JHAMB & ASSOCIATES

(Company Secretaries | Registered Valuers | Trademark Agents)

GSTIN: 07AREPJ1432E1ZB | URN: UDYAM-WB-10-0093045

Date: January 23, 2025

The Board of Directors
INOX CLEAN ENERGY PRIVATE LIMITED
(FORMERLY KNOWN AS NANI VIRANI WIND ENERGY PRIVATE LIMITED)
CIN: U40300GJ2017PTC099852
R.O.: 301, ABS Tower Old Padra Road, Vadodara, Gujarat, India, 390007

Dear Sirs,

Sub: Recommendation of price in terms of Section 62 of Companies Act, 2013 and Rules made thereunder.

In response to the engagement letter with **INOX CLEAN ENERGY PRIVATE LIMITED (FORMERLY KNOWN AS NANI VIRANI WIND ENERGY PRIVATE LIMITED)** (the '**Company'**) I, Hitesh Jhamb, a valuer registered with Insolvency and Bankruptcy Board of India ("**IBBI**") under Securities and/or Financial Assets, ("**Registered Valuer**") have been appointed as the Valuer to carry out valuation analysis of Shares of the Company as on December 18, 2024 (the '**Valuation Date'**) for the purpose of Issue of Shares as per Section 62 of Companies Act, 2013 and Rules made thereunder. I understand that this valuation report will be used by the management of the Company for given purpose only and not otherwise.

This cover letter is intended to provide you with an overview of the purpose and scope of my analysis and conclusions. Please refer to the enclosed report for a discussion and presentation of the analysis performed in connection with this engagement.

Purpose and Scope

Based on my discussions with the management, I understand that the management of the Company required valuation analysis of the Company for Issue of Shares. In this regard, the Management of the Company requires report on valuation analysis of Shares carried out by a Registered Valuer in accordance with the provision of internationally accepted valuation standards. The report is required for necessary regulatory compliances.

The Report has been prepared exclusively for specified purposes as mentioned above and hence should not be used for any other purpose, without obtaining the prior written consent from registered Valuer. This opinion should not be considered, in whole or in part, as investment advice by anyone.

HITESH JHAMB
REGISTERED VALUER
IBBI/RV/11/2019/12355

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Summary of Findings

Based on our Valuation Analysis of the Shares of the Company, in our assessment, the Equity value of company as per DCF Methodology is arrived at **INR 10,089.53 Crore** as on December 18,2024 and per share valuation of Company is arrived at **INR 111/- (Round Off)**.

Registered Valuer has based this opinion on information provided and represented by the management of the Company and did not independently verify the information provided in that regard, the validity of the valuation depends on the completeness and accuracy of the information provided by the company.

Registered Valuer applies valuation techniques and methods that conform to generally accepted valuation practices.

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Hitesh Jhamb
IBBI Registered Valuer
Class: Securities or Financial Assets
IBBI Reg. No.: IBBI/RV/11/2019/12355

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REGISTERED VALUER
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1. ENGAGEMENT OVERVIEW

1.1 Purpose and Scope

Based on my discussions with the management of **INOX CLEAN ENERGY PRIVATE LIMITED (FORMERLY KNOWN AS NANI VIRANI WIND ENERGY PRIVATE LIMITED)** (the "**Company**"), I understand that the management requires the valuation analysis of the Company for Issue of Shares in accordance with Section 62 of Companies Act, 2013 and Rules made thereunder. In that regard, the Company requires report Equity valuation carried out by a Registered Valuer in accordance with internationally accepted valuation standards. The report is required for necessary regulatory compliances.

In this context management of the company has appointed Hitesh Jhamb (hereinafter referred to as "**Registered Valuer**") to carry out Equity valuation of Company.

Registered Valuer has performed a valuation analysis of the Shares of company as on valuation date as specified in this report. Registered Valuer understands that its analysis will be used by the management of the company for the purpose of Issue of Shares. The exercise has been carried out in accordance with the Caveats and Limitation set out in Section VI of this report.

1.2 Standard of Value

Business valuation can be undertaken in a variety of contexts and for a variety of purposes. To begin with any valuation process, it is most pertinent to identify the type of value relevant to the transaction/case as different standards of value would yield different valuation figure for same business interest. In the given context, **Fair Value** is considered as the appropriate standard of value.

Fair value is defined as:

"The fair value of an asset (or liability) is the amount at which that asset (or liability) could be bought (or incurred) or sold (or settled) in a current transaction between willing parties, that is, other than in a forced or liquidation sale".

1.3 Premise of Value

The present valuation of the Company is undertaken on a **Going Concern Premise** i.e. on the premise that the Company will continue to operate in future and earn cash flows.

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1.4 Scope of Analysis

Registered Valuer has based this opinion on information provided and represented by the management of the Company. Our review and analysis included, but was not necessarily limited to, the following steps:

- Interviews with Management concerning its assets, financial and operating history and forecasted future operations;
- Analysis of future expected earnings of the company;
- Research report on similar businesses;
- Representations given by the management.

1.5 Valuation Date

At the request of management, the valuation analysis has been performed as of December 18, 2024.

1.6 Conflict of Interest

There is no conflict of interest in our opinion on valuation analysis of the businesses of the Company. Our fee is not contingent upon the opinion expressed herein. This report is subject to the terms and conditions of the agreement as outlined in the engagement letter between Registered Valuer and the Company.

1.7 Identity of the valuer and any other experts involved in the valuation:

Hitesh Jhamb, Registered Valuer - Securities or Financial Assets vide Registration No. IBBI/RV/11/2019/12355.

1.8 Date of appointment, valuation date and date of report:

Date of appointment	15.01.2025
Cutoff date	18.12.2024
Date of signing of report	23.01.2025

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2. CORPORATE OVERVIEW

About the Company

INOX CLEAN ENERGY PRIVATE LIMITED (FORMERLY KNOWN AS NANI VIRANI WIND ENERGY PRIVATE LIMITED) ("the Company) is India based Private Limited Company. It was incorporated on 20-11-2017. Its authorized share capital is Rs. 100,00,00,000/- and its paid-up capital is Rs. 90,80,65,204/- as on 18.12.2024.

Corporate Information	
CIN	U40300GJ2017PTC099852
Registration Number	099852
Company Category	Company Limited by Shares
Company Sub Category	Non-Govt Company
Whether Listed or not	Unlisted
Class of Company	Private limited
Registered Address	301, ABS Tower Old Padra Road, Vadodara, Vadodara, Gujarat, India, 390007
Company Status (for e-filing)	Active

List of Directors as on 18.12.2024:

Sr. No	DIN/PAN	Name	Designation	Date of Appointment
1	10055982	MATHUSUDHANA SEETHAPPA KARUNAKARAN	Whole-time director	29/11/2023
2	07986682	SHAILENDRA TANDON	Director	15/12/2018

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VALUATION APPROACH AND METHODOLOGY

2.1 Valuation Approaches

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- whether the entity is listed on a stock exchange
- industry to which the Company belongs
- past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated
- Extent to which industry and comparable company information is available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These approaches can be broadly categorized as follows:

1. Asset Approach
2. Income Approach
3. Market Approach

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2.1.1 Asset Approach

This method determines the worth of a business by the assets it possesses. It involves examining every asset held by the company, both tangible and intangible. The value of intangibles is referred to as the company's goodwill, the difference in value between the Company's hard assets and its true value.

The value arrived at under this approach is based on the financial statements of the business and may be defined as Shareholders" Funds or Net Assets owned by the business. The Net Asset Value is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern. Pursuant to accounting convention, most assets are reported on the books of the subject company at their acquisition value, net of depreciation where applicable. These values must be adjusted to fair value wherever possible.

Further, the balance sheet values are to be adjusted for any contingent liabilities that are likely to materialize.

Intrinsic value is at the core of fundamental analysis since it is used in an attempt to calculate the value of the total assets of the business and then compare it with the fair value.

2.1.2 Income Approach

The income approaches determine fair value by dividing the benefit stream generated by the subject or target company by a discount or capitalization rate. The discount or capitalization rate converts the stream of benefits into present value. There are several different income approaches, including Capitalization of Earnings or cash flows, Discounted Future Cash Flows ("DCF"), and the Excess Earnings Method (which is a hybrid of asset and income approach of benefit stream to which it is applied). This approach of valuation quantifies the net present value of future benefits associated with ownership of the equity interest or asset. The estimated future benefits that accrue to the owner are discounted or capitalized at a rate appropriate for the risks associated with those future benefits. Common methods within the income approach include the capitalization of earnings (or cash flow) methodology and the discounted cash flow methodology.

The discounted cash flow (DCF) method is based on the following assumptions:

- A business is worth today what it can generate in future cash to its owners;
- Cash received today is worth more than an equal amount of cash received in the future; and
- Future cash flows can be reasonably estimated.

The DCF analysis is comprised of the sum of the present value of two components; projected cash flows and a residual or terminal value.

Cash flows are estimated for a future period based on projections provided by Management. These cash flows are then discounted back to their present value equivalents at a calculated discount rate and summed. A residual value based on an exit or steady state terminal multiple, which represents the future cash flows of the company beyond the discrete projection period, is then discounted to its present value and added to the initial amount. In applying the DCF analysis it is essential that the cash flows to be discounted are clearly defined and that a discount rate appropriate for the degree of risk inherent in that return stream is established.

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2.1.3 Market Approach

The value of a business is determined by comparing the company's accounting ratios with another Company of the same nature and size. This approach is used, where the value of a stock is estimated based upon its current price relative to variables considered to be significant to valuation, such as earnings, cash flow, book value, or sales of various business of the same nature. Business appraisal includes comparative transaction method and publicly traded company method. Through this, it derives a relationship between performance, revenues and selling price.

2.2 Valuation Methodology Used

Considering the nature of the business and purpose of valuation we have used Income Approach and in the said approaches we have used DCF Method. The Company is issuing the shares for a consideration, Hence the income approach is much suitable approach for the valuation.

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3. VALUATION FRAMEWORK AND OPINION

This study is undertaken to compute the Equity Value of the Company as on valuation date as specified for the purpose of Issue of Shares.

The broad framework used in arriving at Equity Value is as follows:

- Calculation of Cash Flow on the basis of Financial Projections.
- To convert the future value into present value of Cash Flows using the relevant Discounting Factors.
- Add the present value of terminal value of Company.
- Add Cash and Bank as on date of Valuation
- Less: Debt as on date of Valuation.
- Less: Liquidity Discounting.

Conclusion

Based on our Valuation Analysis of the Shares of the Company, in our assessment, the Equity value of company as per DCF Methodology is arrived at **INR 10,089.53 Crore** as on December 18,2024 and per share valuation of Company is arrived at **INR 111/-** (Round off).

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4. CONDITIONS AND LIMITATIONS

4.1 Purpose and Distribution of Report

The report prepared by Registered Valuer is prepared solely for the purpose stated in the Report and should not be used for any other purpose. Except as specifically stated in the report prepared by Registered Valuer, the Registered Valuer's report and its contents may not be quoted or referred to, in whole or in part, in any registration statement, prospectus, public filing, loan agreement, or other agreement or document without the prior written approval of Registered Valuer. Except as set forth in Registered Valuer's report, the Registered Valuer report is prepared for Client use only and may not be reproduced or distributed to any third parties without Registered Valuer prior written consent.

4.2 Scope of Analysis

The appraisal of any financial instrument or business is a matter of informed judgment. The accompanying appraisal has been prepared on the basis of information and assumptions set forth in the attached report, its appendices, our underlying work papers, and these limiting conditions and assumptions.

4.3 Nature of Opinion

Neither the opinion nor the report provided or prepared by Registered Valuer are to be construed as a fairness opinion as to the fairness of an actual or proposed transaction, a solvency opinion, or an investment recommendation, but, instead, are the expression of Registered Valuer" determination of the fair value of assets between a hypothetical willing buyer and a hypothetical willing seller in an assumed transaction on an assumed valuation date. For various reasons, the price at which the assets might be sold in a specific transaction between specific parties on a specific date might be significantly different from the fair value as expressed in our report.

4.4 Basis of analysis and Assumptions considered

Registered Valuer" analysis:

a) is based on the present financial condition and significant future business plans as of the valuation date;

b) assumes that as of the valuation date the Client and its assets will continue to operate as configured as a going concern;

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c) assumes that the current level of management expertise and effectiveness would continue to be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners" participation would not be materially or significantly changed; and

d) assumes that the Company had no undisclosed real or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business, nor had any litigation pending or threatened that would have a material effect on our analysis other than those considered for valuation calculation.

e) is based on various representations given by the management in relation to the fair value of certain assets & liabilities and future business plans.

f) Shares mean Equity Shares and Compulsorily Convertible Preference Shares.

4.5 Lack of Verification of Information Provided

With the exception of any audited financial statements provided to Registered Valuer, Registered Valuer has relied on information supplied by the Client without audit or verification. Registered Valuer has assumed that all information furnished is complete, accurate and reflects Client's management good faith efforts to describe the status and prospects of the Client at the valuation date from an operating and a financial point of view. As part of this engagement, Registered Valuer has relied upon publicly available data from recognized sources of financial, industry, or statistical information, which have not been verified. Moreover, we have very limited information available in respect of fair value the non-marketable investments, hence relied on the book value of the assets. Book Value of assets may or may not be an indicator of fair value.

4.6 Subsequent Events

The terms of Registered Valuer" engagement is such that Registered Valuer has no obligation to update this report or to revise the valuation because of events and transactions occurring subsequent to the date of the valuation unless Registered Valuer is engaged to provide valuations in the future.

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4.7 Legal Matters

Registered Valuer assumes no responsibility for legal matters including interpretations of either the law or contracts. Registered Valuer has made no investigation of legal title and has assumed that all owners" claims to property are

valid. Registered Valuer has given no consideration to liens or encumbrances except as specifically stated in financial statements provided to Registered Valuer. Registered Valuer has assumed that all required licenses, permits, etc. are in full force and effect. Registered Valuer assumes that all applicable federal, state, local zoning, environmental and similar laws and regulations have and continue to be complied with by Client. Registered Valuer assumes no responsibility for the acceptability of the valuation approaches used in our report as legal evidence in any particular court or jurisdiction. The suitability of Registered Valuer" report and opinion for any legal forum is a matter for Client and Client's legal advisor to determine.

4.8 Testimony

Registered Valuer and its employees, consultants and agents shall not provide any testimony or appear in any legal proceeding unless Registered Valuer coordinates such testimony.

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Annexure-'A'

Equity Value of the Company:

Sr No.	Name of Company	Equity Value in Crore	Remarks
01	50 MW Wind power project in INOX CLEAN ENERGY PRIVATE LIMITED (FORMERLY KNOWN AS NANI VIRANI WIND ENERGY PRIVATE LIMITED)	179.53	As per Annexure-B
02	Aliento Wind Energy Private Limited	2650.00	As per Valuation Report signed on 02.12.24
03	INOX SOLAR LIMITED	7260.00	As per Estimation provided by the management 02.12.24
Equity value in INR Crore		10,089.53	
No of shares		90,80,65,204	
Value per share(In INR)		111.11	

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Annexure-'B'

Discounted Free Cash Flow

Date of valuation	18-12-2024
WACC (in%) :	10.60%
GROWTH RATE (in%) :	4%

In Lakh

PARTICULARS	18 December 2024 Forecast	31 March 2025 Forecast 6 Months	31 March 2026 Forecast	31 March 2027 Forecast	31 March 2028 Forecast	31 March 2029 Forecast	Terminal Forecast
Turnover	1,738.44	1,912.29	4,745.95	5,932.43	7,415.54	9,269.43	9,269.43
PBT	(176.83)	(86.56)	949.19	1,186.49	1,483.11	2,317.36	2,317.36
Less : Direct Taxes Paid (Net of Deferred Tax)	-	-	-	-	233.65	583.28	583.28
PAT	(176.83)	(86.56)	949.19	1,186.49	1,249.45	1,734.08	1,734.08
Add : Depreciation	587.64	587.64	998.99	849.14	721.77	613.51	613.51
Less :Capital Expenditure	-	-	-	-	-		(613.51)
Less :Capital Expenditure (Investment)	-	-	-	-	-		-
Changes in Loan	-	-	-	-	-		-
WC Requirement	1,832.28	(332.76)	(219.80)	(230.85)	(269.96)	(319.21)	(319.21)
Free Cash Flows to the Equity	**2,243.09**	**168.33**	**1,728.38**	**1,804.78**	**1,701.27**	**2,028.37**	**1,414.86**
Mid Year Time	-	0.25	1.00	2.00	3.00	4.00	4.00
Discounting Factor	1.00	0.98	0.90	0.82	0.74	0.67	0.67
Free Cash Flow to Equity	**2,243.09**	**164.14**	**1,562.75**	**1,475.45**	**1,257.54**	**1,355.65**	**945.62**

Computation on Equity Value	Amount
Cumulative present value of Cash Flows	4,460
Terminal Value	29,950
Enterprise Value	**34,410**
Less DLOM	**3,441**
Enterprise Value post DLOM	**30,969**
Add: Cash & Bank 18.12.2024	9,274
Less: Debt as on 18.12.2024	22,290
Add Investments	-
Equity Value before illiquidity discount	**17,953**
Equity Value in Rs. Crore	**180**

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