

SSPA & CO.

Chartered Accountants

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STRICTLY PRIVATE & CONFIDENTIAL

August 09, 2023

To,
The Audit Committee / Board of Directors,
Torrent Power Limited
"Samanvay", 600, Tapovan,
Ambawadi, Ahmedabad,
Gujarat, 380 015.

To,
The Board of Directors,
Torrent Green Energy Private Limited
"Samanvay", 600, Tapovan,
Ambawadi, Ahmedabad,
Gujarat, 380 015.

Dear Sir(s)/ Madam(s),

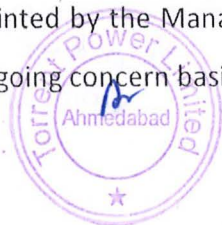
Re: Report on valuation of Renewable Power Undertaking of Torrent Power Limited for the proposed slump sale through a Scheme of Arrangement

Torrent Power Limited (hereinafter referred to as 'TPL' or 'Transferor Company') intends to transfer the Renewable Power Undertaking (hereinafter referred to as 'Renewable Power Undertaking') to its wholly owned subsidiary ('WOS') Torrent Green Energy Private Limited (hereinafter referred to as 'TGEL' or 'Transferee Company') via a slump sale on going concern basis, through the Scheme of Arrangement under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder ('Scheme') with the Appointed Date of April 01, 2024 ('Appointed Date') (hereinafter referred to as the 'Proposed Transaction').

We have been given to understand by the management of TPL and TGEL (hereinafter collectively referred to as the 'Management') that the Scheme shall be implemented by the Transferor Company with the Transferee Company (in its capacity as a WOS of the Transferor Company). Accordingly, the Transferor Company is evaluating the transfer of Renewable Power Undertaking for a cash consideration based on book value.

1. SCOPE AND PURPOSE OF THIS REPORT

- 1.1 We refer to the engagement letter dated August 02, 2023, whereby, SSPA & Co., Chartered Accountants (hereinafter referred to as 'SSPA' or 'Registered Valuer' or 'We') has been appointed by the Management to carry out valuation of Renewable Power Undertaking, on a going concern basis, and issue a Report ('Report') for the same.



- 1.2 For this purpose, SSPA has been requested by the Management to carry out valuation of Renewable Power Undertaking of TPL on book value basis.
- 1.3 Based on the discussion with the Management, the valuation date has been considered as June 30, 2023 ('Valuation Date').

2. BRIEF BACKGROUND

2.1. TORRENT POWER LIMITED

TPL, incorporated on April 29, 2004 under the provisions of Companies Act, 1956 having its registered office at "Samanvay", 600 Tapovan, Ambawadi, Ahmedabad - 380 015 in the state of Gujarat, is primarily engaged in the business of electricity generation, transmission and distribution with operations in the states of Gujarat, Maharashtra and Uttar Pradesh. In addition to thermal and gas-based capacities, TPL has set up and is in process of setting up various new solar and wind energy power projects.

The equity shares of TPL are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

The issued, subscribed, and fully paid-up share capital of the Transferor Company as on June 30, 2023 is INR 480.62 crores comprising of 48,06,16,784 equity shares of INR 10 each fully paid up.

2.2. RENEWABLE POWER UNDERTAKING

Renewable Power Undertaking of TPL includes the renewable power units of TPL as given in the table below:

Sr. No.	Type of Energy	Location / Renewable Power Undertaking	Capacity (MW)
1	Wind	Lalpur	49.60
2	Wind	Mahidad	14.40
3	Wind	Nakhatrana, Jamanwada and Nakhatrana Extension	201.60
4	Solar	Charanka	51.00
		Total	316.60

2.3. TORRENT GREEN ENERGY PRIVATE LIMITED

TGEL was incorporated on August 02, 2023 under the provisions of Companies Act, 2013 as a wholly owned subsidiary of TPL with the object of inter-alia setting up and operating solar, wind, hybrid, pump hydro storage, green hydrogen and other forms of renewable and green energy projects.



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For Torrent Power Limited
Rahul C. Shah
Company Secretary

3. REGISTERED VALUER - SSPA & CO., CHARTERED ACCOUNTANTS

SSPA, is a partnership firm, located at 1st Floor, "Arjun", Plot No. 6A, V. P. Road, Andheri (West), Mumbai - 400 058, India. SSPA is engaged in providing various corporate consultancy services.

We are a firm of practising Chartered Accountants registered with The Institute of Chartered Accountants of India ('ICAI'). We are also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126.

4. SOURCES OF INFORMATION

For the purpose of this exercise, we have relied upon the following sources of information received from the Management and information available in the public domain:

- (a) Management certified provisional statement of assets and liabilities of Renewable Power Undertaking as on June 30, 2023.
- (b) Draft Scheme.
- (c) Such other information and explanations as we required and which have been provided by the Management, including Management Representations.

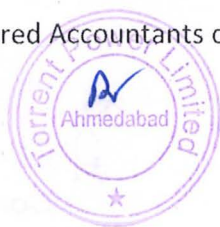
5. PROCEDURES ADOPTED FOR VALUATION

In connection with this engagement, we have adopted the following procedures to carry out the valuation:

- Obtained financial and qualitative information from the Management.
- Discussions (physical/over call) with the Management to understand the business and fundamental factors that affect Renewable Power Undertaking.
- Arriving at the recommendation.

6. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS, AND DISCLAIMERS

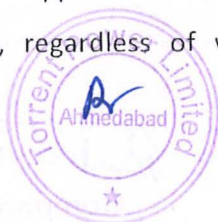
- 6.1. Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. Further, our valuation is in accordance with ICAI Valuation Standards 2018 issued by The Institute of Chartered Accountants of India.



- 6.2. Valuation is not a precise science and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While we have provided an assessment of value by applying certain formulae which are based on the information available, others may place a different value.
- 6.3. The report assumes that the Companies / Renewable Power Undertaking complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the Companies / Renewable Power Undertaking 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 recorded/reflected in the balance sheet provided to us.
- 6.4. The draft of the present report was circulated to the Management for confirming the facts stated in the report and to confirm that the information or facts stated are not erroneous.
- 6.5. Valuation analysis and results are specific to the purpose of valuation and the Valuation Date mentioned in the report and is as per agreed terms of our engagement.
- 6.6. For the purpose of this exercise, we were provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Companies and / or its auditors / consultants, is that of the Management. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material information about the Companies / Renewable Power Undertaking of TPL. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our conclusions.
- 6.7. Our work does not constitute an audit, due diligence, or certification of these information referred to in this report including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any information referred to in this report and consequential impact on the present exercise. However, we have evaluated the information provided to us by the Companies through broad inquiry, analysis, and review. However, nothing has come to our attention to indicate that the information provided / obtained was materially misstated / incorrect or would not afford reasonable grounds upon which to base the report.



- 6.8. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies / Renewable Power Undertaking and any other matter, which may have an impact on our opinion, on the value of the shares of the Companies / Renewable Power Undertaking including any significant changes that have taken place or are likely to take place in the financial position of the Companies / Renewable Power Undertaking. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.
- 6.9. We are independent of the Companies and have no current or expected interest in the Companies or its assets. The fee paid for our services in no way influenced the results of our analysis.
- 6.10. Our report is not, nor should it be construed as our opining or certifying the compliance with the provisions of any law including companies, competition, taxation, and capital market related laws or as regards any legal implications or issues arising in India or abroad from the Proposed Transaction.
- 6.11. Any person/party intending to provide finance/divest/invest in the shares/convertible instruments/business of the Companies / Renewable Power Undertaking shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 6.12. The decision to carry out the Proposed Transaction (including consideration thereof) lies entirely with the parties concerned and our work and our finding shall not constitute a recommendation as to whether or not the parties should carry out the Proposed Transaction.
- 6.13. Our Report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Companies and may be submitted to regulatory/statutory authority for obtaining requisite approvals. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall SSPA assume any



responsibility to any third party to whom the report is disclosed or otherwise made available.

- 6.14. SSPA nor its partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. We owe responsibility only to the client that has appointed us under the terms of the engagement letter. 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.

7. VALUATION APPROACH AND METHODOLOGY

- 7.1. We understand that the Scheme shall be implemented by the Transferor Company with Transferee Company, in its capacity as a WOS of the Transferor Company. Accordingly, the Management intends to transfer the Renewable Power Undertaking for cash consideration based on the book value.
- 7.2. Therefore, Net Assets Value ('NAV') Method under the Cost Approach has been adopted considering the book value of the assets owned by the Renewable Power Undertaking and the attached liabilities as at the Valuation Date.
- 7.3. Accordingly, we have provided our conclusion using NAV Method by considering the management certified provisional statement of assets and liabilities of Renewable Power Undertaking as on June 30, 2023.
- 7.4. The book value of Renewable Power Undertaking as on the Valuation Date is **INR 1,056.97 crores**. The workings for the same are attached herewith as **Annexure I** to this Report.
- 7.5. Since TGEL is a WOS of TPL and will be a WOS of TPL when the scheme is effected, the economic interest of the shareholders of TPL will continue to remain the same.
- 7.6. In our opinion, the above is fair considering that all the shareholders of TPL are and will, upon transfer of Renewable Power Undertaking, remain ultimate beneficial owners, directly/indirectly, in the wholly owned subsidiary i.e. TGEL in the same ratio (inter-se) as they hold shares in TPL. Therefore, no relative valuation of Renewable Power Undertaking and of TGEL is required to be undertaken for the Proposed Transaction. Accordingly, valuation approaches as indicated in the format (as attached herewith as **Annexure II** to



this report) as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not relevant in the instant case.

8. CONCLUSION

- 8.1. On the basis of the foregoing, the value of Renewable Power Undertaking of TPL as per NAV Method under Cost Approach works out to INR 1,056.97 crores as on the Valuation Date.

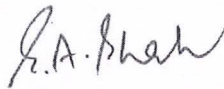
Thanking you,
Yours faithfully,

For SSPA & CO.

Chartered Accountants

ICAI Firm registration number: 128851W

IBBI Registered Valuer No.: IBBI/RV-E/06/2020/126



Sujal Shah
Partner

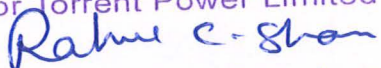
ICAI Membership No. 045816

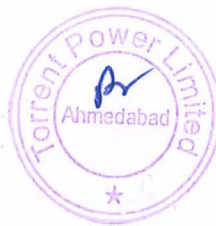
Registered Valuer No.: IBBI/RV/06/2018/10140

UDIN: 23045816BGTDXT1091

Place: Mumbai



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For Torrent Power Limited

Company Secretary



Annexure I

RENEWABLE POWER UNDERTAKING OF TORRENT POWER LIMITED

NET ASSETS VALUE METHOD

Net Assets Value of Renewable Power Undertaking as on June 30, 2023

(INR crores)

Particulars	Amount
Assets	
Fixed Assets	1,009.59
Right-of-use asset	33.09
Capital work-in-progress	1.48
Other intangible assets	0.08
Other financial assets	0.11
Non-current tax assets (net)	0.00
Other non-current assets	0.15
Total Non Current Assets (A)	1,044.50
Inventories	0.38
Trade receivables	44.39
Cash and cash equivalents	0.75
Other financial assets	8.43
Other current assets	8.80
Total Current Assets (B)	62.75
Total Assets (A+B)	1,107.25
Less: Liabilities	
Borrowings	(35.04)
Current Liabilities	(12.05)
Others liabilities	(3.18)
Total Liabilities	(50.28)
Net Asset Value	1,056.97

Note: The above valuation shall be subject to change on account of changes in the net assets as on Appointed Date.



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For Torrent Power Limited

Rohit C. Shah
Company Secretary

Annexure II

For the proposed slump sale of Renewable Power Undertaking of TPL into TGEL

Valuation Approach	Renewable Power Undertaking of TPL		TGEL	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative value per share	NA		NA	

NA = Not Adopted / Not Applicable



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For Torrent Power Limited
Rahul C. Ghan
Company Secretary