

About the Company

Tornado Motors Private Limited was promoted by Mr. Sonopal Sethi and Mr. Jatinder Pal Chadha. The Company started its business with the dealership of Volkswagen in the Mumbai Metropolitan Region (Dadar to Virar) in June, 2010.

Tornado Motors Sold 2,802 cars during FY 2012 reporting a revenue of INR 235 Crores during FY 2012 its first full year of commercial operations.

About the Transaction

Being one of the top dealers of Indian Tornado Motors commands a vast territory in the biggest metropolitan city of India. Going forward the company anticipated a impressive growth in its sales based on encouraging response it received.

After having acquired a substantial market share in the metropolitan city and upcoming line of new launch of cars by Volkswagen it desired to carry out a valuation exercise to understand the intrinsic value of the business as a ground work to prepare for future fund raising exercise.

The Company approached Think Capital to prepare the detailed valuation report of its business.

Salient Points

Tornado Motors covers the largest territory in Mumbai city

Largest dealer of Volkswagen in India in terms of cars sold

Tornado Motors has two showrooms in Mumbai at present.

It also runs the service station in one of the busiest suburb of Mumbai.

Transaction Summary:

- ✓ ***Methods followed for the Valuation Exercise***
 - ✓ ***Discounted Cash Flow***
 - ✓ ***Precedent Transaction***
 - ✓ ***Blue Sky Multiple***

Apart from the first two methods the Blue Sky Multiple method is the applied more specific to the dealership based business model.