

**Report to determine the number of shares to be issued by
Tinna Trade Ltd to discharge the consideration payable for
the acquisition of shares of Fratelli Wines Private Limited**

01st March 2024

Strictly Private & Confidential



To
The Board of Directors
Tinna Trade Ltd
No. 6, Sultanpur, Mandi Road,
Mehrauli, Delhi-110030

Ref. No.: CPV/RV/2023-24/036

Sub- Report to determine the number of Equity shares to be issued by Tinna Trade Ltd to discharge the consideration payable for the acquisition of shares of Fratelli Wines Private Limited in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable Laws.

Dear Sir,

We have been appointed as valuers of Tinna Trade Ltd (here-in-after referred as "TTL") to assist in determination of the fair value of Equity Shares of "TTL" and "Fratelli Wines Private Limited" (here-in-after referred as "FWPL") in accordance with Regulation 166A read with Regulation 164 of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018, a preferential issue, in which allotment of more than 5% of the post-issue fully diluted share capital of an issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and should be considered for determining the issue price. Accordingly, the Company has approached us to compute a valuation and other applicable Laws.

The Company is listed on the BSE Ltd. (BSE) and Calcutta Stock Exchange (CSE) and frequently traded on BSE.

"We understand that a transaction is contemplated whereby TTL are contemplating issuing the Equity shares for acquisition of FWPL for a fixed agreed consideration.

In this regard to the Proposed Transaction, the management of TTL requires a report to determine the number of shares to be issued by Tinna to discharge the consideration payable for the acquisition of shares of Fratelli.

Based on our valuation analysis of the equity shares of TTL and FWPL subject to the notes and comments provided herein, we hereby certify that the value per equity share of the Company is INR 70.21/- and INR 181.45 respectively.

Based on our analysis TTL will issue 32,819,070 (Number of Equity Shares) for the consideration of FWPL.

The above valuation analysis is subject to the notes, comments and caveats provided herein and must be read in entirety.

Thanking you

Date: 1st March 2024

Place: New Delhi

For Corporate Professionals Valuation Services Private Limited
Registered Valuer (IBBI)
Registration No. IBBI/RV-E/02/2019/106

Authorized Signatory: Debashis Das (Director) UDIN: 2413306ZZD9LUZ39CE



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PURPOSE OF VALUATION, SCOPE & LIMITATIONS

a. PURPOSE OF VALUATION AND APPOINTING AUTHORITY

Based on the discussions held with the Management and Key Managerial Personnel (KMP's) of TTL, "We understand that a transaction is contemplated whereby TTL are contemplating issuing the Equity shares to FWPL for a fixed agreed consideration. In this regard to the Proposed Transaction, the management of TTL requires to determine the number of shares to be issued by TTL to discharge the consideration payable for the acquisition of shares of FWPL.

In terms of Regulation 166A read with Regulation 164 of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 ('SEBI (ICDR) Regulations'), a preferential issue, which may result in a change in control or allotment of more than 5% of the post issue fully diluted share capital of an issuer, to the allottee acting in concert, shall, besides the market price, require valuation from an independent registered valuer and should be considered for determining the issue price. Thus, we, being a Registered Valuer, have been engaged as per the engagement letter dated 23rd February 2024, we are issuing this certificate for compliance with Chapter V of SEBI (ICDR) Regulations.

b. IDENTITY OF CLIENT AND OTHER INTENDED USERS

Tinna Trade Ltd

No. 6, Sultanpur, Mandi Road,
Mehrauli, Delhi-110030

c. IDENTITY OF VALUER AND OTHER EXPERTS

Corporate Professionals Valuation Services Private Limited

Registered Valuer (IBBI)
Registration No. IBBI/RV-E/02/2019/106

d. BACKGROUND INFORMATION OF THE ASSET BEING VALUED

Tinna Trade Limited (TTL)

Tinna Trade Limited, originally established in 2009, underwent several changes in ownership and structure over the years. Initially part of the TINNA GROUP, it was renamed Tinna Viterra Trade Private Limited after a majority stake acquisition by Viterra Inc. in 2009, which later became a 100% subsidiary of Tinna Rubber & Infrastructure Limited. After subsequent transitions, TTL emerged as a publicly listed entity in 2015 following a demerger from its holding company, now trading on the Bombay Stock Exchange and Calcutta Stock Exchange. TTL actively trades in a diverse range of Agri and Non-Agri products, including pulses, grains, oil seeds, edible oils, proteins, and steel abrasives, catering to various market segments with a comprehensive product portfolio.

Fratelli Wines Private Limited (FWPL)

Fratelli, meaning 'brothers' in Italian, is India's leading wine producer and the largest privately owned wine estate, founded through the collaboration of three families and a seasoned Tuscan winemaker. Situated



on a 240+ acre estate in Akluj, Maharashtra, their state-of-the-art winery boasts an impressive 40,000 sqft structure and an installed capacity of over 2 million litres, featuring cutting-edge equipment imported from Velo, Italy. With 28 different labels across various categories, Fratelli has garnered over 60 awards and medals, including prestigious accolades like Decanter World Wine and Wine Enthusiast.

e. SCOPE OF WORK

- **Date of Appointment:** 23rd February 2024 as per Engagement Letter
- **Valuation Date** – Based on 31st December 2023 financials.
- **Date of Report:** 1st March 2024
- **Base of value:** Fair value
- **Valuation Currency:** INR

f. PROCEDURES ADOPTED AND VALUATION STANDARDS FOLLOWED

We have performed this valuation in accordance with the internationally accepted valuation standards and customary valuation practices in India for such purposes.

g. NATURE AND SOURCES OF INFORMATION USED OR RELIED UPON

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

- Discussions with the KMPs of TTL.
- Limited Review Profit and Loss statement for the period ended 31st December 2023 of TTL
- Limited Review Balance Sheet as of 31st December 2023 of TTL
- Management Certified future projections of the Company for the period beginning 1st January 2024 and ending 31st March 2028 of TTL
- Provisional Profit and Loss statement for the period ended 31st December 2023 of FWPL.
- Provisional Balance Sheet as on 31st December 2023 of FWPL.
- Management Certified future projections of the Company for the period beginning 1st January 2024 and ending 31st March 2028 of FWPL.
- Capitaline Database and other information in the public domain; and.
- Management Representations.

h. EXTENT OF 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, we have not performed an Audit and have relied upon the historical financials. (P&L Account and Balance Sheet) as prepared and submitted to us by the management of TTL. The management of TTL has represented to us that it has taken due care in the preparation of such financial statements.



COMPANY ASSESSMENT

Tinna Trade Limited (TTL)

Tinna Trade Limited, originally established in 2009, underwent several changes in ownership and structure over the years. Initially part of the TINNA GROUP, it was renamed Tinna Viterra Trade Private Limited after a majority stake acquisition by Viterra Inc. in 2009, which later became a 100% subsidiary of Tinna Rubber & Infrastructure Limited. After subsequent transitions, TTL emerged as a publicly listed entity in 2015 following a demerger from its holding company, now trading on the Bombay Stock Exchange and Calcutta Stock Exchange. TTL actively trades in a diverse range of Agri and Non-Agri products, including pulses, grains, oil seeds, edible oils, proteins, and steel abrasives, catering to various market segments with a comprehensive product portfolio.

Limited Review Balance Sheet as on December 31st, 2023

Particulars	Amount in INR Million
Equity share capital	85.65
Other equity	205.98
Total Shareholder Funds	291.63
Non-current liabilities	42.95
Current liabilities	476.86
Total Equity & Liabilities	811.44
Non-current assets	129.33
Current assets	682.11
Total Assets	811.44

Limited Review Profit and Loss statement for the 9 Months period ended December 31st, 2023.

Particulars	Amount in INR Million
Income from operations	1,567.85
Other income	9.78
Total Income	1,577.64
Total Operating Expenses	1,546.60
EBITDA	31.04
Depreciation and amortization expenses	0.88
Finance costs	28.85
Profit Before Tax (PBT)	1.31
Profit After Tax (PAT)	1.29



Fratelli Wines Private Limited (FWPL)

Fratelli, meaning 'brothers' in Italian, is India's leading wine producer and the largest privately owned wine estate, founded through the collaboration of three families and a seasoned Tuscan winemaker. Situated on a 240+ acre estate in Akuj, Maharashtra, their state-of-the-art winery boasts an impressive 40,000 sqft structure and an installed capacity of over 2 million litres, featuring cutting-edge equipment imported from Velo, Italy. With 28 different labels across various categories, Fratelli has garnered over 60 awards and medals, including prestigious accolades like Decanter world wine and Wine enthusiast.

Provisional Balance Sheet as on 31st December 2023

Particulars	Amount in INR Million
Equity share capital	124.20
Other equity	898.45
Total Shareholder Funds	1,022.65
Non-current liabilities	198.34
Current liabilities	1,331.12
Total Equity & Liabilities	2,552.12
Non-current assets	428.95
Current assets	2,123.17
Total Assets	2,552.12

Provisional Profit and Loss statement for the period ended 31st December 2023

Particulars	Amount in INR Million
Income from operations	1,842.92
Other income	0.67
Total Income	1,843.59
Total Operating Expenses	1,598.47
EBITDA	245.13
Depreciation and amortization expenses	29.60
Finance costs	51.64
Profit Before Tax (PBT)	163.88
Profit After Tax (PAT)	122.45



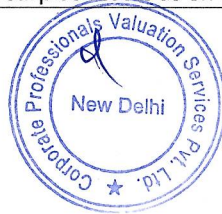
VALUATION METHODOLOGIES AND VALUE CONCLUSION

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 difference in the value of these assets and liabilities on a Book Value basis or Realizable Value basis or Replacement Cost basis is the business value. However, this methodology recognizes the historical cost of net assets only without recognizing its present earnings, the comparative financial performance of its peers and their enterprise values, etc. Therefore, in general, Net Asset Value only reflects the minimum proxy value of the company.</p> <p>In the case of TTL, the Company is engaged in Trading agriculture products activities therefore it is operating under the Going Concern assumption, hence we have not opted for this method.</p> <p>In the case of FWPL, the company is engaged in manufacturing and trading of wine and operating under the Going Concern assumption, hence we have not opted this method.</p>
Market	Comparable Companies Multiples (CCM) Method	<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 case of TTL, we have not opted for this method as this company is a listed entity, its market or industry impact would be better captured by the 90 Trading-10 Trading days method.</p> <p>In the case of FWPL. There is only one listed peer which is Sula Vineyards, it will not show the true and fair value of the entire industry, hence we deemed it appropriate to avoid this method.</p>
	90 Trading-10 Trading Days	<p>The Company's shares are listed on both BSE Ltd and the National Stock Exchange (NSE), with a higher frequency of trading observed on the NSE. To determine the equity value in accordance with Regulation 33 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, which references Regulation 164 of SEBI ICDR Regulation, 2018, the following criteria are considered for frequently traded shares:</p> <p>The equity shares' price for preferential issue should not be less than the higher of:</p> <ul style="list-style-type: none"> • The 90 trading days volume weighted average price (VWAP) of the related equity shares quoted on the recognized stock exchange preceding the relevant date.



		<ul style="list-style-type: none"> • The 10 trading days volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date. <p>This method takes the impact of price fluctuation in reference to market and industry. We have considered this methodology in TTL.</p> <p>And we have avoided this method, as FWPL shares are not listed.</p>
<p>Income</p>	<p>Discounted Free Cash Flow (DFCF) Method</p>	<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 the Firm and discounting the same with the Weighted Average cost of capital (WACC). The DFCF methodology is considered to be 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 met.</p> <p>We have considered this methodology for calculation of the equity value of the both the companies ("TTL" and "FWPL") based on its cash flows. After considering its business plan, we have calculated the Enterprise value and thereby derived the Equity value after adjusting its debts, cash and cash equivalents and surplus assets as on the date of valuation.</p>



Computation of fair value of TTL:***Market Approach: 90 Trading-10 Trading Days***

Particular	Details
Total Value of the Shares trading of 90 TD	22,294,145.00
Total No. of shares Traded in 90 TD	479,417
90 TD VWAP	46.50
Total Value of the Shares trading of 10 TD	1,102,153.00
Total of No. of Shares Traded in 10 TD	15,699
10 TD VWAP	70.21
Maximum price	70.21



Income Approach**Method of Valuation****Discounted Cash Flow Analysis (DCF) WORKING:**

Discounted Free Cash Flow Analysis -TINNA TRADE LIMITED						
WACC:	12.52%		Amount in INR Million			
GROWTH RATE:	5.00%					
FY	2024(3 M)	2025	2026	2027	2028	Terminal
Particulars						
Turnover	949.27	3,020.05	3,624.06	4,348.87	5,218.64	
Other Income	0.18	10.06	10.16	10.26	10.36	
PBT (Profit Before Taxes) (Excluding other Income)	8.83	2.42	4.52	7.89	11.34	
Less: Direct Taxes Paid	0.09	0.61	1.14	1.99	2.85	
PAT (Profit After Taxes)	8.74	1.81	3.38	5.90	8.48	
Add: Depreciation	0.29	1.29	1.42	1.56	1.72	
Less: Capital Expenditure	0.29	1.50	1.50	1.70	1.76	
Add: Interest (post-tax)	13.33	34.83	38.31	42.14	45.91	
Less: Change in Non-Cash Working Capital	6.78	-	-	-	2.91	
Free Cash Flows to Firm	15.29	36.43	41.62	47.91	51.44	506.10
Discounting Factor (Mid-Year)	0.99	0.92	0.81	0.72	0.64	0.64
Present value of Cash flow	15.07	33.34	33.85	34.64	33.05	325.13
Enterprise Value	475.08					
Add: Cash and cash equivalents & equivalents & other Bank Balance as on 31.12.2023	89.47					
Add: Fair Value of Non-Current Investments as on 31.12.2023	70.07					
Add: DTA as on 31.12.2023	24.79					
Add: Current Investments as on 31.12.2023	9.64					
Less: Short-term Borrowing as on 31.12.2023	319.49					
Less: Long-term Borrowing as on 31.12.2023	36.60					
Equity Value	312.95					
No of Shares	8,564,750					
Per Share Equity Value	36.54					

Note:

For the purpose of valuation of equity shares in this transaction through DCF methodology, we have relied upon the projections provided by the management for the period beginning January 01,2024, and ending March 31, 2028, duly supplemented by its Terminal Value based on the Gordon Model and extrapolating the adjusted free cash flows for last year at an annual growth rate of 5% to perpetuity.



DFCF Assumptions:

Particulars		Notes
Risk free rate (Rf) as on 29.12.2023	7.18%	Considered of long-term Indian government bond rate
Market Rate of Return	15.29%	BSE Sensex return on long term basis
Industry Beta... (β)	0.12	We have taken the company's Beta value (B) as 0.12 since the Company's shares are listed on BSE and Calcutta Stock Exchange.
Additional Company Specific (Including Small Company) Risk Premium (Unsystematic risk) (CSR)	10%	We have given 10% additional risk premium looking into company profile, financial structure, and ROI the 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 the present scenario of the country and company environment in which it is operating.
Cost of Equity (Ke)	18.14%	As per Modified CAPM model i.e. $[Ke = Rf + \beta(Rm - Rf) + CSR]$
Cost of Debt	10.59%	As represented by the management
Equity portion in capital structure	45.02%	We have considered Debt-Equity ratio based on last available financials.
WACC	12.52%	$WACC = (Ke * \% \text{ Equity in Capital Structure}) + (\text{Cost of Debt} * \% \text{ Debt in Capital Structure} * (1 - \text{Tax Rate}))$
Growth Rate	5.00%	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 5% growth rate.

Based on our analysis of the Company and subject to our caveats as further detailed in this report, the fair value determined at INR 312.95 Million and the fair value per share is INR 36.54/- based on 31st December 2023 financials.



Computation of Fair Value

Fair Value of TINNA TRADE LIMITED				
				All Amount INR
Approach Applied	Methodology Applied	Weight	Equity Value per Share	Weighted Average Equity Value per Share
Market	90D-10D Trading Days	100%	70.21	70.21
Income	Discounted Cash Flow	0%	36.54	-
Weighted Average Equity Value per Share				70.21

Based on our analysis of the Company and subject to our comments and caveats as further detailed in this report, we have arrived at the value per equity share of the Company as INR 70.21/.



Fair Value computation of Fratelli Wines Private Limited:**Income Approach****Method of Valuation****Discounted Cash Flow Analysis (DCF) WORKING:**

Discounted Free Cash Flow Analysis -FRATELLI WINES PRIVATE LIMITED						
WACC:	17.21%		Amount In INR Million			
GROWTH RATE:	5.00%					
FY	2024(3 M)	2025	2026	2027	2028	Terminal
Particulars						
Turnover	781.57	3,303.94	4,373.08	5,568.26	7,060.22	
Other Income	3.33	4.00	4.00	4.00	4.00	
PBT (Profit Before Taxes)	58.49	317.49	564.02	846.65	1,225.89	
Less: Direct Taxes Paid	14.72	79.91	141.95	213.09	308.53	
PAT (Profit After Taxes)	43.77	237.58	422.06	633.57	917.36	
Add: Depreciation	7.19	53.49	77.11	92.88	100.20	
Less: Capital Expenditure	91.26	402.00	392.50	100.00	100.00	
Add: Interest (post-tax)	22.28	69.30	80.39	86.11	81.99	
Less: Change in Non-Cash Working Capital	211.56	374.11	588.68	658.07	821.48	
Free Cash Flows to Firm	(229.59)	(415.73)	(401.61)	54.48	178.07	7,000.19
Discounting Factor (Mid-Year)	0.98	0.89	0.76	0.65	0.55	0.55
Present value of Cash flow	(225.08)	(369.05)	(304.16)	35.20	98.16	3,858.76
Enterprise Value	3,093.84					
Add: Cash and cash equivalents as on 31.12.2023	1.59					
Add: Non-Current Investments as on 31.12.2023	0.00					
Add: Amount to be received against partly paid-up shares	25.00					
Less: Deferred Tax Liabilities as on 31.12.2023	5.69					
Less: Borrowings as on 31.12.2023	810.67					
Equity Value	2,304.07					
No of Shares	12,697,855					
Per Share Equity Value	181.45					



DFCF Assumptions:

Particulars		Notes
Risk free rate (Rf) as on 29.12.2023	7.18%	Considering of long-term Indian government bond rate
Market Rate of Return	15.29%	BSE Sensex returns on long term basis
Industry Beta... (β)	1.14	We have taken the company's Beta value (β) as 1.14 we have taken the Levered beta of listed peer in the industry, relevered by the debt-to-equity ratio of FWPL, since the Company's shares are not listed
Additional Company Specific (Including Small Company) Risk Premium (Unsystematic risk) (CSRP)	8.75%	We have given an 8.75% additional risk premium looking into company profile, financial structure, and ROI the 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 the present scenario of the country and company environment in which it is operating.
Cost of Equity (K_e)	25.19%	As per Modified CAPM model i.e. $[K_e = R_f + \beta(R_m - R_f) + CSRP]$
Cost of Debt	9.55%	As represented by the management
Equity portion in capital structure	55.78%	We have considered the Valuation date Debt-Equity ratio.
WACC	17.21%	$WACC = (K_e * \% \text{ Equity in Capital Structure}) + (\text{Cost of Debt} * \% \text{ Debt in Capital Structure} * (1 - \text{Tax Rate}))$
Growth Rate	5.00%	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 5% growth rate.

Based on our analysis of the Company and subject to our caveats as further detailed in this report, the fair value determined at INR 2,304.07 Million and the fair value per share is INR 181.45/- based on 31st December 2023 financials.



CAVEATS

- This Valuation Report has been issued on the specific request of "TTL" for determining the value of the Equity Share of the TTL & FWPL in accordance with the SEBI (ICDR) Regulations. This Report is prepared exclusively for the above-stated purpose and must not be copied, disclosed, circulated, or referred to in correspondence or discussion with any other party. Neither this report nor its content may be used for any other purpose without our prior written consent.
- No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- In Accordance with the customary approach adopted in the Valuation exercise, we have summarized the Valuation Analysis of equity shares of the TTL & FWPL based on the information as was provided to us by the management of the TTL both written, verbal, and other publicly available information. We do not assume any responsibility for the accuracy or reliability of such documents on which we have relied in forming our opinion.
- This Report does not investigate the business/commercial reasons behind the transaction nor the likely benefits arising out of the same. In addition, we express no opinion or recommendation, and the shareholders are expected to exercise their own discretion.
- We have no present or planned future interest in the Company and the fee for this Valuation analysis is not contingent upon the values reported herein. The Valuation Analysis contained herein is not intended to represent the value at any time other than the date that is specifically stated in this Report.
- The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- In no circumstances shall the liability of a valuer, its partners, directors, or employees, relating to the services provided in connection with the engagement set out in this Valuation report shall exceed the amount paid to such valuer in respect of the fees charged by it for these services.
- Our valuation report should not be construed as investment advice; specifically, we do not express any opinion on the suitability of or otherwise of entering into the proposed transactions.

