or are available. The assessment of commercial and investment merits in the Companies is sole responsibility of the investors of the Companies and we don't express opinion on the suitability or otherwise of entering into any financial or other transactions with the Companies.

- 4.19. Valuation and determination of fair valuation of the Securities is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value. While we have provided an assessment of the value based on an analysis of information available to us and within the scope of our engagement, others may place a different opinion.
- 4.20. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations taking into consideration the economic, social and market patterns existing at that point in time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material. Although we have read, analyzed and discussed the Companies' management business plan for the purpose of undertaking a valuation analysis, we have not recommended on the achievability and reasonableness of the assumptions provided to us satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of the assignment.
- 4.21. Whilst we have conducted analysis of the financial projections of the Companies for arithmetic and logical consistency, our review was not in the nature of an audit/ a due diligence. We do not express an opinion as to how closely the actual revenues, expenses, cash flows and position of assets and liabilities will correspond to these financial projections. There will usually be differences between predicted and actual results and those differences may be material. The Clients have provided us with a set of financial projections that are based on internal estimates including growth expectations of end user industries, cost estimations, etc. and represent their best estimate of the expected performance of the Companies going forward. We take no responsibility for the achievement of the predicted results.
- 4.22. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither us, nor any of our partners, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this Report.
- 4.23. We owe responsibility to only the Board of Directors of the Client and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other party to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In the particular circumstances of this case, our liability, if any (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, howsoever the loss or damage caused, shall be limited to the amount of fees actually received by us from the Client as laid out in the engagement letter, for such valuation work.

- 4.24. We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.
- 4.25. We express no opinion or recommendation as to how the shareholders of the Companies should vote at the shareholders' meeting(s) to be held in connection with the Proposed Transaction.
- 4.26. This Report does not in any manner address the prices at which equity shares of ATFL will trade following the announcement and/or implementation of the Proposed Transaction and we express no opinion or recommendation as to how the shareholders of the Companies should vote at the shareholders' meeting(s) to be held in connection with the Proposed Transaction.
- 4.27. The recommendation(s) rendered in this Report only represent our recommendation(s) based upon information furnished by the client/Companies (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).
- 4.28. Any discrepancies in any table/ annexure between the total and the sums of the amounts listed are due to rounding-off.
- 4.29. The Client have been provided with the opportunity to review the draft Report on no number basis as part of our standard practice to make sure that factual inaccuracies/omissions are avoided in our final Report.

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## 5. Sources of Information

5.1. For the purpose of undertaking this valuation exercise, we have relied on the following sources of information provided by the management of ATFL (“the Management”):

- Audited Financials of Agro Tech for the period Financial Year (“FY”) 21 to FY24;
- Audited Financials of Agro Tech for the Half Year September 30, 2024;
- Audited Financial statements of Del Monte from FY21 to FY24;
- Provisional Financials of Del Monte for the period ended August 31, 2024;
- Shareholding pattern of Del Monte and Agro Tech as on Report Date;
- Consolidated Projections for ATFL for the period from FY25 to FY29;
- Consolidated Projections for Del Monte for the period FY25 to FY30;
- Management Representation Letter addressed to BDO Val; and
- Relevant data and information provided to us by the management and representatives of the Companies either in written or oral form or in form of soft copy and information available in public domain.

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## 6. Procedures Adopted & Major factors that were considered during the valuation

6.1. In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information, and clarifications regarding past financial performance of the Companies.
- Considered data available in public domain related to the Companies and its peers.
- Discussions (physical / over call) with the Management to:
  - Understand the business and fundamental factors that affect its earning-generating capability and historical financial performance of the Companies as available in public domain and the risk associated with the businesses.
- Undertook Industry Analysis:
  - Researched publicly available market data including economic factors and industry trends that may impact the valuation; Analysed key trends and valuation multiples of comparable companies using proprietary databases subscribed by us.
  - Analysed key trends and valuation multiples of comparable companies using proprietary databases subscribed by us.
- Selected internationally accepted valuation methodology/(ies) as considered appropriate by us, in accordance with the International Valuation standards published by the International Valuation Standards Council.
- Review of ICDR regulations for the purpose of Preferential Allotment.
- Arrived at valuation of Companies in order to conclude our analysis on shares to be issued for the Proposed Acquisition.
- Determined the shares to be issued based on the selected methodology & ICDR regulations.

6.2. For the purpose of arriving at the valuation of the Companies we have considered the valuation base as 'Fair Value' and the premise of value is 'Going Concern Value' and ICDR regulations. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this report.

## 7. Valuation Approaches & Methodologies

- 7.1. It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made several assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the companies/businesses, and other factors which generally influence the valuation of the companies, its businesses and assets.
- 7.2. The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, analysis of businesses, in an independent and bona fide manner based on our previous experience of assignments of a similar nature & ICDR regulations.
- 7.3. It may be noted that BDO Valuation Advisory LLP is enrolled with IOV Registered Valuers Foundation, which has recommended to follow International Valuation Standards (“IVS”) for undertaking valuation and accordingly we have considered the International Valuation Standards issued by International Valuation Standards Council (“IVSC”) in carrying out the valuation exercise.
- 7.4. The valuation date is considered as November 11, 2024 (“Valuation Date”).
- 7.5. There are three generally accepted approaches to valuation:
  - (a) "Cost/Asset" Approach
  - (b) "Income" Approach
  - (c) "Market" Approach

Within these three basic approaches, several methods may be used to estimate the value. An overview of these approaches is as follows:

### Cost/Asset Approach

#### Summation Method

The summation method, also referred to as the underlying asset method, is typically used for investment companies or other types of assets or entities for which value is primarily a factor of the values of their holdings.

## Income Approach

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

### Discounted Cash Flow Method

Under the Discounted Cash Flow ('DCF') method, the value of the undertaking is based on expected 'cash flows for future, discounted at a rate, which reflects the expected returns and the risks associated with the cash flows as against its accounting profits. The value of the undertaking is determined as the present value of its future free cash flows.

Free cash flows are discounted for the explicit forecast period and the perpetuity value thereafter. Free cash flows represent the cash available for distribution to both, the owners and creditors of the business.

Discount rate is the Weighted Average Cost of Capital ('WACC'), based on an optimal vis-à-vis actual capital structure. It is appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk and also debt-equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business's potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth (for perpetuity) in the cash flows over the last year of the forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business's future operations.

The Business/Enterprise Value so derived, is further reduced by value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of business. The surplus assets / non-operating assets are also adjusted.

In case of free cash flows to equity, the cash available for distribution to owners of the business is discounted at the Cost of Equity and the value so arrived is the Equity Value before surplus/ non-operating assets. The surplus assets / non-operating assets are further added to arrive at the Equity Value.

## Market Approach

Under the Market approach, the valuation is based on the market value of the company in case of listed companies and comparable companies trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

**i. Market Price Method**

Under this method, the market price of an equity shares of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the trading. The market value reflects the investors' perception about the true worth of the company.

**ii. Comparable Companies Multiple Method**

Under the Comparable Companies Multiple ('CCM') method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

To the value of the business so arrived, adjustments need to be made for the value of contingent assets/liabilities, surplus Asset and dues payable to preference shareholders, if any, in order to arrive at the value for equity shareholders.

**iii. Comparable Transactions Multiple Method**

Under the Comparable Transactions Multiple ('CTM') method, the value of a company can be estimated by analyzing the prices paid by purchasers of similar companies under similar circumstances. This is a valuation method where one will be comparing recent market transactions in order to gauge current valuation of target company. Relevant multiples have to be chosen carefully and adjusted for differences between the circumstances. This valuation approach is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

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## 8. Conclusion on Valuation Approach for Fair Valuation of Equity Shares

8.1. As per ICDR regulations, for frequently traded shares which has been listed on a recognised stock exchange for a period of 90 days or more as on the relevant date, the preferential issue price of equity share shall not be less than (floor price) higher of the following:

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

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

In case of ATFL, there is no provision in the Articles of Association for determination of floor price, hence, the market price formula stated above as per the ICDR regulation will prevail.

8.2. The Relevant Date as per ICDR Regulations for the present valuation exercise has been considered as at November 11, 2024.

8.3. The stock exchanges checklist for compliance for the purposes of in principle approval of preferential allotment of shares for consideration other than cash requires the independent valuer to determine the relative fair value per share, after considering all the three approaches for valuation namely Asset Approach, Income Approach and Market Approach.

8.4. The valuation analysis exercise is being undertaken to arrive at the Fair value of Equity Shares of ATFL and Del Monte to determine equity shares of ATFL to be issued to Del Monte.

### Valuation Methodology Conclusion:

#### Cost/Asset Approach:

This valuation approach is mainly used in case where the asset base dominates the earnings capability. In a going concern scenario, the earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of proposed acquisition, than the values arrived at on the net asset basis being of limited relevance. Therefore, we have not considered Cost approach for valuation since the cost approach does not reflect the intrinsic value of the business in a “going concern scenario”.

#### Market Approach:

i) Market Price Method:

ATFL: The shares of ATFL to be issued to the shareholders of Del Monte on Preferential Allotment basis under the ICDR regulations and ATFL shares are frequently traded on the recognized stock exchanges. Therefore, the market price of ATFL has been arrived as per

regulation 164(1) of ICDR Regulations, i.e. Ninety trading days volume weighted average price or Ten trading days volume weighted average price, whichever is higher.

Del Monte: Since the Equity Shares of Del Monte are not listed on any recognized stock exchange, the market price method cannot be applied.

ii) Comparable Companies Multiple Method (“CCM”):

The Comparable Companies Multiple Method (“CCM”) under Market Approach, Enterprise Value/ Revenue (“EV/Revenue”) multiple is adopted for ATFL & Del Monte considering the stage of operations of the Companies, nature of their industry and the current profitability status of the Companies. To arrive at the comparable company multiple, the information available publicly and certain databases such as Capital IQ, etc. has been considered.

iii) Comparable Transaction Multiple Method (“CTM”):

CTM method under the Market Approach has not been considered due to lack of adequate information relating to identical comparable transactions.

**Income Approach:**

The Discounted Cash Flow Method under Income Approach has been considered to value the Companies as the value of the business should be reflected in its future earnings potential.

The Companies management have provided us the projected financials, the same has been considered and evaluated for its reasonableness for the current exercise based on analysis of the past financial performance, industry and competitor financial analysis etc.

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## 9. Conclusion

- 9.1 We have independently applied methods discussed above, as considered appropriate, and arrived at their assessment of value per share of the Companies. To arrive at the consensus on the shares to be issued for the Proposed Transaction, rounding off have been done in the values.
- 9.2 The shares to be issued have been arrived at based on the various approaches/methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses, having regard to information base, key underlying assumptions and limitations.
- 9.3 In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Honorable Supreme Court of India in the case reported in 176 ITR 417 as under:

*"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible".*

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9.4 In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above, we recommend the following equity shares to be issued for proposed Transaction:

Valuation Approach	Valuation Method	ATFL		Del Monte	
		Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Cost/Asset Approach	NA	NA	NA	NA	NA
Income Approach	DCF Method	445.3	1	25.4	1
Market Approach	MP Method	975.5	1	NA	NA
	CCM Method	928.3	1	25.5	1
Value Per Share		783.0		25.4	
<i>The floor price of ATFL under ICDR regulations is INR 975.5, which is higher than the values arrived in the table above, hence, the floor price of ATFL has been considered to determine the shares to be issued.</i>					

**Recommendation:**

Based on the above, the equity value of Del Monte is arrived at INR 13,00,10,63,070/- (INR 1,300.1 Cr.).

The preferential issue price of ATFL is INR 975.5 per share, hence, ATFL is to issue 1,33,27,589 shares to the shareholders of Del Monte.

Our Valuation report is based on the share capital structure of ATFL and Del Monte as mentioned earlier in this report. Any variation in the capital of the Companies till the record date may have material impact on the shares to be issued.

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# Valuation Annexure

November 2024

Ref. No.: LM/Nov14-221A/2024

November 14, 2024

To,

The Board of Directors  
**Agro Tech Foods Limited,**  
31, Sarojini Devi Road,  
Secunderabad - 500003,  
Telangana

The Board of Directors  
**Del Monte Foods Private Limited,**  
4th Floor, Unitech Commercial Tower-2,  
Greenwood City, Block-B, Gurgaon,  
Haryana - 1220003, India

Dear Sir(s)/ Madam(s),

**Sub: Determination of Preferential Issue Price of Equity Shares of Agro Tech Foods Limited (“ATFL”) as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR), Fair valuation of Equity Shares of Del Monte Foods Private Limited (“Del Monte”) and Determination of Shares to be issued for acquisition of Del Monte.**

This is with reference to BDO Valuation Advisory LLP (“BDO Val” or “Us”) report dated November 14, 2024 with Ref. No.: LM/Nov14-221/2024 (“Report”). Please find enclosed relevant computations for preferential issue price of ATFL, derivation of Fair Equity Share Value of Del Monte and computation of shares to be issued to the shareholders of Del Monte.

In this connection, we mention that the computations enclosed herewith need to be viewed in conjunction with the Report and the documents referred to in the Report. The recommendation of the number of shares to be issued to the shareholders of Del Monte for the proposed acquisition is arrived on the approach and methodology detailed in the Report and various qualitative factors relevant to each specific company having regard to the information, management representations, key underlying assumptions and limitations as referred in the Report.

Regards,

**For BDO Valuation Advisory LLP**  
IBBI No.: IBBI/RV-E/02/2019/103



Lata Gujar More  
Partner

IBBI No.: IBBI/RV/06/2018/10488  
VRN No.: IOVRVF/BDO/2024-2025/4358

## Annexure 1: Summary of Valuation Approaches & Methodologies used for Valuation Exercise and Recommendation of Shares to be Issued

Company	Market Approach - MP Method	Market Approach - CCM Method	Income Approach - DCF Method	Cost/Asset Approach
ATFL	✓	✓	✓	X
Del Monte	X	✓	✓	X

### Notes:

1. 'Cost/ Asset Approach' has not been considered since the net asset value does not reflect the intrinsic value of the business in a "going concern scenario".

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above, we recommend the following equity shares to be issued for proposed Transaction.

Valuation Approach	Valuation Method	ATFL		Del Monte	
		Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Cost/Asset Approach	NA	NA	NA	NA	NA
Income Approach	DCF Method	445.3	1	25.4	1
Market Approach	MP Method	975.5	1	NA	NA
	CCM Method	928.3	1	25.5	1
<b>Value Per Share</b>		<b>783.0</b>		<b>25.4</b>	
<i>The floor price of ATFL under ICDR regulations is INR 975.5, which is higher than the values arrived under other methodologies, hence, the floor price of ATFL has been considered to determine the shares to be issued.</i>					

### Recommendation:

Based on the above, the equity value of Del Monte is arrived at INR 13,00,10,63,070 (INR 1300.1 Cr.). The preferential issue price of ATFL is INR 975.5 per share, hence, ATFL is to issue 13,327,589 shares to the shareholders of Del Monte.

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## Annexure 2: Valuation of ATFL & Del Monte as per Discounted Cash Flow Method:

We have received future financial projections from the management of ATFL & Del monte. The future earning capability of the business is important; therefore, we have considered DCF Method under Income Approach.

### DCF Analysis

#### A) ATFL

	<i>(INR Cr.)</i>
<b>Particulars</b>	<b>Amount</b>
NPV of Explicit Period	55.8
Present Value of TV	1,017.7
<b>Enterprise Value (EV)</b>	<b>1,073.5</b>
Other Adjustments as at the Valuation Date	(1.9)
Equity Value (in Cr.)	1,071.6
Roll Forward Adjustment	1.01
<b>Adjusted Equity Value (in Cr.)</b>	<b>1,085.1</b>
Nos. of Equity Shares (in Cr.)	2.4
<b>Value per Equity Share (INR)</b>	<b>445.3</b>

#### B) Del Monte

	<i>(INR Cr.)</i>
<b>Particulars</b>	<b>Amount</b>
NPV of Explicit Period	206.4
Present Value of TV	1,072.5
<b>Enterprise Value (EV)</b>	<b>1,278.9</b>
Other Adjustments as at the Valuation Date	(9.9)
Equity Value (in Cr.)	1,269.0
Roll Forward Adjustment	1.02
<b>Adjusted Equity Value (in Cr.)</b>	<b>1,299.5</b>
Nos. of Equity Shares (in Cr.)	51.1
<b>Value per Equity Share (INR)</b>	<b>25.4</b>

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### Annexure 3: Valuation of ATFL as per Market Price Method

We have considered the formula provided in Regulation 164 (1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ('ICDR') for arriving at the value per equity share of ATFL under the market price Method.

Equity shares of the ATFL are traded on BSE & NSE. In the present case, the share price of the Companies on the NSE has been considered, as the trading volumes are higher at NSE as compared to BSE.

The Relevant Date for the present valuation exercise has been considered as at November 11, 2024 and the market factors have been considered till November 08, 2024 (one trading day preceding the relevant date).

The market price is considered as higher of following:

- (a) The 90 trading days 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 volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

VWAP Considered (as on November 8, 2024) (Refer computations below):

90 Days VWAP (A)	10 Days VWAP (B)	Higher of (A) or (B)
892.1	975.5	975.5

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Market Price as per SEBI (ICDR) Regulations, 2018			
I] 90 Trading days			
Sr. No.	Date	No. of Shares	Total Turnover (INR)
1	08 November 2024, Friday	79,556	8,06,03,510.3
2	07 November 2024, Thursday	1,52,855	15,51,38,786.2
3	06 November 2024, Wednesday	1,05,005	10,28,07,781.5
4	05 November 2024, Tuesday	1,24,392	12,13,72,210.1
5	04 November 2024, Monday	30,175	2,83,35,225.0
6	01 November 2024, Friday	8,895	84,19,808.6
7	31 October 2024, Thursday	22,741	2,15,51,308.9
8	30 October 2024, Wednesday	38,748	3,68,64,235.7
9	29 October 2024, Tuesday	88,055	8,28,30,317.2
10	28 October 2024, Monday	75,619	7,03,11,089.9
11	25 October 2024, Friday	69,047	6,12,29,242.1
12	24 October 2024, Thursday	56,423	5,34,70,346.7
13	23 October 2024, Wednesday	91,018	8,65,45,442.2
14	22 October 2024, Tuesday	86,773	8,05,50,812.8
15	21 October 2024, Monday	56,935	5,43,60,275.5
16	18 October 2024, Friday	30,869	2,89,84,469.7
17	17 October 2024, Thursday	89,928	8,61,44,674.9
18	16 October 2024, Wednesday	61,072	5,70,94,533.0
19	15 October 2024, Tuesday	1,34,199	12,74,35,549.5
20	14 October 2024, Monday	56,290	5,22,85,625.4
21	11 October 2024, Friday	6,59,025	63,47,23,455.9
22	10 October 2024, Thursday	48,173	4,25,25,135.8
23	09 October 2024, Wednesday	23,871	2,09,01,177.3
24	08 October 2024, Tuesday	35,093	3,05,18,827.2
25	07 October 2024, Monday	59,601	5,05,68,038.3
26	04 October 2024, Friday	41,479	3,55,59,852.2
27	03 October 2024, Thursday	36,637	3,13,45,159.9
28	01 October 2024, Tuesday	45,655	3,92,22,376.8
29	30 September 2024, Monday	1,11,090	9,49,69,359.0
30	27 September 2024, Friday	39,583	3,28,53,215.2
31	26 September 2024, Thursday	42,033	3,45,34,678.6
32	25 September 2024, Wednesday	41,552	3,33,74,314.5
33	24 September 2024, Tuesday	42,518	3,47,95,871.5
34	23 September 2024, Monday	40,888	3,36,22,056.7
35	20 September 2024, Friday	16,088	1,29,93,962.8
36	19 September 2024, Thursday	36,301	2,91,92,239.9
37	18 September 2024, Wednesday	84,386	6,88,94,165.5
38	17 September 2024, Tuesday	83,551	6,56,42,387.3
39	16 September 2024, Monday	27,219	2,21,42,811.9
40	13 September 2024, Friday	30,506	2,51,03,320.4
41	12 September 2024, Thursday	18,127	1,46,96,684.1
42	11 September 2024, Wednesday	26,969	2,20,06,031.2
43	10 September 2024, Tuesday	16,662	1,38,52,150.5
44	09 September 2024, Monday	34,388	2,80,40,822.0
45	06 September 2024, Friday	17,594	1,46,70,163.3
46	05 September 2024, Thursday	12,770	1,06,78,520.2
47	04 September 2024, Wednesday	31,467	2,61,88,458.4
48	03 September 2024, Tuesday	16,042	1,34,68,646.9
49	02 September 2024, Monday	26,532	2,21,30,398.9
50	30 August 2024, Friday	32,003	2,67,93,859.8
51	29 August 2024, Thursday	96,498	8,13,93,728.0
52	28 August 2024, Wednesday	2,33,827	20,58,21,905.7
53	27 August 2024, Tuesday	27,996	2,33,52,606.0
54	26 August 2024, Monday	37,825	3,14,55,373.5
55	23 August 2024, Friday	25,841	2,14,67,164.0
56	22 August 2024, Thursday	61,278	5,11,37,422.7
57	21 August 2024, Wednesday	97,217	8,08,54,050.0
58	20 August 2024, Tuesday	57,535	4,90,02,452.5
59	19 August 2024, Monday	26,252	2,28,25,691.3
60	16 August 2024, Friday	25,370	2,18,23,273.0
61	14 August 2024, Wednesday	23,868	2,01,84,930.9
62	13 August 2024, Tuesday	39,914	3,46,02,817.1
63	12 August 2024, Monday	23,107	2,01,65,150.1
64	09 August 2024, Friday	22,651	1,96,90,545.9
65	08 August 2024, Thursday	28,300	2,45,48,178.9
66	07 August 2024, Wednesday	50,416	4,34,91,438.8
67	06 August 2024, Tuesday	82,425	7,05,96,388.6
68	05 August 2024, Monday	1,05,452	9,04,37,523.8
69	02 August 2024, Friday	83,062	7,39,56,843.5
70	01 August 2024, Thursday	92,731	8,43,98,507.7
71	31 July 2024, Wednesday	1,61,936	14,94,39,773.8
72	30 July 2024, Tuesday	44,312	4,24,64,958.1
73	29 July 2024, Monday	65,593	6,35,64,598.0
74	26 July 2024, Friday	68,486	6,60,78,560.0
75	25 July 2024, Thursday	3,97,473	38,71,94,735.4
76	24 July 2024, Wednesday	1,78,598	16,43,04,410.0
77	23 July 2024, Tuesday	1,47,382	12,96,13,693.6
78	22 July 2024, Monday	1,88,940	16,43,66,254.1
79	19 July 2024, Friday	83,374	6,91,99,182.0
80	18 July 2024, Thursday	2,36,286	20,70,82,024.6
81	16 July 2024, Tuesday	1,27,365	11,20,95,415.8
82	15 July 2024, Monday	1,98,438	17,03,60,806.0
83	12 July 2024, Friday	73,871	6,20,44,311.3
84	11 July 2024, Thursday	70,606	5,91,34,065.6
85	10 July 2024, Wednesday	1,03,421	8,47,93,721.3
86	09 July 2024, Tuesday	1,13,872	9,54,19,778.2
87	08 July 2024, Monday	2,48,358	20,68,82,111.0
88	05 July 2024, Friday	1,46,056	11,64,25,390.2
89	04 July 2024, Thursday	1,05,966	8,39,15,113.6
90	03 July 2024, Wednesday	1,16,186	9,29,65,266.5
		<b>73,54,482</b>	<b>6,56,08,93,546.1</b>
Volume weighted Average Price (VWAP)			<b>892.1</b>

Market Price as per SEBI (ICDR) Regulations, 2018			
II] 10 Trading days			
Sr. No.	Date	No. of Shares	Total Turnover (INR)
1	08 November 2024, Friday	79,556	8,06,03,510.3
2	07 November 2024, Thursday	1,52,855	15,51,38,786.2
3	06 November 2024, Wednesday	1,05,005	10,28,07,781.5
4	05 November 2024, Tuesday	1,24,392	12,13,72,210.1
5	04 November 2024, Monday	30,175	2,83,35,225.0
6	01 November 2024, Friday	8,895	84,19,808.6
7	31 October 2024, Thursday	22,741	2,15,51,308.9
8	30 October 2024, Wednesday	38,748	3,68,64,235.7
9	29 October 2024, Tuesday	88,055	8,28,30,317.2
10	28 October 2024, Monday	75,619	7,03,11,089.9
		<b>7,26,041</b>	<b>70,82,34,273.2</b>
Volume Weighted Average Price (VWAP)			<b>975.5</b>

#### Annexure 4: Valuation of ATFL & Del Monte as per Comparable Companies Method:

Under Market Approach, we have also considered CCM Method. We have identified listed comparable companies based on business of each company and thereafter screen selected multiple based on business composition, business description, etc. We have considered Revenue multiple of the comparable listed companies (Annexure 5). The total equity value so derived is than divided by total number of equity shares for arriving at the value per equity share of companies under CCM Method.

##### CCM Analysis

###### A) ATFL

	(INR Cr.)
Particulars	Amount
Maintainable Revenue	757.9
EV / Revenue Multiple	3.0
<b>Enterprise Value</b>	<b>2,276.9</b>
Other Adjustments as at Valuation Date	(14.8)
Equity Value (in Cr.)	2,262.1
Nos of Equity Shares (in Cr.)	2.4
<b>Value per equity share (INR)</b>	<b>928.3</b>

###### B) Del Monte

	(INR Cr.)
Particulars	Amount
Maintainable Revenue	570.3
EV / Revenue Multiple	2.3
<b>Enterprise Value</b>	<b>1,311.7</b>
Other Adjustments as at Valuation Date	(11.0)
Equity Value (in Cr.)	1,300.8
Nos of Equity Shares (in Cr.)	51.1
<b>Value per equity share (INR)</b>	<b>25.5</b>

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## Annexure 5- EV/Revenue multiple for selected comparable companies.

### Multiple Analysis

#### A) ATFL

To determine the appropriate Revenue multiple for ATFL, which operates in both the Oil and Food segments, weights of 40% and 60% were assigned to the comparable companies in Oil and Food segments, respectively, based on the maintainable Revenue mix of ATFL. The median Revenue multiples for each group of comparable companies were then calculated by applying the respective weights to derive a composite weighted average multiple.

Name of Comparable Company	EV/Revenue Multiple
<b>Oil Segment Comparables</b>	
Shri Venkatesh Refineries Limited	0.8
Kriti Nutrients Limited	1.0
Median Multiple Oil Comps	A
Weight Assigned for Oil Comps	B
<b>Weighted Oil Segment Comparable Multiple</b>	<b>C = [A*B]</b>
<b>Food Segment Comparables</b>	
Euro India Fresh Foods Limited	4.4
Prataap Snacks Limited	1.4
Bambino Agro Industries	1.2
Annapurna Swadisht Limited	3.6
Bikaji Foods International Limited	7.1
ADF Foods Limited	5.2
Hindustan Foods Limited	2.3
Mrs. Bectors Food Specailites Limited	5.8
Tasty Bite Eatables Limited	7.2
Median Multiple Food	D
Weight Assigned for Food Comps	E
<b>Weighted Food Segment Comparable Multiple</b>	<b>F = [D*E]</b>
<b>Weighted Average Median Multiple</b>	<b>C+F</b>
	<b>3.0</b>

#### B) Del Monte

Name of the Comparable Company	EV/Revenue Multiple
Shri Venkatesh Refineries Limited	0.8
Kriti Nutrients Limited	1.0
Euro India Fresh Foods Limited	4.4
Prataap Snacks Limited	1.4
Bambino Agro Industries Limited	1.2
Annapurna Swadisht Limited	3.6
Bikaji Foods International Limited	7.1
ADF Foods Limited	5.2
Hindustan Foods Limited	2.3
Mrs. Bectors Food Specailites Limitec	5.8
Tasty Bite Eatables Limited	7.2
Agro Tech Foods Limited	2.9
Modi Naturals Limited	1.2
<b>Median Multiple</b>	<b>2.9</b>
Discount Applied*	20%
<b>Adjusted EV/Revenue Multiple</b>	<b>2.3</b>

\*Discount of account of size, revenue mix, operational metrics etc