

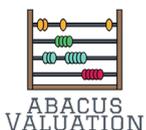
2024

Valuation Report

TFCS Kitchen Solutions Limited



Delight Guaranteed



Abacus Valuation
25th October 2024

Introduction

Tfcs Kitchen Solutions Limited (previously known as Tfcs Kitchen Solutions Private Limited) (CIN-U55101GJ2022PLC130336), is an unlisted company incorporated on 24 March, 2022. It is classified as a limited company and is located in Vadodara, Gujarat. It's authorized share capital is Rs. 8.00 crores and the total paid-up capital is Rs. 7.30 crores.

The registered address of company is located at ATH-10 Divya Plaza, Nr. Kamlanagar,, Ajwa Road, Village-Vadodara, Gujarat - 390019. The company has three directors - Amit Pradeep Ghotikar, Balaji Subudhi Eppile, and Garima Pathak.

Business Model



Chef-Hire, is is Unique and First in Class Foodtech Platform for Hotels, Restaurant and Many More Related Businesses. This is a brand of TFCS Kitchen Solutions Ltd. (TKSL) and the concept is revolutionizing the food and beverage (F&B) industry with its innovative platform designed to cater to a broad spectrum of needs within hotels, restaurants, and related businesses. The platform uniquely positions itself as a comprehensive solution provider for those seeking culinary

expertise for special occasions, business ventures, or an enhanced daily dining experience. Chef-Hire's offerings are robust, extending from providing gourmet spices to orchestrating full-scale culinary events, positioning it as a go-to partner for a diverse client base looking to elevate their culinary operations.

The business addresses critical challenges in the F&B sector such as labor shortages, rising operational costs, and the increasing demand for sustainable and health-focused food options. By offering a suite of services that includes staffing for skilled chefs and servers, customizable menu planning to adapt to changing consumer preferences, and integration of technology to streamline operations, Chef-Hire tackles these industry-wide problems effectively. Its commitment to innovation and customer-centric approach enables it to offer tailored solutions that not only improve operational efficiency and manage costs but also enhance customer engagement and satisfaction. This holistic approach and adaptability make Chef-Hire a compelling business with significant potential for success in the evolving F&B landscape.

Our Solutions



BistroConnect, a service offered by TFCS Kitchen Solutions, focuses on empowering the food and beverage (F&B) industry by providing comprehensive consultancy services. It supports restaurants, cafes, and other F&B businesses with tools for menu development, kitchen optimization, marketing, and customer engagement. BistroConnect helps streamline operations and improve efficiency, offering tailored solutions to meet the diverse needs of small outlets and large-scale establishments. By integrating technology and addressing labor shortages, it enhances productivity while keeping operational costs in check, making it a valuable partner in the competitive F&B landscape

Services Offered



Our USP

BISTRO CONNECT



Unmatched Expertise

Our team of seasoned food consultants and skilled professionals bring extensive knowledge and experience to cater to a diverse range of culinary requirements.



Proven Reputation

Our history of successful collaborations with esteemed brands is a testament to our unwavering commitment to excellence and reliability.



Continuous Innovation

We embrace innovation, constantly seeking cutting-edge solutions to stay at the forefront of the evolving food industry.



Customer Focus

At Chef-Hire, we place a high priority on customer satisfaction by tailoring every engagement to the unique needs and preferences of our clients.

Future Plans

The future plans of the company (as shared with us), focus on expansion, increased revenue, and enhancing service offerings. the key highlights being:

- **Geographical Expansion:** The company plans to open new locations in cities such as Indore, Vadodara, Surat, and Noida.
- **Financial Growth:** A significant increase in profitability is projected from 2025 to 2029, with net profits expected to grow incrementally each year from Rs. 9 Lakhs in 2025 to Rs. 48 crores in 2029. This suggests aggressive revenue generation strategies and cost management .
- **Marketing and Sales Strategies:** The company aims to strengthen its market presence through various channels including social media platforms like Instagram, Facebook, and Pinterest, and through partnerships with wedding planners and venues. They also plan to leverage content marketing and public relations to boost their visibility and client engagement .
- **Service Diversification:** There is a focus on offering diversified and flexible service packages that cater to different segments including individual clients, corporate clients, wedding couples, and event planners. This tailored approach is expected to enhance customer satisfaction and loyalty .
- **Operational Efficiency:** The company emphasizes improving operational efficiency through training and development of their sales team, offering free consultations, and maintaining long-term relationships with clients. This is aimed at exceeding customer expectations consistently .

Overall, the company is targeting robust growth through strategic expansions, leveraging marketing, enhancing service offerings, and focusing on operational efficiencies to boost profitability and market share.

Purpose Of Valuation

Based on discussion with management, we have been given to understand that the company wishes to assess the fair value of the shares of the company for its internal assessment. As a management consulting firm, the professionals at Attentio Corporare Services LLP possesses relevant skills & expertise to carry out a fair valuation of the equity shares of the company.

Disclosure and Conflicts (If any)

We hereby declare that we do not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the company (including the parties with whom the company is dealing, including the lender or selling agent, if any). We have no present or planned future interest in the company or its group companies, if any and the fee payable for this valuation is not contingent upon the value of shares reported herein.

Exclusions and Limitations

Our Report is subject to the 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 therein.

The scope of our assignment did not involve me to perform audit or verification tests for purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was used by us during the course of our work. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our report.

This Valuation Report and the information contained herein are confidential and have been prepared exclusively for the management of Tfcs Kitchen Solutions Limited for providing select information and only in connection with the purpose as set out above. It should not be used, copied, disclosed, reproduced or circulated to any other person, in whole or in part, in correspondence or in discussion with any other person except to whom it is issued.

The report is based on the information/reports/certificates/representations, received from the sources mentioned herein and discussions with management/representatives of Tfcs Kitchen Solutions Limited. We have assumed that they have furnished to me all information, which they are aware of, which may have an impact on our report.

Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair and reasonable, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such statements. we expressly disclaim any and all liabilities, which may arise based upon the incorrect information provided by Company or its representatives for this report and/or fraudulent acts, misrepresentations or default on part of Company, its directors, management or employees. We are also not liable to any third party(ies) in relation to the issue of this report.

Sources of Information

For calculation of TKSL's equity value, we have used the projected financial performance for five years (i.e. FY 2025-29) as provided to us by the company, along with the other relevant documents. The provisional financial statements as on 15th October 2024 and projected financial statements prepared by TKSL management, based on their reasonable expectations of economy, industry and its own operations are taken by me as provided by the management and authorized representatives, and, on being found as prima-facie acceptable, are not separately being investigated by me. Similarly, other items that TKSL management has represented to me in their Management Representation Letter dated October 18, 2024 have been accepted, on an as is basis, in absence of any indicators/reasons of them being potentially untrue or unreliable.

Method of Valuation

As the business model is asset light & cash flow driven, we have used Discounted Cash flow (DCF) method to estimate the fair value of shares.

Further, in line with the requirements of the International Valuation Standards, we have taken 'fair value' as the valuation base, and 'going concern' as the premise of value. Our broad valuation-related workings used to calculate TKSL equity value are provided later in this report.

Key Dates and Data

Appointment Date

We have been appointed as Valuer by the Company vide letter dated October 16, 2024

Valuation Date

The value of the company should be considered to the value as on October 15, 2024

Report Date

Our valuation report has been prepared & submitted on October 25, 2024

Valuations

Calculation of Free Cash Flow to Firm (FCFF)

- $FCFF = EBIT(1 - \text{Tax Rate}) + \text{Depreciation} - \text{CapEx} - \text{Changes in Working Capital}$
- $\text{Terminal Value} = FCFF_{\{n+1\}} / (WACC - g)$
- $\text{Enterprise Value} = \sum (FCFF_t / (1 + WACC)^t) + (\text{Terminal Value} / (1 + WACC)^n)$
- $\text{Equity Value} = \text{Enterprise Value} - \text{Debt}$

Workings as under:

WACC*	18.5%
Terminal Growth in cash flow	4.0%

All Figures in Rupees Million

	FY25E	FY26E	FY27E	FY28E	FY29E	TV
PAT	0.88	15.98	128.05	280.83	477.30	
Add: depreciation	4.08	7.90	8.10	8.36	8.68	
Add: interest	0.1	0.1	0.1	0.1	0.0	
Add/(Less):Changes in Working Capital	8.1	22.9	65.9	67.6	73.9	
(Less) Capex	(77.3)	(2.1)	(2.6)	(3.5)	(4.3)	
Free cash flow	(64.0)	44.8	199.5	353.4	555.6	3,982
Time Factor	0.46	1.5	2.5	3.5	4.5	5
Discounting Factor	0.925	0.775	0.654	0.552	0.466	0.428
Present value	-59.24	34.74	130.48	195.03	258.72	1,703.10

Valuation			
Total Primary Period Cash Flows	Rs	2,262.82	Mn
Less: Value of total Debt (FY 24)	Rs	1.73	Mn
Add: Cash (FY 24)	Rs	0.10	Mn
Total Value of Business for Equity	Rs	2,264.65	Mn
less: Funds to be infused	Rs	-	Mn
Less; minority Shareholding	Rs	-	Mn
Net Value of Business for Equity	Rs	2,264.65	Mn
Shares o/s	Nos	7,29,96,400	shares
Value per share	Rs	31.02	per share

Conclusion

On basis of DCF method of calculation, the fair value of Equity Shares of Tfcs Kitchen Solutions Limited is arrived at Rs 31.02/- per share. This may be rounded off to Rs. 31.00/- per share

For Abacus Valuation

Managing Partner

25th October 2024

Mumbai



Annexure 1: Workings for WACC

Cost of Equity Calculation		
Particulars	Rate	Remarks
Risk free rate	6.8%	10 year bond yield
Market Return	14.0%	20 year Nifty Return
Equity Risk	7.2%	
Adjustment in ERP for small co	7.0%	
Adjusted ERP	14.2%	
Beta	0.8	
Cost of Equity	18.6%	

Value of Equity & Debt	FY25E	FY26E	FY27E	FY28E	FY29E
Debt	0.91	0.72	0.51	0.27	0.00
Equity	88.40	88.40	88.40	88.40	88.40
	0.01	0.01	0.01	0.00	0.00

Cost of debt Calculation					
Particulars	FY25E	FY26E	FY27E	FY28E	FY29E
Cost of debt	14.00%	14.00%	14.00%	14.00%	14.00%

WACC Calculation	FY25E	FY26E	FY27E	FY28E	FY29E
Debt	1.0%	0.8%	0.6%	0.3%	0.0%
Equity	99.0%	99.2%	99.4%	99.7%	100.0%
Cost of Debt	10.4%	10.4%	10.4%	10.4%	10.4%
Cost of Equity	18.6%	18.6%	18.6%	18.6%	18.6%
Weighted Average Cost of Capital	18.5%	18.5%	18.5%	18.5%	18.6%
WACC*	18.5%				

Annual P&L

Particulars	FY - 2025	FY - 2026	FY - 2027	FY - 2028	FY - 2029
Revenue					
Total Revenue from Bistro Connect-B2B	₹1,74,25,000	₹5,10,00,000	₹13,04,85,000	₹39,66,65,000	₹74,31,60,000
Total Revenue from Cuisine Craft	₹4,00,65,250	16,94,84,750	₹52,51,62,500	₹73,26,44,250	₹92,45,00,250
Total Revenue from Private Chef	₹16,11,000	₹42,38,000	₹70,28,000	₹1,34,25,500	₹2,06,70,000
Total Revenue from Events	₹3,84,54,250	16,52,46,750	₹51,81,34,500	₹71,92,18,750	₹90,38,30,250
Total Net Revenue	₹5,74,90,250	₹22,04,84,750	₹65,56,47,500	₹1,12,93,09,250	₹1,66,76,60,250
COGS					
Total COGS	₹3,64,02,408	₹13,85,72,400	₹39,97,30,155	₹63,93,42,500	₹87,01,89,015
Gross Profit	₹2,10,87,843	₹8,19,12,350	₹25,59,17,345	₹48,99,66,750	₹79,74,71,235
GP Margin	36.68%	37.15%	39.03%	43.39%	47.82%
Operating Ex.					
Operating Salaries	₹33,00,000	₹2,75,22,000	₹3,73,16,400	₹4,72,77,120	₹6,07,89,432
Marketing	₹11,40,000	₹33,00,000	₹63,60,000	₹63,60,000	₹63,60,000
ATL Activities	₹1,80,000	₹1,80,000	₹1,80,000	₹1,80,000	₹1,80,000
BTL Activities	₹1,80,000	₹1,80,000	₹1,80,000	₹1,80,000	₹1,80,000
Digital Marketing	₹7,80,000	₹29,40,000	₹60,00,000	₹60,00,000	₹60,00,000
Total Operating Ex.	₹44,40,000	₹3,08,22,000	₹4,36,76,400	₹5,36,37,120	₹6,71,49,432
EBITDA Operating Lvl.	₹1,66,47,843	₹5,10,90,350	₹21,22,40,945	₹43,63,29,630	₹73,03,21,803
EBITDA Margin - (Op. Lvl.)	28.96%	23.17%	32.37%	38.64%	43.79%
Other Expenses					
Indirect Ex.	₹21,84,000	₹24,02,400	₹26,42,640	₹29,06,904	₹31,97,594
Co. Lvl. Salaries	₹83,40,000	₹1,79,52,000	₹2,56,27,800	₹3,70,55,040	₹5,04,01,643
Market Research	₹1,80,000	₹6,00,000	₹36,00,000	₹1,20,00,000	₹3,00,00,000
Branding	₹3,60,000	₹6,00,000	₹12,00,000	₹12,00,000	₹12,00,000
Product development exp	₹1,70,000	₹2,00,000	₹2,40,000	₹3,00,000	₹4,00,000
Total Other Expenses	₹1,12,34,000	₹2,17,54,400	₹3,33,10,440	₹5,34,61,944	₹8,51,99,237
EBITDA Co. Lvl.	₹54,13,843	₹2,93,35,950	₹17,89,30,505	₹38,28,67,686	₹64,51,22,566
EBITDA Margin - (Co. Lvl.)	9.42%	13.31%	27.29%	33.90%	38.68%
Depreciation & Amortization	₹40,84,858	₹78,97,675	₹80,97,871	₹83,62,548	₹86,84,757
EBIT	₹13,28,984	₹2,14,38,275	₹17,08,32,634	₹37,45,05,138	₹63,64,37,809
EBIT Margin	2.31%	9.72%	26.06%	33.16%	38.16%
Interest	₹1,49,380	₹1,26,781	₹1,01,019	₹71,649	₹38,168
EBT	₹11,79,604	₹2,13,11,494	17,07,31,615	₹37,44,33,489	₹63,63,99,641
EBT Margin	2.05%	9.67%	26.04%	33.16%	38.16%
Tax	₹2,94,901	₹53,27,874	₹4,26,82,904	₹9,36,08,372	₹15,90,99,910
Net Profit	₹8,84,703	₹1,59,83,621	12,80,48,711	₹28,08,25,116	₹47,72,99,730
NP Margin	1.54%	7.25%	19.53%	24.87%	28.62%

Balance Sheet

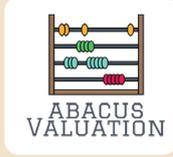
Particulars	15-Oct-24	FY - 2025	FY - 2026	FY - 2027	FY - 2028	FY - 2029
Assets						
Current assets	₹8,11,218	₹1,80,00,554	₹4,23,77,009	₹18,55,96,695	₹48,36,75,170	₹98,05,39,068
Cash and Cash Equivalents	₹1,01,357	₹88,54,396	₹75,04,578	₹7,49,68,216	₹19,28,61,980	₹42,54,14,283
Accounts receivable	₹6,07,859	₹31,50,151	₹1,20,81,356	₹4,49,07,363	₹8,57,03,743	₹13,70,67,966
Inventory	₹-	₹59,83,957	₹2,27,79,025	₹6,57,09,067	₹10,50,97,397	₹14,30,44,770
Prepaid Ex.	₹-	₹-	₹-	₹-	₹-	₹-
Investments	₹1,02,002	₹-	₹-	₹-	₹10,00,00,000	₹27,50,00,000
Short Term Loans and Advances		₹12,050	₹12,050	₹12,050	₹12,050	₹12,050
Non current assets	₹7,33,18,197	₹7,32,11,926	₹6,74,34,251	₹6,19,46,380	₹5,70,38,832	₹5,26,49,075
PPE	₹4,21,797	₹7,32,11,926	₹6,74,34,251	₹6,19,46,380	₹5,70,38,832	₹5,26,49,075
Intangible Assets	₹7,28,96,400	₹-	₹-	₹-	₹-	₹-
Total Assets	₹7,41,29,415	₹9,12,12,480	₹10,98,11,260	₹24,75,43,075	₹54,07,14,002	₹1,03,31,88,143
Liabilities						
Equity	₹7,23,31,802	₹8,92,50,573	₹10,52,34,194	₹23,32,82,905	₹51,41,08,022	₹99,14,07,752
Equity	₹7,29,96,400	₹8,84,04,877	₹8,84,04,877	₹8,84,04,877	₹8,84,04,877	₹8,84,04,877
Reserves	₹(6,64,598)	₹8,45,696	₹1,68,29,316	₹14,48,78,028	₹42,57,03,144	₹90,30,02,875
Dividends Paid						
Current Liability	₹17,97,613	₹10,56,326	₹38,55,504	₹1,37,48,389	₹2,63,33,349	₹4,17,80,391
Borrowings	₹17,29,182	₹-	₹-	₹-	₹-	₹-
Trade payables		₹9,97,326	₹37,96,504	₹1,36,89,389	₹2,62,74,349	₹4,17,21,391
Other Current liabilities	₹68,431	₹44,000	₹44,000	₹44,000	₹44,000	₹44,000
Prepaid income		₹-	₹-	₹-	₹-	₹-
Short Provisions		₹15,000	₹15,000	₹15,000	₹15,000	₹15,000
Non Current Liability		₹9,05,580	₹7,21,562	₹5,11,781	₹2,72,631	₹0
Loans		₹9,05,580	₹7,21,562	₹5,11,781	₹2,72,631	₹0
Total Liability	₹7,41,29,415	₹9,12,12,480	₹10,98,11,260	₹24,75,43,075	₹54,07,14,002	₹1,03,31,88,143

Cash Flow

Particulars	FY - 2025	FY - 2026	FY - 2027	FY - 2028	FY - 2029
CFO					
Net Income	₹8,84,703	₹1,59,83,621	₹12,80,48,711	₹28,08,25,116	₹47,72,99,730
Add: Depreciation	₹40,84,858	₹78,97,675	₹80,97,871	₹83,62,548	₹86,84,757
Less: Changes in working capital	₹81,36,782	₹2,29,27,095	₹6,58,63,164	₹6,75,99,750	₹7,38,64,553
Less: Non cash Ex.	₹-	₹-	₹-	₹-	₹-
Add: Deferred tax Assets	₹-	₹-	₹-	₹-	₹-
Add: Other operating expenses	₹-	₹-	₹-	₹-	₹-
Total Cashflow - Operations	₹(31,67,220)	₹9,54,200	₹7,02,83,418	₹22,15,87,914	₹41,21,19,934
CFI					
Capex	₹7,72,96,784	₹21,20,000	₹26,10,000	₹34,55,000	₹42,95,000
Acquisition	₹-	₹-	₹-	₹-	₹-
Marketable Securities - Purchase	₹-	₹-	₹-	₹-	₹-
Marketable Securities - Sale	₹-	₹-	₹-	₹-	₹-
Investments	₹-	₹-	₹-	₹10,00,00,000	₹17,50,00,000
Short Term Loans	₹12,050	₹-	₹-	₹-	₹-
Other Current Assets	₹-	₹-	₹-	₹-	₹-
Intangible Assets	₹-	₹-	₹-	₹-	₹-
Other Investments	₹-	₹-	₹-	₹-	₹-
Deposits	₹-	₹-	₹-	₹-	₹-
Total Cashflow - Investment	₹7,73,08,834	₹21,20,000	₹26,10,000	₹10,34,55,000	₹17,92,95,000

Continued

Particulars	FY - 2025	FY - 2026	FY - 2027	FY - 2028	FY - 2029
CFF					
Issuance of Equity	₹8,84,04,877	₹-	₹-	₹-	₹-
Equity Share Premium	₹-	₹-	₹-	₹-	₹-
Dividends Paid	₹-	₹-	₹-	₹-	₹-
Issuance of Debt	₹10,67,000	₹-	₹-	₹-	₹-
Borrowings	₹-	₹-	₹-	₹-	₹-
Long term Loans	₹10,67,000	₹-	₹-	₹-	₹-
Repayment of Debt	₹1,61,420	₹1,84,018	₹2,09,781	₹2,39,150	₹2,72,631
Deferred tax Liability	₹-	₹-	₹-	₹-	₹-
Other Financial Securities	₹59,000	₹-	₹-	₹-	₹-
Current Liability	₹44,000	₹-	₹-	₹-	₹-
Non-Current Liability	₹-	₹-	₹-	₹-	₹-
Provisions	₹15,000	₹-	₹-	₹-	₹-
Total Cashflow - Finance	₹8,93,69,458	₹(1,84,018)	₹(2,09,781)	₹(2,39,150)	₹(2,72,631)
Net Cashflow	₹88,93,403	₹(13,49,818)	₹6,74,63,638	₹11,78,93,764	₹23,25,52,303
Opening Balance	₹(39,007)	₹88,54,396	₹75,04,578	₹7,49,68,216	₹19,28,61,980
Net Cash balance	₹88,54,396	₹75,04,578	₹7,49,68,216	₹19,28,61,980	₹42,54,14,283



Abacus Valuation

Wework, k, 24x7 Park, LBS Marg,
Vikhroli (W), Mumbai



Company Name

TFCS Kitchen Solutions Limited

ISIN - INE18R501011

Face value per share ₹1



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