



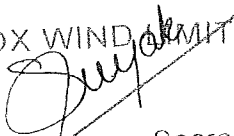
Finvox Analytics

FRN: 06-018-2019-00202  
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**ADVISORY REPORT TO RECOMMEND FAIR SHARE EXCHANGE RATIO UPON  
MERGER OF INOX WIND ENERGY LIMITED INTO INOX WIND LIMITED**

June 12, 2023

Certified True Copy  
INOX WIND LIMITED  
  
Company Secretary

Prepared by:  
Finvox Analytics  
IBBI Registered Valuer Entity  
(Securities & Financial Assets)



**Finvox Analytics**

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June 12, 2023

The Board of Directors  
Inox Wind Limited  
Plot No. 1, Khasra Nos. 264 to 267  
Industrial Area, Village Basal, Una  
Himanchal Pradesh – 174303

The Board of Directors  
Inox Wind Energy Limited  
Plot No. 1, Khasra Nos. 264 to 267  
Industrial Area, Village Basal, Una  
Himanchal Pradesh – 174303

Dear Sir/Ma'am,

In accordance with the terms of our engagement, we have prepared a valuation report to recommend the fair share exchange ratio (the "Share Exchange Ratio") pursuant to the proposed scheme of arrangement (the "Scheme of Arrangement") of the companies as per the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013, as explained below.

Inox Wind Limited ("IWL") is primarily engaged in the business of manufacturing wind turbine generators. The company, through its subsidiary companies, also provides engineering procurement and construction, operations and maintenance and common infrastructure facilities services for wind turbine generators and wind farm development services.

Inox Wind Energy Limited ("IWEL") is primarily an investment holding company. IWEL holds 178,278,448 equity shares (~54.70% interest) of IWL and the valuation of IWEL is primarily dependent upon the valuation of IWL.

Pursuant to the proposed Scheme of Arrangement and subject to necessary approvals, IWEL (the "Transferor Company") is proposed to be merged into IWL (the "Transferee Company") with effect from July 1, 2023 ("Appointed Date").

For the purpose of this report, Transferor Company and Transferee Company are collectively referred to as the "Companies" as of the valuation date.

The consideration for the proposed Scheme of Arrangement will be discharged by issue of equity shares of IWL to the shareholders of IWEL. In this regard, we have been appointed by the Companies to carry out the relative valuation of equity shares of the Companies, and to recommend the fair Share Exchange Ratio for the proposed Scheme of Arrangement. The report is being furnished by Finvox Analytics ("Finvox" or "We" or "Us") in the capacity of Registered Valuer under section 247 of the Companies Act, 2013 which would suffice the requirements of Securities Exchange Board of India and the Companies Act, 2013.



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For the purpose of calculating the Share Exchange Ratio, the valuation date should be near to the board meeting date in which the Scheme of Arrangement is expected to be considered. Accordingly, the report date is the relevant valuation date for calculating the Share Exchange Ratio ("Valuation Date"). As represented by the management of the Companies (the "Management"), the board meeting to evaluate the Scheme of Amalgamation is expected to be in June 2023. Additionally, it has been represented by the Management that there have been no material changes in the financial position, list of assets or liabilities, and business activities of the Companies from March 31, 2023 through the date of issuance of this report/the Valuation Date. As a result, the balance sheets and list of assets/liabilities as of March 31, 2023 have been accepted as reasonable proxies for the financial position and list of assets/liabilities as of the Valuation Date. Accordingly, to determine the fair Share Exchange Ratio, we have computed the relative fair value of equity shares of the Companies as of the Valuation Date based on the financial statements and list of assets/liabilities as of March 31, 2023 provided by the Management. Any change in the values of assets/liabilities between March 31, 2023 and the report date due to change in the industry or economic factors have been factored in the relative values the Companies to arrive at the Share Exchange Ratio as of the Valuation Date.

For the purpose of this valuation, we have carried out relative valuations of the Companies and the valuation is based on 'going concern' premise.

Our analysis and report are in conformity with the "ICAI Valuation Standards" (IVS) issued by the Institute of Chartered Accountants of India. In addition to the general standards/ guidelines of the IVS, our report specifically complies with ICAI Valuation Standard 102 - Valuation Bases, ICAI Valuation Standard 103 – Valuation Approaches and Methods, ICAI Valuation Standard 201 - Scope of Work, Analyses and Evaluation, ICAI Valuation Standard 202 - Reporting and Documentation and ICAI Valuation Standard 301 - Business Valuation.

The report sets out our recommendation of the fair Share Exchange Ratio and discusses the methodologies and approach considered in the computation of the relative fair values of the Companies.

This report must be considered in the above-mentioned context only and is not an advisory document for any other purpose. The report may not be distributed, reproduced, or used, without our express written consent for any purpose other than mentioned above.

In rendering the aforementioned advisory services, we reviewed and relied upon various materials/ information provided by the Management and its advisors. Our report is based on the historical financial information provided to us by the Management. Because of the limited purpose of this report, the financial information presented in this report may be incomplete and contain departures from generally accepted accounting principles. We have not audited, reviewed, or compiled the financial information provided by the Management and express no assurance on it.



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Based on our study and analytical review procedures, and subject to the limitations expressed within this report, the recommended fair Share Exchange Ratio for the Proposed Merger of IWEL with IWL, is:

- *"158 equity shares of IWL of INR 10 each fully paid up for every 10 equity shares of IWEL of INR 10 each fully paid up"*
- *"158 share warrants of IWL with an issue price INR 54 each for every 10 share warrants of IWEL with an issue price of INR 847 each"<sup>1</sup>*

We have no present or contemplated financial interest in IWL, IWEL and their subsidiaries and/or associate companies. Our fees for this valuation are based upon our normal billing rates and are in no way contingent upon the results of our findings. We have no responsibility to update this report for events and circumstances occurring subsequent to the date of this report. This report is not to be copied or made available to any persons without the express written consent of Finvox Analytics.

**For Finvox Analytics**

*Registered Valuer Entity (Securities & Financial Assets)*

Registration Number: IBBI/RV-E/06/2020/120

Amrish Garg  
Digitally signed by Amrish Garg  
Date: 2023.06.12 11:26:56 +05'30'

CA. Amrish Garg

Partner

IBBI Registration No: IBBI/RV/06/2018/10044

ICAI Membership No: 511520

UDIN: 23511520BGWPVO7388

**Date:** June 12, 2023

**Place:** Gurugram

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<sup>1</sup> See Appendix C for the calculation of issue price.

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## **I. INTRODUCTION**

### **A. Purpose of Valuation**

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The purpose of this report is to arrive at the proposed Share Exchange Ratio to be computed based on the relative valuation of the equity shares of the Companies as of the Valuation Date to comply with the valuation requirements of Securities Exchange Board of India and the Companies Act, 2013 with respect to the proposed Scheme of Arrangement of the Companies.

### **B. Scope Limitations, Assumptions, Qualifications, Exclusions and Disclaimers**

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This report is subject to the scope 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 report on recommendation of fair equity share exchange ratio is in accordance with ICAI Valuation Standards 2018.

This report has been prepared for board of directors of the Companies solely for the purpose of recommending a fair Share Exchange Ratio for the proposed Scheme of Arrangement.

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.

The Management has represented that the Companies have clear and valid title of assets. No investigation on the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid.

The draft of the present report (excluding the recommended fair equity share exchange ratio) 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.

For the purpose of this exercise, we were provided with both written and verbal information including information detailed in the section 'Sources of Information' of this report. Further, the responsibility for the accuracy and completeness of the information provided to us by the Companies/auditors/consultants is that of the Companies. 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 factors about the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements by the Management may materially affect our valuation analysis/conclusions. 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, 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.

Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report as agreed with the Management.

Our recommendation is based on the estimates of future financial performance as projected by the Management, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to commercial and financial aspects of the Companies and the industry in which the Companies operate. But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. As part of our evaluation process, we have evaluated the reasonableness of the projections prepared by the Management and had discussion with the Management to understand the basis and assumptions for the preparation of projections. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as being associated with or a party to such projections.

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 Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies. 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.

The fee for the engagement and this report is not contingent upon the results reported. We have no present or contemplated financial interest in any of the Companies.

Our report is not, nor should it be construed as opining or certifying the compliance of the proposed transaction with the provisions of any law including companies, competition, taxation (including transfer pricing) and capital market related laws or as regards any legal implications or issues arising in India or abroad from such Scheme of Arrangement.

Any person/party intending to provide finance/invest in the shares/convertible instruments/business of the Companies 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.

The decision to carry out the transaction (including consideration thereof) lies entirely with the Management and our work and our finding shall not constitute a recommendation as to whether or not the Management should carry out the transaction.

This report is meant only for the purpose mentioned in Section I.A and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law. This

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

Neither Finvox, nor our partners and 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. All such parties expressly disclaim any and all liability for/or based on or relating to any such information contained in the valuation.

### **C. Approach to Valuation**

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Our opinion is based on, among other things, our estimate of the risks facing the Companies and the return on investment that would be required on alternative investments with similar levels of risk.

In order to value the Companies, we considered three approaches to valuation, as provided under the IVS 103 – Valuation Approaches and Methods: the market approach, the income approach and the asset approach. We have reviewed and analysed several methods and their results to determine which methods would generate the most reasonable opinion of value of their operations as on the Valuation Date. A description of the approaches used and the approaches considered but not used are included within this report.

Both internal and external factors, which influence the value of the Companies have been reviewed, analysed, and interpreted. Internal factors included the financial position and results of operations. External factors included, among other things, the status of the economy and the position of the Companies relative to the industry.

### **D. Scope of Information**

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Our expression of the recommendation of the fair Share Exchange Ratio based on the relative fair values of the Companies is supported by all procedures that we deem to be relevant. We have obtained sufficient information in accordance with IVS 201 - 'Scope of Work, Analyses and Evaluation', and relied on the data, facts, information, documents, and explanations as authenticated, and provided to us by the Management. Our recommendation is based on the information listed below.

- Proposed scheme of arrangement between IWEL and IWL.
- Historical financial statements of the following companies as of and for the year March 31, 2023.
  - Inox Wind Limited
  - Inox Wind Energy Limited
  - RESCO Global Wind Services Private Limited ("RESCO")
  - Inox Green Energy Services Limited ("IGESL")
- Combined projections of IWL and RESCO as of and for the years ending March 31, 2024 through March 31, 2028.



- Projections of IGESL as of and for the years ending March 31, 2024 through March 31, 2028.
- Advisory reports for the valuation of land and building held by IWEL as of April 30, 2023, dated April 30, 2023 issued by the Registered Valuer for Land & Building.
- Data extracted from publicly available sources believed to be reliable and true.
- Discussions with the Management, and other quantitative and qualitative data.

Supporting data, copies of source documents and other pertinent information supporting our opinion of value are maintained in our files.

## II. OVERVIEW

### A. Inox Wind Limited

#### Business History and Background

Inox Wind Limited is a public company domiciled in India and was incorporated on April 9, 2009 under the Companies Act, 1956. IWL is primarily engaged in the manufacturing of 2MW and 3MW wind turbine generators ("WTGs"). The company, through its subsidiaries, also provides engineering, procurement and construction, operations and maintenance and common infrastructure facilities services for WTGs and wind farm development services through its subsidiaries. IWL has an installed manufacturing capacity of 1,600 MW per annum.

As of the Valuation Date, IWL holds a 100% interest in RESCO Global Wind Service Private Limited and a 56.04% interest in Inox Green Energy Services Limited.

IWL is listed on both Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE") under the ticker "INOXWIND".

The Company's registered office is located at Khasra Nos. 264 to 267, Plot No. 1, Industrial Area, Village Basal, Una, Himanchal Pradesh – 174303.

#### Shareholding Pattern

The shareholding pattern of IWL as on the Valuation Date is provided in the table below.

Inox Wind Limited		
Shareholding Pattern as of Valuation Date		
	# of Shares	% Holding
Inox Wind Energy Limited	178,278,448	54.70%
Devansh Trademart LLP	23,019,038	7.06%
Inox Leasing And Finance Limited	16,354,761	5.02%
Aryavardhan Trading LLP	17,050,000	5.23%
Public Shareholders	91,246,249	27.99%
Total	325,948,496	100.00%

#### Investee Companies of IWL

A brief description of the investee companies of IWL is given below.

#### RESCO Global Wind Service Private Limited ("RESCO")

RESCO, a wholly owned subsidiary of IWL, is primarily engaged in the business of providing engineering, procurement and construction services for development of wind farms.

RESCO's registered office is located at 301, ABS Tower, Old Padra Road, Vadodara, Gujarat-390007.

#### Inox Green Energy Services Limited

Inox Green Energy Services Limited is a public company domiciled in India and was originally incorporated on May 11, 2012 as Inox Wind Infrastructure Services Limited. With effect from October 27, 2021 the company changed its name from Inox Wind Infrastructure Services Limited to Inox Green Energy Services Limited. IGSEL is engaged in the business of providing operation and maintenance services and common infrastructure facilities for WTGs.

As of the Valuation Date, IGSEL is listed on both BSE and NSE under the ticker "INOXGREEN".

IGSELs' registered office is located at Survey No. 1837 and 1834, Moje Jetalpur, ABS Tower, Second Floor, Old Padra Road, Vadodara, Gujarat - 390007.

The shareholding pattern of IGSEL as of the Valuation Date is presented in the table below.

Inox Green Energy Services Limited Shareholding Pattern as of Valuation Date		
	# of Shares	% Holding
Inox Wind Limited	163,608,025	56.04%
Individual	600	0.00%
Public Shareholders	128,330,709	43.96%
Total	291,939,334	100.00%

#### B. Inox Wind Energy Limited

##### Business History and Background

Inox Wind Energy Limited is a public company domiciled in India and was incorporated on March 6, 2020 under the Companies Act, 2013. The Company was primarily engaged in the business of generation and sale of wind energy. In March 2023, IWEL entered with a business transfer agreement with Inox Leasing and Finance Limited for sale of its wind energy generating business. As of the Valuation Date, IWEL is primarily an investment holding company that holds a 54.70% equity interest in IWL.

As of the Valuation Date, IWEL is listed on both BSE and NSE under the ticker "INOX".

IWEL's registered office is located at Khasra Nos. 264 to 267, Plot No. 1, Industrial Area, Village Basal, Una, Himanchal Pradesh – 174303.

##### Shareholding Pattern

The shareholding pattern of IWEL as of the Valuation Date is provided in the table below.

**Inox Wind Energy Limited**  
*Shareholding Pattern as of Valuation Date*

	# of Shares	% Holding
Inox Leasing and Finance Limited	5,814,902	48.27%
Devansh Trademart LLP	1,492,682	12.39%
Aryavardhan Trading LLP	557,644	4.63%
Individuals	508,479	4.22%
Public Shareholders	3,673,866	30.49%
<b>Total</b>	<b>12,047,573</b>	<b>30.49%</b>

In FY 2021-22, IWEL issued 1,062,573 share warrants to Devansh Trademart LLP and Anjana Projects Private Limited at an issue price of INR 847 per warrant, for an aggregate cash consideration of INR 90 crores. The Company received INR 22.5 crores (25% of aggregate cash consideration) as an upfront payment for issuance of share warrants. Remaining aggregate cash consideration i.e., INR 67.5 crores is receivable at the time of exercise of share warrants.

The share warrants are exercisable within 18 months from date of allotment of warrants. According to the Management, the share warrants are exercisable till the end of month of August 2023.

In March 2023, Anjana Projects Private Limited has exercised 236,127 warrants. Accordingly, IWEL has 826,446 share warrants outstanding as of the Valuation Date.

### III. OPINION OF VALUE

#### A. Valuation Approaches

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A brief explanation of each valuation approach is provided below.

##### Income Approach

The income approach provides an estimate of the present value of the monetary benefits expected to flow to the owners of the business. It requires the projection of the cash flows that the business is expected to generate. These cash flows are then converted to their present value by means of discounting, using a rate of return that accounts for the time value of money and the appropriate degree of risk in the investment. The value of the business is the sum of the discounted cash flows.

##### Market Approach

The market approach considers actual arm's-length transactions for which the market value of investments alternative to the subject company can be observed. The value of a company or an ownership interest in the company can be estimated by developing relevant multiples for the comparative companies that relate value to underlying revenue, earnings, or cash flow variable, and then applying these multiples to the comparable underlying revenue, earnings, or cash flow variable for the subject company. The value multiples can be derived from guideline public company and guideline transactions of the publicly traded company or private companies.

##### Cost (Asset-Based) Approach

The asset-based (net underlying assets) approach is a form of the cost approach. The values of the individual assets (i.e., current, fixed, and intangible) of the business are estimated. The sum of the individual asset values represents the total asset value of the enterprise. The enterprise's liabilities related to working capital are deducted to arrive at an indication of value for the invested capital of the business. Because the cost approach does not always reflect the full value of intangible assets, it is often not appropriate to value an operating business completely on the basis of this approach without giving weights to other valuation methods. Cost approach may be relevant to the value of an operating business that is not sufficiently profitable and whose "breakup" values may be greater than its going concern value.

#### B. Recommendation of Fair Equity Share Exchange Ratio

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The fair basis for recommending the Share Exchange Ratio for the proposed Scheme of Arrangement of IWEL with IWL is dependent upon various factors and considerations mentioned here in this report. Though different values have been arrived at under different methods, for the purposes of recommending a ratio of exchange it is necessary to arrive at a single value for the shares of the companies. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of each company. Our exercise is to work out relative value of shares of the Companies to facilitate the determination of the fair Share Exchange Ratio.

For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach.

We have independently applied approaches / methods discussed above, as considered appropriate and arrived at their assessment of the relative values per equity share of the Companies. To arrive at the fair share exchange ratios for the Scheme of Arrangement, suitable minor adjustments / rounding off have been done in the relative values arrived by Finvox.

The fair equity share exchange ratio has been arrived on the basis of a relative valuation of equity shares of the Companies based on the approaches explained herein and various qualitative factors relevant to the companies and the business dynamics and growth potential of the businesses, having regard to information base, management representation and perceptions, key underlying assumptions and limitations.

In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgement taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share.

In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove in this report, we recommend the following fair equity share exchange ratio for the proposed Scheme of Arrangement whose computation as required as per BSE Circular number LIST/COMP/02/2017-18 dated May 29, 2017 and NSE Circular number NSE/CML/2017/12 dated June 01, 2017 is as under:

The calculation of fair Share Exchange Ratio of IWL and IWEL is presented in Exhibit 1.

Exhibit 1

**Inox Wind Limited**  
**Inox Wind Energy Limited**  
*Computation of Fair Share Exchange Ratio*

Valuation Approach	Inox Wind Limited (1)		Inox Wind Energy Limited (2)	
	Value Per Share	Weighting	Value Per Share	Weighting
Asset Approach	NA	0.0%	2,206.1	100.0%
Income Approach	138.7	50.0%	NA	0.0%
Market Approach	139.8	50.0%	1,622.9	0.0%
<b>Relative Value Per Share</b>	<b>139.2</b>		<b>2,206.1</b>	
<b>Exchange Ratio (Rounded)</b>	<b>15:8</b>			

## Notes to Exhibit 1:

### (1) Inox Wind Limited:

- **Asset Approach:** As of the Valuation Date, IWL is intended to be continued on a going concern basis and there is no intention to dispose-off the assets/business. Accordingly, asset approach was not used for the valuation of IWL.
- **Income Approach:** Given the nature of business of IWL and based on the multi-years projections provided by the Management, we have applied income approach to compute the fair value of IWL.

The financial statements of IWL as of and for the year ended March 31, 2023 was provided by the Management. As a result, we have computed the indicated equity value of IWL as of March 31, 2023. According to the Management, there is no significant change in the business and financial position of IWL from March 31, 2023 through the Valuation Date. The indicated equity value of IWL as of March 31, 2023 is accepted as a reasonable proxy for the fair value of equity shares of IWL as of the Valuation Date.

As previously discussed, IWL holds a 100% interest in RESCO and a 56.04% interest in IGESL. Given that RESCO is a wholly owned subsidiary of IWL, for our valuation, we computed the indicated value of the operations of IWL and RESCO on a combined basis. Thereafter, we added the fair value of a 56.04% interest in IGESL to the indicated value of the operations of IWL and RESCO on a combined basis to compute the fair value of IWL in its entirety.

- **Market Approach:** As previously discussed, IWL is listed on BSE and NSE under the ticker "INOXWIND". As of the Valuation Date, IWL is actively traded on stock exchanges.

According to Section 164(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, ("ICDR") for issuers that have been listed on a recognized stock exchange for a period of 90 days or more as on the relevant date, the price of equity shares to be allotted pursuant to the preferential issue shall not be less than higher of the following:

- The 90 trading days' Volume Weighted Average Price ("VWAP") of related equity shares quoted on the recognized stock exchange preceding the relevant date.
- The 10 trading days' VWAP of related equity shares quoted on the recognized stock exchange preceding the relevant date.

Based on the guidance given in the ICDR regulations for determining the share price, we have calculated the per share value of IWL based on the formula of 90 days / 10 days VWAP.

As presented above, both the income approach and the market approach confirm one another. By assigning equal weighting to each method, we computed the weighted average fair value per equity share of IWL as of the Valuation Date.

(2) Inox Wind Energy Limited:

- **Asset Approach:** As of the Valuation Date, IWEL was an investment holding company. The Company's value is dependent upon the value of its assets and liabilities. Accordingly, we have applied the asset approach to compute the fair value of the equity shares of IWEL.

As previously discussed, IWEL holds a 178,278,448 equity shares (~54.7% equity interest) of IWL. The fair value of IWL as of the Valuation Date is computed to be INR 139.2 per equity share. Accordingly, the fair value of IWEL's investment in IWL is computed to be INR 2,482.12 crores that represents approximately 92% of total fair value of assets of IWEL as of the Valuation Date. Accordingly, the fair value of equity shares of IWEL is primarily dependent upon the fair value of equity shares of IWL.

As previously discussed, IWEL has 826,446 share warrants outstanding as of the Valuation Date and the warrant holders has right to exercise the share warrants by the end of month of August 2023. Given that the exercise price of share warrants is significantly lower than the fair value of the equity shares of IWEL, we assumed that the share warrants will be exercised in the near future. Accordingly, we computed the fair value of the equity shares of IWEL as of the Valuation Date on a fully diluted basis. The recommended fair exchange ratio of the outstanding warrants of IWEL as of the Valuation Date is computed in Appendix C.

- **Income Approach:** As previously discussed, as of the Valuation Date, IWEL was an investment holding company and it is not an operating business, in a traditional sense. IWEL does not generate sufficient income to justify the use of the income approach as an appropriate method of valuation. Accordingly, the income approach was not used to value IWEL.
- **Market Approach:** As previously discussed, IWEL is listed on NSE and BSE. The fair value of equity shares of IWEL is calculated based on the pricing formula given in the ICDR regulations.

According to Section 164(5) of the ICDR regulations, frequently traded shares are defined as the shares of the company, in which the traded turnover on any recognised stock exchange during the 240 trading days is at least ten per cent of the total number of shares of such class of shares of the company.

Based on the analysis presented later, IWEL was thinly traded, with total traded volumes less than 10% of its total outstanding number of shares, during the previous financial year (see Appendix E for historical traded volume of IWEL during the 240 days period ended the Valuation Date). However, due to certain events in the market/group companies, the



total traded turnover during the 240 trading days, immediately prior to the Valuation Date, increased slightly above 10% of the total outstanding number of shares. Historically, in the last one year, the equity shares of IWEL were thinly traded and the slight increase in traded turnover as of the Valuation Date was due to the abnormal increase in volumes on the specific dates, for example, as of May 8, 2023 and May 30, 2023. Prior to the Valuation Date, we analysed the traded turnover of the equity shares of IWEL across various dates: June 30, 2022; September 30, 2022; December 31, 2022; March 31, 2023; April 30, 2023; and May 31, 2023. The equity shares of IWEL were thinly traded at each of these dates (except May 31, 2023) i.e., the total traded turnover of the equity shares of IWEL for the 240 days period ended prior to the respective dates was less than 10% of its total outstanding equity shares.

As the equity shares of IWEL is not actively traded, the market price of IWEL does not provide the true indication of its fair value as of the Valuation Date. Accordingly, we have assigned zero weighting to the market price of IWEL.

Based on the above-stated facts, we assigned a 100% weighting to the indicated value of equity shares of IWEL computed via the asset approach.

#### IV. CONCLUSION

Based on our study and analytical review procedures, and subject to the limitations expressed within this report, the recommended fair Share Exchange Ratio for the proposed Scheme of Arrangement of IWEL with IWL, is:

- “158 equity shares of IWL of INR 10 each fully paid up for every 10 equity shares of IWEL of INR 10 each fully paid up”
- “158 share warrants of IWL with an issue price INR 54 each for every 10 share warrants of IWEL with an issue price of INR 847 each”<sup>2</sup>

For Finvox Analytics

*Registered Valuer Entity (Securities & Financial Assets)*

Registration Number: IBBI/RV-E/06/2020/120

Amrish Garg  
Digitally signed  
by Amrish Garg  
Date: 2023.06.12  
11:28:35 +05'30'

CA. Amrish Garg

Partner

IBBI Registration No: IBBI/RV/06/2018/10044

ICAI Membership No: 511520

UDIN: 23511520BGWPVO7388

Date: June 12, 2023

Place: Gurugram

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<sup>2</sup> See Appendix C for the calculation of issue price.

**APPENDIX A**  
**VALUATION OF EQUITY SHARES OF**  
**INOX WIND LIMITED**

**A. Valuation of IWL via the Income Approach**

In Exhibit A-1, we computed the fair value per equity share of IWL by dividing the indicated equity value of IWL, computed via the income approach, and the number of equity shares as of the Valuation Date.

Exhibit A-1

Inox Wind Limited	
<i>Computation of Fair Value of One Equity Share</i>	
Indicated Equity Value of IWL in its Entirety (INR in Crores)	4,519.41
Divide by: # Equity Shares Outstanding	325,948,496
Fair Value Per Equity Share of Inox Wind Limited as of the Valuation Date (INR)	138.65

**B. Valuation of IWL via the Market Approach**

In Exhibit A-2, we present the computation of the fair value per equity share of IWL as of the Valuation Date using the ICDR regulations.

Exhibit A-2

Inox Wind Limited		
<i>Volume Weighted Average Price</i>		
	10 Days VWAP	90 Days VWAP
	[A]	[B]
As per National Stock Exchange	139.80	122.87
Concluded Value (Higher of A and B)	139.80	

**APPENDIX B**  
**VALUATION OF EQUITY SHARES OF**  
**INOX WIND ENERGY LIMITED**

**A. Valuation of IWL via the Asset Approach**

In Exhibit B-1, we computed the fair value per equity share of IWEL by dividing the indicated equity value of IWL computed via the asset approach and the number of equity shares as of the Valuation Date.

Exhibit B-1

Inox Wind Energy Limited <i>Computation of Value Per Equity Share</i>	
Indicated Equity Value (INR in Crores)	2,657.85
Divide by: # of Equity Shares on a Fully Diluted Basis	12,047,573
Fair Value Per Equity Share of Inox Wind Energy Limited as of the Valuation Date(INR)	2,206.13

**B. Valuation of IWL via the Market Approach**

In Exhibit B-2, we present the computation of the fair value per equity share of IWEL as of the Valuation Date using the ICDR regulations.

Exhibit B-2

Inox Wind Energy Limited <i>Volume Weighted Average Price</i>		
	10 Days VWAP [A]	90 Days VWAP [B]
As per National Stock Exchange	1,622.89	1,362.77
Concluded Value (Higher of A and B)	1,622.89	

**APPENDIX C**  
**COMPUTATION OF ISSUE PRICE AND NUMBER OF SHARE WARRANTS TO BE**  
**ISSUED BY INOX WIND LIMITED**

In Exhibit C-1, we present the computation of the issue price and number of share warrants to be issued by IWL in exchange of share warrants outstanding of IWEL, as of the Valuation Date.

Exhibit C-1

Inox Wind Energy Limited  
*Computation of Issue Price and Number of Outstanding Share Warrants  
to be issued by IWL*

<i>Prior to Conclusion of Scheme of Arrangement</i>		
Number of Share Warrants Outstanding	[A]	826,446
Issue Price (INR Per Share Warrant)	[B]	847.0
Aggregate Cash Consideration (INR)	[C = A x B]	699,999,762
<i>Post Conclusion of Scheme of Arrangement</i>		
Aggregate Cash Consideration (INR)	[D = C]	699,999,762
Share Swap Ratio for Scheme of Arrangement of IWEL into IWL (See Exhibit 1)	[E]	15.8
Number of Share Warrants Outstanding Post Conclusion of Scheme of Arrangement	[F = A x E]	13,057,847
Issue Price Post Conclusion of Scheme of Arrangement (INR Per Share Warrant)	[G = D / F]	54.0

# **APPENDIX D** **HISTORICAL TRADED VOLUME OF** **INOX WIND ENERGY LIMITED**

In the tables below, we present the historical volume of IWEL for the 240 days period ended the Valuation Date.

Date	Volume	Date	Volume	Date	Volume
9-Jun-23	4,323	12-Apr-23	1,804	9-Feb-23	1,015
8-Jun-23	10,371	11-Apr-23	5,658	8-Feb-23	813
7-Jun-23	23,777	10-Apr-23	2,072	7-Feb-23	2,011
6-Jun-23	11,024	6-Apr-23	4,418	6-Feb-23	1,803
5-Jun-23	18,260	5-Apr-23	5,840	3-Feb-23	1,135
2-Jun-23	10,061	3-Apr-23	287	2-Feb-23	683
1-Jun-23	18,686	31-Mar-23	1,342	1-Feb-23	1,018
31-May-23	24,698	29-Mar-23	355	31-Jan-23	519
30-May-23	81,425	28-Mar-23	3,104	30-Jan-23	1,820
29-May-23	19,821	27-Mar-23	787	27-Jan-23	696
26-May-23	2,290	24-Mar-23	473	25-Jan-23	746
25-May-23	2,189	23-Mar-23	913	24-Jan-23	730
24-May-23	1,145	22-Mar-23	634	23-Jan-23	467
23-May-23	4,506	21-Mar-23	542	20-Jan-23	2,353
22-May-23	5,849	20-Mar-23	814	19-Jan-23	2,260
19-May-23	3,914	17-Mar-23	1,503	18-Jan-23	6,563
18-May-23	3,558	16-Mar-23	2,119	17-Jan-23	2,131
17-May-23	6,762	15-Mar-23	2,295	16-Jan-23	1,773
16-May-23	16,033	14-Mar-23	1,269	13-Jan-23	2,282
15-May-23	4,574	13-Mar-23	1,727	12-Jan-23	1,091
12-May-23	2,641	10-Mar-23	3,573	11-Jan-23	1,351
11-May-23	4,085	9-Mar-23	7,967	10-Jan-23	3,995
10-May-23	5,433	8-Mar-23	958	9-Jan-23	6,026
9-May-23	11,671	6-Mar-23	3,426	6-Jan-23	1,203
8-May-23	97,122	3-Mar-23	7,011	5-Jan-23	3,241
5-May-23	1,195	2-Mar-23	3,833	4-Jan-23	5,053
4-May-23	830	1-Mar-23	5,530	3-Jan-23	3,538
3-May-23	695	28-Feb-23	2,385	2-Jan-23	4,570
2-May-23	1,833	27-Feb-23	2,304	30-Dec-22	2,869
28-Apr-23	1,110	24-Feb-23	2,196	29-Dec-22	611
27-Apr-23	1,222	23-Feb-23	4,936	28-Dec-22	1,229
26-Apr-23	4,193	22-Feb-23	3,106	27-Dec-22	1,849
25-Apr-23	1,387	21-Feb-23	3,212	26-Dec-22	3,891
24-Apr-23	6,203	20-Feb-23	2,101	23-Dec-22	2,015
21-Apr-23	3,350	17-Feb-23	1,996	22-Dec-22	2,178
20-Apr-23	1,554	16-Feb-23	2,350	21-Dec-22	1,218
19-Apr-23	2,130	15-Feb-23	1,258	20-Dec-22	5,204
18-Apr-23	2,337	14-Feb-23	1,618	19-Dec-22	2,743
17-Apr-23	553	13-Feb-23	1,772	16-Dec-22	2,030
13-Apr-23	4,787	10-Feb-23	1,742	15-Dec-22	1,539

*(The table continues on the following page)*

Date	Volume	Date	Volume	Date	Volume
14-Dec-22	3,186	17-Oct-22	12,218	18-Aug-22	4,801
13-Dec-22	1,534	14-Oct-22	11,321	17-Aug-22	2,650
12-Dec-22	706	13-Oct-22	25,081	16-Aug-22	672
9-Dec-22	1,234	12-Oct-22	29,703	12-Aug-22	3,216
8-Dec-22	3,186	11-Oct-22	31,479	11-Aug-22	1,184
7-Dec-22	8,300	10-Oct-22	8,529	10-Aug-22	692
6-Dec-22	7,970	7-Oct-22	16,847	8-Aug-22	1,093
5-Dec-22	7,889	6-Oct-22	27,885	5-Aug-22	651
2-Dec-22	8,966	4-Oct-22	44,198	4-Aug-22	2,602
1-Dec-22	4,061	3-Oct-22	34,049	3-Aug-22	7,362
30-Nov-22	6,692	30-Sep-22	14,911	2-Aug-22	7,570
29-Nov-22	7,341	29-Sep-22	17,727	1-Aug-22	2,521
28-Nov-22	5,235	28-Sep-22	8,285	29-Jul-22	556
25-Nov-22	11,866	27-Sep-22	6,646	28-Jul-22	788
24-Nov-22	2,533	26-Sep-22	3,885	27-Jul-22	1,009
23-Nov-22	2,444	23-Sep-22	5,258	26-Jul-22	1,051
22-Nov-22	6,547	22-Sep-22	4,310	25-Jul-22	299
21-Nov-22	3,025	21-Sep-22	7,173	22-Jul-22	1,072
18-Nov-22	4,650	20-Sep-22	6,412	21-Jul-22	589
17-Nov-22	6,376	19-Sep-22	12,831	20-Jul-22	964
16-Nov-22	7,228	16-Sep-22	9,180	19-Jul-22	485
15-Nov-22	4,709	15-Sep-22	17,675	18-Jul-22	442
14-Nov-22	6,048	14-Sep-22	4,057	15-Jul-22	398
11-Nov-22	16,521	13-Sep-22	34,477	14-Jul-22	1,265
10-Nov-22	6,627	12-Sep-22	12,323	13-Jul-22	814
9-Nov-22	16,284	9-Sep-22	5,716	12-Jul-22	2,729
7-Nov-22	11,992	8-Sep-22	13,738	11-Jul-22	682
4-Nov-22	2,304	7-Sep-22	11,700	8-Jul-22	40
3-Nov-22	1,460	6-Sep-22	62,338	7-Jul-22	262
2-Nov-22	4,545	5-Sep-22	1,027	6-Jul-22	910
1-Nov-22	2,873	2-Sep-22	1,443	5-Jul-22	378
31-Oct-22	2,157	1-Sep-22	13,575	4-Jul-22	346
28-Oct-22	2,790	30-Aug-22	1,193	1-Jul-22	324
27-Oct-22	6,462	29-Aug-22	1,046	30-Jun-22	449
25-Oct-22	2,339	26-Aug-22	858	29-Jun-22	320
24-Oct-22	2,102	25-Aug-22	456	28-Jun-22	212
21-Oct-22	2,559	24-Aug-22	917	27-Jun-22	300
20-Oct-22	1,961	23-Aug-22	1,345	24-Jun-22	261
19-Oct-22	5,857	22-Aug-22	1,137	23-Jun-22	235
18-Oct-22	5,215	19-Aug-22	2,245	22-Jun-22	228

As highlighted in the table above, there is significant increase in traded volumes near the expected date of announcement of financial results of group companies. However, during the remaining year, there is no significant traded volumes.

In Exhibit D-1, we present the analysis of traded volumes of equity shares of IWEL at different dates i.e., June 30, 2022; September 30, 2022; December 31, 2022; March 31, 2023; April 30, 2023; and May 31, 2023. As presented in Exhibit, the equity shares of IWEL have been thinly traded during FY 2022-23. However, due to increase in traded volume at a very few dates in the

month of May 2023, the traded turnover of IWEL increased above 10% of its outstanding number of equity shares.

Exhibit D-1

Inox Wind Energy Limited  
Analysis of Historical Traded Volume

For the 240 Days Period Ended	Traded Volume as Percentage of Equity Shares Outstanding	Actively Traded / Thinly Traded
June 30, 2022	3.03%	Thinly Traded
September 30, 2022	5.95%	Thinly Traded
December 31, 2022	9.19%	Thinly Traded
March 31, 2023	8.94%	Thinly Traded
April 30, 2023	9.17%	Thinly Traded
May 31, 2023	11.77%	Actively Traded

Given that the equity shares of IWEL were thinly traded during the majority of the historical period reviewed, the market price of IWEL is not a true representative of its fair value as of the Valuation Date.



**APPENDIX E**  
**STATEMENT OF APPRAISER QUALIFICATIONS**

**CA. Amrish Garg**

Mob: 91-9999981321

[agarg@finvoxanalytics.com](mailto:agarg@finvoxanalytics.com)

ICAI Membership Number: 511520

IBBI Registration Number: IBBI/RV/06/2018/10044

**Professional Qualification**

Chartered Accountant (CA), May 2007 Batch, 6<sup>th</sup> All India Rank in CA Final

Chartered Financial Analyst (CFA), US

Registered Valuer as per the provisions of the Companies Act, 2013

**Education**

Delhi University, Shri Ram College of Commerce – B.COM (H), 2005 Batch

**Certification Course**

Indian School of Business, Hyderabad – General Management

Indian Institute of Management, Kolkata – Marketing Skills

Indian Institute of Management, Bangalore – Strategic Analysis

Business Valuation Masterclass by Prof. Aswath Damodaran

**Overall Experience**

15+ years experience in valuation (Business / Equity / Complex Investment), equity fund raise and mergers & acquisitions.

**Business Valuation Experience**

- Business valuation for the purposes of mergers and acquisition, corporate restructuring, insolvency, financial reporting, regulatory compliances, sales/purchase agreements, shareholder disputes, portfolio valuation, etc.
- Valuation of intangible assets or intellectual properties.
- Valuation of complex financial instruments including convertible preference shares, convertible notes, restricted stock units, Simple Agreement for Future Equity (SAFE), stock options, financial guarantee, liquidation preference rights, etc.
- Valuation for investment impairment/goodwill impairment testing.
- Valuation of carried interest of general partners in private equity/hedge funds.
- Valuation of life insurance policies and split-dollar loan agreements,
- Experience of valuing companies/assets across industries and stage of business cycle – Logistics, Supply Chain, Healthcare, Manufacturing, Retail, E-commerce, Consumer Goods, Hospitality, Power, Technology, Media, NBFC, etc.

### **Fund Raise/M&A Experience**

- M&A deal of divestment by a MNC of its one of the food processing businesses in India to another MNC based out of Spain.
- Private equity transaction for a logistic company developing integrated logistics parks.
- Private equity transaction for a SAAS startup in supply chain industry.
- Private equity transaction for a business center chain.
- Private equity and structured funding transaction for a branded food Company.
- Private equity and structured funding transaction for a 5-star hotel project.
- Structured funding transaction for a listed hospitality company.

### **Articles and Publications**

- Chapter on 'Valuation of Complex Investment Instruments' published in Valuation Professionals Insight- Series 1 issued by Valuation Standards Board of ICAI Registered Valuers Organisation (ICAI RVO).
- Chapter on 'Impact of IND-AS on Acquisition Accounting' published in Valuation Professionals Insight- Series 1 issued by Valuation Standards Board of ICAI Registered Valuers Organisation (ICAI RVO).
- Chapter on 'Valuation of Financial Guarantee' published in Valuation Professionals Insight- Series 2 issued by Valuation Standards Board of ICAI Registered Valuers Organisation (ICAI RVO).
- Chapter on 'Fair Value Measurement – IND AS 113' published in Valuation Professionals Insight- Series 3 issued by Valuation Standards Board of ICAI Registered Valuers Organisation (ICAI RVO).
- Chapter on 'Special Purpose Acquisition Company – An Alternative to Traditional IPO's' published in Valuation Professionals Insight- Series 6 issued by Valuation Standards Board of ICAI Registered Valuers Organisation (ICAI RVO).
- Online Course on "Corporate Assets Valuation under Insolvency and Bankruptcy Code" hosted on ebclearning.com, an e-learning platform of Eastern Book Company.
- Article on Decline in Corporate Tax Rate; Increase in Business Valuation.
- Article on Success mantra to build a sustainable enterprise SaaS start-up.

### **Speaker**

- Guest faculty in session on "Intangible Assets and Option Valuations", as part of 50 hours educational course on valuation organized by ICAI RVO at Pune.
- Guest faculty in session on "Valuation - Overview and Techniques", as part of 50 hours educational course on valuation organized by ICAI RVO at Ludhiana.
- Guest faculty in session on "Intangible Assets and Option Valuations", as part of 50 hours educational course on valuation organized by ICAI RVO at Hyderabad.
- Guest faculty in session on "Professional Ethics, and Indian Accounting Standard (Ind AS) 113, Fair Value Measurement", as part of 50 hours educational course on valuation organized by ICAI RVO at Nagpur.

- Guest faculty in session on “Valuation - Overview and Techniques”, as part of 50 hours educational course on valuation organized by ICAI RVO at Mumbai.
- Guest faculty in session on “Intangible Assets and Option Valuations”, as part of 50 hours educational course on valuation organized by ICAI Registered Valuer Organisation at Jaipur.
- Guest faculty in session on “Valuation - Overview and Techniques”, as part of 50 hours educational course on valuation organized by ICAI RVO at Visakhapatnam.
- Guest faculty in session on “Valuation - Overview and Techniques”, as part of 50 hours educational course on valuation organized by ICAI RVO at Chandigarh.
- Guest faculty in session on “Start-up Valuation” organized by International Management Institute, New Delhi.
- Guest faculty in session on “Business Valuation” organized by International Management Institute, New Delhi.
- Speaker for 10-day webinar course on business valuations approaches and adjustments conducted by HPCL–Mittal Energy Limited for its corporate finance team.
- Speaker in Webinar “COVID 19 - Impact on Valuations” organized by ebclearning.com, an e-learning platform of Eastern Book Company.
- Guest speaker in session on “ICAI Valuation Standards” organized by Gurugram Branch of NIRC of ICAI.
- Speaker in session on “Mean of Finance” organized by Amritsar Branch of NIRC of ICAI.
- Participated as a delegate in “6th Edition of Business Valuation Summit 2019” conducted by I-Deals Network held in Delhi.
- Speaker in Webinar “Asset Impairment Testing” organized by Gurugram Branch of NIRC of ICAI.
- Speaker in Webinar “COVID 19 - Impact on Valuations” as part of Continuous Educational Programme by Divya Jyoti Foundation RVO
- Guest faculty in session on “Valuation - Overview and Techniques”, as part of 50 hours online educational course on valuation organized by Divya Jyoti Foundation RVO.
- Speaker in Webinar “Asset Impairment Testing” as part of Continuous Educational Programme by Divya Jyoti Foundation RVO
- Guest faculty in session on “Intangible Asset Valuation” as part of Continuous Educational Programme by ICAI RVO.
- Guest faculty in session on “Due Diligence in Valuation” as part of Continuous Educational Programme by ICAI RVO.