

August 9, 2023

Private and Confidential

To,  
The Board of Directors  
Torrent Power Limited  
"Samanvay", 600, Tapovan,  
Ambawadi, Ahmedabad  
Gujarat - 380015,

Dear Sir(s) / Madam(s),

**Subject:** Fairness Opinion Report on the Valuation Report issued by SSPA & Co., Chartered Accountants dated August 9, 2023 for the valuation of the Renewable Power Undertaking of Torrent Power Limited for the proposed slump sale through a Scheme of Arrangement.

Torrent Power Limited ('TPL', 'the Company', 'Transferor Company', 'you', 'your'), incorporated on April 29, 2004 is engaged in the business of electricity generation, transmission and distribution with operations in the states of Gujarat, Maharashtra and Uttar Pradesh. The equity shares of the Company are listed on BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE') (collectively 'the Stock Exchanges').

TPL houses the 51 MW Charanka Solar Power, 49.60 MW Lalpur Wind Power Undertaking, 14.40 MW Mahidad Wind Power Undertaking and 201.60 MW Nakhatrana, Jamanwada and Nakhatrana Extension Wind Power Undertaking. ('Renewable Power Undertakings')

Torrent Green Energy Private Limited ('TGEL', 'Transferee Company') is a company incorporated August 2, 2023 with the object of setting up and operating solar, wind, hybrid, pump hydro storage, green hydrogen and other forms of renewable and green energy projects. TGEL is a wholly owned subsidiary ('WOS') of TPL. (TPL and TGEL are together known as 'the Companies')

We understand that a scheme of arrangement under Sections 230-232 and other applicable provisions of the Companies Act, 2013 is proposed between the TPL and TGEL and its shareholders and creditors ('the Scheme') which provides for transfer and vesting of the Renewable Power Undertakings, as defined hereinafter from TPL to TGEL as a going concern on slump sale basis with effect from Appointed Date i.e. April 1, 2024. The terms not defined herein would carry meaning as per the Scheme.

TPL has appointed Vivro Financial Services Private Limited, a Merchant Banker registered with SEBI having Registration Number INM000010122 ('Vivro', 'VF SPL', 'Merchant Banker', 'we', 'us', 'our'), through an Engagement Letter dated August 2, 2023 to issue a Fairness Opinion Report under the extant SEBI SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, ('the SEBI Circular') issued under the applicable regulations 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure



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For Torrent Power Limited

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*Rahul C. Shan*  
Company Secretary



Requirements) Regulations, 2015 ('SEBI LODR Regulations') and other applicable provisions of law, as amended from time to time, on the Valuation Report dated August 9, 2023 ('the Valuation Report') issued by SSPA & Co. Chartered Accountants, ICAI Firm registration number: 128851W, registered with the Insolvency and Bankruptcy Board of India ('IBBI') with registration number IBBI/RV-E/06/2020/126. ('the Registered Valuer')

The attached Fairness Opinion Report ('the Fairness Opinion Report') has been issued to facilitate TPL in complying with the extant provisions of the regulations as mentioned above and shall not be valid for any other purpose.

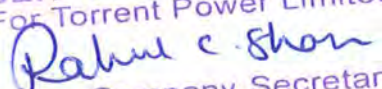
Our Fairness Opinion Report is to be read in conjunction with the scope and purpose, the sources of information and the assumptions, exclusions, limitations, and the disclaimers, as have been detailed hereinafter. This letter should be read in conjunction with the Fairness Opinion Report.

Should you require any further information or explanations, please contact the undersigned.

For, Vivro Financial Services Private Limited

  
Jayesh Vithlani  
Sr. Vice President



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For Torrent Power Limited  
  
Company Secretary



## 1. SCOPE, PURPOSE AND USAGE OF THIS FAIRNESS OPINION REPORT

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- 1.1 The Board of Directors of the Companies are planning to enter into a scheme of arrangement in accordance with Section 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended, rules framed thereunder as well as other applicable laws, regulations and applicable circulars. The Scheme provides for provides for transfer and vesting of the Renewable Power Undertakings from TPL to TGEL as a going concern on slump sale basis.
- 1.2 For the aforesaid purpose, TPL has appointed SSPA & Co., Chartered Accountants, (ICAI Firm: 128851W) registered with IBBI/RV-E/06/2020/126, to submit a Valuation Report recommending the value of the Renewable Power Undertakings for consideration by the Board of Directors of the Companies.
- 1.3 The scope of our services is to issue a Fairness Opinion Report on the Valuation Report of the Registered Valuer for the proposed Scheme as required and applicable under the SEBI Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and other applicable provisions of law, as amended from time to time. The scope of our services does not involve opining on the fairness or economic rationale of the Scheme per se.
- 1.4 This Fairness Opinion Report is our deliverable on this engagement. The Fairness Opinion Report has been issued to facilitate TPL in complying with the extant provisions of the regulations, as mentioned above, and shall not be valid for any other purpose.
- 1.5 The distribution of this Fairness Opinion Report shall be restricted to the Companies, Shareholders, SEBI, Stock Exchanges and such other regulatory bodies required to give effect to the Scheme, including but not limited to the Registrar of Companies and the National Company Law Tribunal.
- 1.6 This Fairness Opinion Report is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed hereinafter. As such, the Fairness Opinion Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

## 2. SOURCES OF INFORMATION

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We have relied on the following information made available to us by the management of TPL for the purpose of this Fairness Opinion Report:

- 2.1 Draft Scheme of Arrangement between TPL, TGEL and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act 2013 as may be submitted to the Stock Exchanges;

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For Torrent Power Limited  
*Rahul C. Shah*  
Company Secretary



- 2.2 Share Holding Pattern of TGEL as on the Valuation Report Date;
- 2.3 Valuation Report of SSPA & Co., Chartered Accountants, (ICAI Firm: 128851W) registered with IBBI/RV-E/06/2020/126, dated August 9, 2023;
- 2.4 Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for the purpose of this Fairness Opinion Report.

The Companies have been provided with the opportunity to review the draft Fairness Opinion Report (excluding our opinion on recommendation of the Valuation Report) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided.

### 3. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS & DISCLAIMERS

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- 3.1 This Fairness Opinion Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. This Fairness Opinion Report is restricted for the purpose indicated in the Engagement Letter but does not preclude the management of the Companies to provide a copy of this Fairness Opinion Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for any unauthorized use of this Fairness Opinion Report.
- 3.2 In the course of the Fairness Opinion Report, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement.
- 3.3 This Fairness Opinion Report, its contents, and the results herein (i) are specific to the purpose agreed as per the terms of our engagement; (ii) are specific to the date of this Fairness Opinion Report and other conditions in general and the written and oral information made available to us by the management of the Company as on date of this Fairness Opinion Report. The events occurring after this date may affect this Fairness Opinion Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Fairness Opinion Report.
- 3.4 We have not provided any accounting, tax, or legal advice to the Companies neither are we required to in terms of the Engagement Letter.

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For Torrent Power Limited  
*Rahul C. Shah*  
Company Secretary





- 3.5 We have not examined the tax implication of the present transaction neither are we required to in terms of the Engagement Letter.
- 3.6 We have not revalued any asset, nor physically verified any assets of the Companies neither are we required to in terms of the Engagement Letter.
- 3.7 This Fairness Opinion Report assumes that the Companies are fully compliant with relevant laws and regulations applicable in their area of operations. Further, this Fairness Opinion 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 financials provided to us and not relevant or applicable to the subject matter of our analysis.
- 3.8 We are independent of the Companies and hold no specific interest in the Companies or its assets, nor do we have any conflict of interest with the Companies.
- 3.9 The fee for this engagement is not contingent upon the results reported and the conclusion arrived at by us.
- 3.10 This Fairness Opinion Report is furnished on a strictly confidential basis. Neither this Fairness Opinion Report nor the information contained herein may be reproduced or passed to any person or used for any purpose other than stated above.

#### 4. VALUER'S RECOMMENDATION

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The Registered Valuer has used the Net Asset Value ('NAV') under the Cost Approach to arrive at the value of the Renewable Power Undertakings of Torrent Power Limited.

The Registered Valuer has considered the Valuation Date as June 30, 2023 based on the management certified provisional financial statements and stated that as 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.

On the basis of all the relevant factors and circumstances as discussed and outlined in the Valuation Report dated August 9, 2023, has concluded that:

*'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, June 30, 2023'*

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For Torrent Power Limited

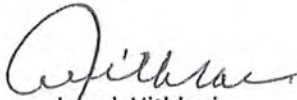
*Rahul C. Shah*  
Company Secretary



## 5. CONCLUSION

Pursuant to and subject to the foregoing, we are of the opinion that the conclusion drawn by SSPA & Co., Chartered Accountants, (ICAI Firm: 128851W) registered with IBBI/RV-E/06/2020/126, in their Valuation Report dated August 9, 2023, for the proposed Scheme, is fair.

For, Vivro Financial Services Private Limited



Jayesh Vithlani

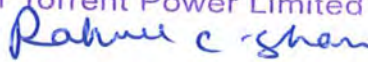
Sr. Vice President

Date: August 9, 2023

Place: Ahmedabad



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For Torrent Power Limited



Company Secretary