

Valuation Analysis of Equity Shares of TRINITY GANESH PRIVATE LIMITED

15th November,2024
Strictly Private & Confidential

To,
Board of Directors/Audit Committee
TRINITY GANESH PRIVATE LIMITED
14, MARKET YARD, SHAKMARKET VIBHAG, KADI,
Kadi Mkt Yard, Mahesana, Kadi, Gujarat, India, 382715

Subject – Fair valuation of Equity shares of TRINITY GANESH PRIVATE LIMITED.

Dear Sir,

The said valuation assignment has been conducted of **TRINITY GANESH PRIVATE LIMITED**(herein after referred to as “**Company**”) to comply with the provisions of Section 42 and 62 of Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and the valuation guidelines stipulated under International Valuation standards.

Valuation Summary:

I **Sejal Ronak Agrawal** , (“herein-after-referred as “**Registered Valuer**”), hereby certify the fair value of equity shares of the Company as of 31st October, 2024 as follow.

- | | |
|---------------------------------|-----------------------------------|
| 1. Date of Valuation | : 31 st October, 2024 |
| 2. Date of appointment | : 05 th November, 2024 |
| 3. Date of Submission of Report | : 15 st November, 2024 |

Name of Instrument	Value per share (INR)	Fair value (INR in Lakhs)
Equity Share	60.00	299.99


This certificate is being issued for compliance with the aforesaid purpose only.

Thank you

Date: 15th November, 2024

Place: Ahmedabad

For and on behalf of



For CA Sejal Ronak Agrawal
Registered Valuer (IBBI)
Registration No. IBBI/RV/06/2020/13106
Place: Ahmedabad
UDIN : 24141498BKDHOT1188

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EXECUTIVE SUMMARY:

Client	TRINITY GANESH PRIVATE LIMITED
Corporate Identification Number(CIN)	U46101GJ2023PTC147113
Base of Valuation	: Market Value - Sec 30 of IVS 2020
Premise of Valuation	: Highest and best use - Sec 140 of IVS 2020
Valuation Approach	: Income Approach
Method for Valuation	: Discounted Cash Flow Method
Value Variation from Standard Assumptions	: None
Special Assumptions	: None
Independence	: The total fees, including the fee for this assignment earned from the instructing party are less than 5.0% of our total annual revenues.
Valuation Currency	INR

INDUSTRY BACKGROUND

India is one of the major players in the agriculture sector worldwide and it is the primary source of livelihood for ~55% of India's population. India has the world's largest cattle herd (buffaloes), the largest area planted for wheat, rice, and cotton, and is the largest producer of milk, pulses, and spices in the world. It is the second-largest producer of fruit, vegetables, tea, farmed fish, cotton, sugarcane, wheat, rice, cotton, and sugar. The agriculture sector in India holds the record for second-largest agricultural land in the world generating employment for about half of the country's population. Thus, farmers become an integral part of the sector to provide us with a means of sustenance.



COMPANY ASSESSMENT

Company Information	
CIN	U46101GJ2023PTC147113
Company Name	TRINITY GANESH PRIVATE LIMITED
ROC Name	ROC Ahmedabad
Registration Number	147113
Date of Incorporation	21/12/2023
Email Id	ganesh.kaushik11@gmail.com
Registered Address	14, MARKET YARD, SHAKMARKET VIBHAG, KADI, Kadi Mkt Yard, Mahesana, Kadi, Gujarat, India, 382715
Listed in Stock Exchange(s) (Y/N)	No
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Private
Authorised Capital (Rs)	50,00,000
Paid up Capital (Rs)	50,00,000

Share Holding Pattern as on Valuation date are as follows:

Sr. No	Name of Shareholders	No. Of Equity Shares
1	Jayantibhai Hiradas Patel	285,000
2	Mineshkumar Somabhai Patel	50,000
3	Dharmishthaben Mineshkumar Patel	50,000
4	Sachin Anraj Kumar Sanghavi	25,000
5	Urvish Mukundbhai Acharya	30,000
6	Vrujesh Bharatbhai Shah	30,000
7	Keyur Narendra Shah	30,000
	Total	5,00,000

The Board of Directors of the company as on valuation date are as follows :

Sr. No	DIN/PAN	NAME	Designation
1	07176634	Sachin Anraj Kumar Sanghvi	Director
2	10435327	Mineshkumar Somabhai Patel	Director

Share Capital of the company as on valuation date as follows:

Authorized Share Capital	Amount (INR)
5,00,000 Equity shares of Rs. 1 each	50,00,000.00
Issued, Subscribed and Paid up Capital	Amount (INR)
5,00,000 Equity shares of Rs. 10 each	50,00,000.00



PURPOSE OF VALUATION, SCOPE & LIMITATIONS

PURPOSE OF VALUATION

Based on the discussions held with the Management and Key Managerial Personnel (KMPs) of the Company, this valuation is done for the purpose of preferential allotment of shares/securities to comply with the provisions of Section 42 and 62 of Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and the valuation guidelines stipulated under International Valuation standards.

APPOINTING AUTHORITY

Board of Directors of **TRINITY GANESH PRIVATE LIMITED** appointed **SEJAL RONAK AGRAWAL (Registered Valuer)** for valuation of Equity Shares.

IDENTITY OF VALUER

CA Sejal Ronak Agrawal

Registered Valuer (IBBI)

Registration No. IBBI/RV/06/2020/13106

Place: Ahmedabad

NATURE AND SOURCES OF INFORMATION

We have reviewed the following documents including but not limited to:

- Discussions with the KMPs.
- Audited financials statements as on 31st March, 2024 of Tirnity Ganesh Private Limited Ltd.
- Provision Financial Statement as on 31st October, 2024 of Tirnity Ganesh Private Limited Ltd.
- Management Representations Letter
- MOA & AOA
- GST Certificate
- Management Signed projection From FY 2025 to 2029
- Certificate Of incorporation

EXTENT OF THE INVESTIGATION UNDERTAKEN

We have taken due care in performing valuation procedures and have also applied appropriate discount rates considering the riskiness of the business plan. However, we would like to expressly state that though we have reviewed the financial data for the limited purpose of valuation assessment, but we have not performed an Audit and have relied upon the historical as well as future financials (P&L Account and Balance Sheet) as prepared and submitted to us by the management of the company. It may so happen that the projections do not materialize but the management has represented to us that it has taken due care in the preparation of such forecasts of financial statements and the same may be considered as a true and fair view of the expected business plan of the company.



There are three approaches to Valuation namely Income, Asset, and Market Approaches.

Approach	Valuation Methodologies	Basis of Consideration
Asset	Net Asset Value (NAV) Method	<p>The Asset-based method views the business as a set of assets and liabilities that are used as building blocks of a business value. The business value is the difference in the value of these assets and liabilities on a Book Value basis or Realizable Value basis or Replacement Cost basis. However, this methodology recognizes the historical cost of net assets only without recognizing its present earnings, the comparative financial performance of its peers, their enterprise values, etc. Therefore, in general, Net Asset Value only reflects the minimum proxy value of the company.</p> <p>In the instant case, we have not considered the Net Asset Value method. The asset-based approach is used to value the overall business and is usually performed during the purchase or sale of the business, or a merger or acquisition.</p>
Market		<p>This methodology uses the valuation ratio of a publicly traded company and applies that ratio to the company being valued. The valuation ratio typically expresses the valuation as a function of a measure of financial performance or Book Value (e.g., Revenue, EBITDA, EBIT, Earnings per Share or Book Value). A key benefit of Comparable Company Market Multiple analysis is that the methodology is based on the current market stock price. The current stock price is generally viewed as one of the best valuation metrics because it is based on observable inputs.</p> <p>In the instant case, we have not applied this methodology as this method comes with limitations of reliance on chosen comparable firms, selected multiples, adjustments, and assumptions. It overlooks a company's intrinsic worth in over or undervalued markets and fail to consider future growth, competitive advantages, and synergies, thereby presenting a partial assessment.</p>
Income	Discounted Free Cash Flow (DFCF) Method	<p>The DFCF method expresses the present value of the business as a function of its future cash earnings capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. The value of the firm is arrived at by estimating the Free Cash Flows (FCF) to Firm and discounting the same with Weighted Average cost of capital (WACC). The DFCF methodology is the most appropriate basis for determining the earning capability of a business. In the DFCF approach, the appraiser estimates the cash flows of any business after all operating expenses, taxes, and necessary investments in working capital and Capex are being met.</p> <p>We have considered this methodology for calculation of fair equity value of the Company based on its consolidated cash flows. After considering its business plan, we have calculated the Enterprise value and then derived the Equity value by adjusting its debt, cash and cash equivalents and surplus assets on the date of valuation.</p>



Summary	Amount (In INR Lakhs)
Present Value of Total Discrete Period Cash Flows	(421.72)
Present Value of Terminal Cash Flows	1,085.32
Enterprise value (EV)	663.60
Less: Debt	366.47
Less: Deffered Tax Liabilities	-
Add: Cash & Cash Equivalent	2.86
Equity Value (In INR Lakhs)	299.99
Total No. of Shares Outstanding as on valuation date	5,00,000
Value per share (INR)	60.00
Value per share (INR) (Round off)	60.00

DFCF Assumptions:

Particulars	Notes
Risk free rate (Rf) as on 31.10.2024	6.84 Considered of long-term Indian government bond rate
Market Rate of Return	15.79% BSE Sensex return on long term basis
Industry Beta... (β)	0.67 We have conservatively considered the Beta of 0.67 for the purposes of valuation based on Agriculture Commodity industry from http://www. Damodaran.com website. We adjusted the Average levered beta to unlevered beta to account for the company's capital structure. Subsequently, we relevered the beta to reflect the company's targeted capital structure, providing a comprehensive assessment of its risk profile within the context of valuation.
Additional Company Specific (including Small Company) Risk Premium (unsystematic risk) (CSRP)	15.00% We have given a 15% additional risk premium looking into company profile, financial structure and ROI investor will look into while investing in this type of company. This is also dependent upon the level of aggressiveness of the future cash flows and present scenario of the country and company environment in which it is operating.
Cost of Equity (Ke)	27.80% As per Modified CAPM model i.e. $[Ke = Rf + \beta(Rm - Rf) + CSRP]$
WACC	23.85% $WACC = (Ke * \% \text{ Equity in Capital Structure}) + (\text{Cost of Debt} * \% \text{ Debt in Capital Structure} * (1 - \text{Tax Rate}))$
Growth Rate	2% As the perpetuity growth rate assumes that the Company will continue its historic business and generate Free Cash Flows at a steady state forever. Since terminal value constitutes a major proportion of the entire value of the business, we while deciding the terminal growth rate have given emphasis to economic factors & financial factors like Inflation of the Country, GDP growth of the Country, Projected Financials, Historical Financial Position, Organic & Inorganic growth strategies of the Company, investment opportunity etc. Accordingly, for perpetuity, we have considered 2% growth rate.



Based on our analysis of the Company and subject to our caveats as further detailed in this report, the fair Equity value 299.99 Lakhs and value per share is INR 60.00/- as on 31st October, 2024

CAVEATS, LIMITATION AND DISCLAIMERS

I. Restriction on use of Valuation Report

This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. I do not take any responsibility for the unauthorized use of this report.

II. Responsibility of RV

We owe responsibility only to the client that has appointed us under the terms of the engagement letters. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the client or companies, their directors, employees or agents.

III. Accuracy of Information

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

IV. Achievability of the forecast results

We do not provide assurance on the achievability of the results forecast by the management as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

V. Value Estimate:

The valuation of companies/business and assets is not a precise science and is based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is, therefore, no indisputable single value. Whilst, we consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.

VI. Post Valuation Date Events

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.



VII. Reliance on the representations of the clients, their management and other third parties

The client and its management warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the clients, their management and other third parties concerning the financial data, operational data and maintenance schedule of all plant-machinery-equipment-tools-vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the companies, their directors, employee or agents.

VIII. No procedure performed to corroborate information taken from reliable external sources

We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources or reproduced in its proper form and context.

IX. Compliance with relevant laws

The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not reflected in the balance sheet provided to us.

X. Multiple factors affecting the Valuation Report

The valuation report is tempered by the exercise of judicious discretion by the RV, taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.

XI. Future services including but not limited to Testimony or attendance in courts/ tribunals/ authorities for the opinion of value in the Valuation Report

We are fully aware that based on the opinion of value expressed in this report, we may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law.

In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and our tendering evidence before such authority shall be under the applicable laws.

