

**VALUATION  
OF  
EQUITY SHARES  
OF**

**SOLEX ENERGY LIMITED  
CIN: L40106GJ2014PLC081036**

Prepared by:  
**CS ABHISHEK CHHAJED**  
(IBBI Registered Valuer)  
134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,  
Ahmedabad City , Ahmedabad , Gujarat - 380001

RV Registration No – IBBI/RV/03/2020/13674

**CS ABHISHEK CHHAJED**

**(IBBI Registered Valuer)**

**134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,**

**Ahmedabad City , Ahmedabad , Gujarat - 380001**

**E-mail – csabhishekchhajed1@gmail.com Contact number - +91 94088 12129**

**CONTENT OF REPORT**

<b>1. BACKGROUND OF THE COMPANY:</b>	<b>4</b>
<b>2. PURPOSE:</b>	<b>5</b>
<b>3. KEY DATES:</b>	<b>4</b>
<b>4. IDENTITY OF VALUER AND ANY OTHER EXPERTS INVOLVED IN THE VALUATION:</b>	<b>5</b>
<b>5. PECUNIARY INTEREST DECLARATION</b>	<b>5</b>
<b>6. SOURCES OF INFORMATION:</b>	<b>5</b>
<b>7. FINANCIAL INFORMATION:</b>	<b>6</b>
<b>8. VALUATION PARAMETERS:</b>	<b>7</b>
<b>9. VALUATION ANALYSIS:</b>	<b>8</b>
<b>10. CONCLUSION:</b>	<b>8</b>
<b>11. CAVEATS, LIMITATIONS AND DISCLAIMERS:</b>	<b>9</b>
<b>11. ANNEXURE 1:</b>	<b>11</b>
<b>11. ANNEXURE 2:</b>	<b>12</b>
<b>11. ANNEXURE 3:</b>	<b>13</b>



**CS ABHISHEK CHHAJED**

**(IBBI Registered Valuer)**

**134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,**

**Ahmedabad City , Ahmedabad , Gujarat - 380001**

**E-mail – csabhishekchhajed1@gmail.com Contact number - +91 94088 12129**

**Date: June 19, 2024**

To,

**SOLEX ENERGY LIMITED**

PLOT NO. 131/A, PHASE 1 NR. KRIMY INDUSTRIES,

GIDC, Anand, VITHAL UDYOGNAGAR, Gujarat, India, 388121

Dear Sir,

**Sub: Valuation Analysis of the Equity Shares of SOLEX ENERGY LIMITED.**

I refer to our engagement letter dated June 17, 2024 for carrying out the valuation of **Equity Shares** of **SOLEX ENERGY LIMITED** (here-in-after referred as "**Company**" or "**SEL**"). In accordance with the terms of the engagement, I am enclosing my report along with this letter. In attached report, I have summarized my Valuation analysis of the Shares together with the description of methodologies used and limitation on my Scope of Work.

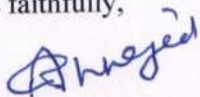
Based on my assessment and in terms of first Proviso to the Sub-Regulation 1 of Regulation 166A r.w. Sub-Regulation 1 of Regulation 164 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended from time to time, the Floor Price of the Equity Share of the Company having Face Value of Rupees 10.00 each has been arrived at **Rs. 1135.38**. In case you require any further assistance, please feel free to contact me.

This Valuation Analysis is confidential and has been prepared for you for providing the same to government or regulatory authorities and this report can be provided to potential investor of SEL for enabling compliance under various laws as detailed hereinafter in this report. It should not be used, reproduced or circulated to any other person, in whole or in part, without my prior consent. Such consent will only be given after full consideration of the circumstance at that time. I trust that above meets your requirements.

Please feel free to contact us in case you require any additional information or clarifications.

Thanking you,

Yours faithfully,



**ABHISHEK CHHAJED**

**RV Registration No – IBBI/RV/03/2020/13674**

**Registered Valuer**

**UDIN-F011334F000589494**

**Place: Ahmedabad**

**CS ABHISHEK CHHAJED****(IBBI Registered Valuer)****134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,****Ahmedabad City , Ahmedabad , Gujarat - 380001****E-mail – csabhishekchhajed1@gmail.com Contact number - +91 94088 12129****1. BACKGROUND OF THE COMPANY:****History:**

SOLEX ENERGY LIMITED (“SEL”) is Public Limited Company incorporated under the Companies Act, 2013 on October 13, 2014, having its registered office at PLOT NO. 131/A, PHASE 1 NR. KRIMY INDUSTRIES, GIDC, Anand, VITHAL UDYOGNAGAR, Gujarat, India, 388121. The Company Identification Number (CIN) of the company is L40106GJ2014PLC081036. Equity Shares of SEL are listed on NSE Limited.

**Main Object of the Company are:**

1. To Carry Business of Research, designing, development Manufacturing, Marketing of Renewable Energy Products such as solar photovoltaic systems, solar PV module, solar lighting systems, solar lantern, BIPV solar systems, solar power generating systems, solar grid connected system, providing hybrid systems, solar panel and inverters, solar power panel environmental radiation monitoring system, solar water heaters, solar hot and cold water tank, remote village electrification, solar powered navigational buoy light system, solar geyser and heater and dryer, solar luminaries, solar and normal R.O. Systems, solar inverter, solar UPS, solar power conditioning unit, solar fencing, solar energy park, solar submersible and surface pump, solar roof top systems (Grid connected and stand alone type), take EPC contract of all type renewable work, install solar power plant, wind plant, and manufacturing, processing, generating, accumulating, distributing, stocking, transferring, marketing, selling, servicing, engineering, contracting, erecting, commissioning, managing, maintaining, utilizing and renting, as developer, manufacturers, consultants, collaborators and advisors for all and every kind of plants, systems, equipment, products, components, assemblies and subassemblies related to generation use, application and utilization of renewable energy resources, like solar, wind, tidal, bio-mass, geothermal of all and every kind and type including Photovoltaic, cells, windmills, wave motion generators, gobar gas generators and utilizing systems with battery and other renewable energy generating, distribution, and utilizing systems with battery storage, transformers, inverters, charge controllers refrigeration plant and cold storage plant and systems, heat exchangers insulating system including insulating materials evaporators condensers and produce and selling electricity to utility agency (Electricity Board) or end user, turnkey solution of solar pumping systems and power plant (Making bore well, done civil work and electrical work) AC indoor and out door, Solar Air Condition and cooler.

2. To take over running business of M/s Sun Energy Systems, a proprietorship business owned by Mr. Kalpesh kumar Ramanbhai Patel.

**Capital Structure of the Company:**

Particulars	Amount (in Rs.)
<b>Authorised Share Capital</b> 80,00,000 Equity Shares of Rupees 10.00 each amounting to Rs. 8,00,00,000/-	8,00,00,000
<b>Issued, Subscribed &amp; Fully Paid-up Share Capital</b> 80,00,000 Equity Shares of Rupees 10.00 each amounting to Rs. 8,00,00,000/-	8,00,00,000

**CS ABHISHEK CHHAJED****(IBBI Registered Valuer)****134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,****Ahmedabad City , Ahmedabad , Gujarat - 380001****E-mail – csabhishekchhajed1@gmail.com Contact number - +91 94088 12129****Board of Directors**

Sr. No	Name	DIN
1.	RAJESHBHAI TULSIBHAI PATEL	07920531
2.	CHETAN SURESHCHANDRA SHAH	02253886
3.	PIYUSH KAILASHCHANDRA CHANDAK	09195922
4.	ANIL RATHI	01405654
5.	KIRAN RITESH SHAH	09046468
6.	VIPUL MULCHAND SHAH	01547319
7.	KALPESHKUMAR RAMANBHAI PATEL	01066992
8.	KAMLESH PRAVIN YAGNIK	02019379
9.	AMITKUMAR DALPATRAM TRIVEDI	08450070

**2. PURPOSE:**

SEL intends to issue equity shares on a preferential basis to meet its funding requirement. In this regard, SEL has engaged me to carry out valuation of Equity Shares of the Company as per requirements of Sub-Regulation 1 of Regulation 166A r.w. Sub-Regulation 1 of Regulation 164 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, on the relevant date being May 13, 2024.

**3. KEY DATES:**

**Appointing Authority-** Board of Director of the SEL

**Appointment Date:** June 17, 2024

**Valuation Date/Relevant Date:** May 13, 2024

**Report Date:** June 19, 2024.

**4. IDENTITY OF VALUER AND ANY OTHER EXPERTS INVOLVED IN THE VALUATION:**

I am independent Registered Valuer as required under the Companies (Registered Valuer & Valuation) Rules, 2017 registered with Insolvency & Bankruptcy Board of India having registration no. IBBI/RV/03/2020/13674. No other Experts are involved in this valuation exercise.

**5. PECUNIARY INTEREST DECLARATION**

I do not have pecuniary interest in the Shares of SEL, past, present or prospective, and the opinion expressed is free of any bias in this regard. I strictly follow the code of conduct of the Registered Valuation Organization of IBBI.

**6. SOURCES OF INFORMATION:**

I have been provided the following information for the valuation analysis:

- MOA & AOA of SEL;
- Annual Report for the year ended on March 31, 2024, March 31, 2023 and March 31 2022.

**CS ABHISHEK CHHAJED**

**(IBBI Registered Valuer)**

**134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,  
Ahmedabad City , Ahmedabad , Gujarat - 380001**

**E-mail – csabhishekchhajed1@gmail.com Contact number - +91 94088 12129**

- Trading History Data of Equity Shares of SEL for last one year from relevant Date;
- Written Representations made by the Company in course of the valuation exercise;
- Other related information from various sources;

Besides the above listing, there may be other information provided by the Client which may not have been perused by me in any detail, if not considered relevant for my defined scope.

Discussions (in person / over call) with the management to: Understand the business and fundamental factors that affect its earning- generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance. During the discussions with the management, I have also obtained explanations and information considered reasonably necessary for this exercise.



**CS ABHISHEK CHHAJED****(IBBI Registered Valuer)****134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,****Ahmedabad City , Ahmedabad , Gujarat - 380001****E-mail – [csabhishekhchhajed1@gmail.com](mailto:csabhishekhchhajed1@gmail.com) Contact number - +91 94088 12129****7. FINANCIAL INFORMATION:**

Particulars	As at March 31, 2024
	Audited Amt. in LAKHS
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	
Share Capital	800.00
Reserve and Surplus	3,824.17
<b>Non-Current Liability</b>	
Long Term Borrowing	4,720.02
Deferred Tax Liability (Net)	119.53
Long Term Provisions	228.41
<b>Current Liabilities</b>	
Short Term Borrowing	4,895.96
Trade Payables	4,918.08
Other Current Liabilities	1,366.50
other financial liability	
Current tax liability	
Short Term provisions	323.48
<b>TOTAL</b>	<b>21,196.15</b>
<b>ASSETS</b>	
<b>Non-Current Assets</b>	
Fixed Assets	5,471.60
Non current investment	237.84
CTA	
Other Non Current Assets	334.20
<b>Current Assets</b>	
Current Investments	1,230.15
Inventories	6,638.59
Trade Receivables	4,669.36
Cash and Cash Equivalents	19.08
Short Term Loans and Advances	559.37
Other Current Assets	2,035.96
<b>TOTAL</b>	<b>21,196.15</b>

**CS ABHISHEK CHHAJED**

**(IBBI Registered Valuer)**

**134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,**

**Ahmedabad City , Ahmedabad , Gujarat - 380001**

**E-mail – csabhishekchhajed1@gmail.com Contact number - +91 94088 12129**

**8. VALUATION PARAMETERS**

I. Net Asset Value (NAV)

II. Market Value

III. Discounted cash Flow Method (DCF)

**I. Net Asset Value (NAV)**

The Net Assets Method represents the value with reference to historical cost of assets owned by the company and the attached liabilities on particular date. Net asset will be calculated starting from the total assets of the company and deducting there from all debts, borrowing and liabilities, including current and Likely contingent Liability and preference capital if any. In other words it should represent true net worth of business after providing for all outside present and potential liabilities. In the case of companies, the net assets value calculated from assets side of the balance sheet in the above manner will be crossed checked with equity share capital plus free reserve and surplus, less likely contingent liabilities..

**II. Market Value:**

The Equity Shares of Company are listed on NSE Limited for a period of more than 90 trading days as on the relevant date i.e. Friday, May 13, 2024 and are frequently traded in accordance with SEBI ICDR Regulations.

***In case of “frequently traded shares (Regulation 164(1) of the SEBI ICDR Regulations:***

If the equity shares of the Company have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following;

- a. the 90 trading days’ volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or
- b. the 10 trading days’ volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue.

Articles of Association of the Company do not provide for any particular method of determination which results in a floor price higher than that determined under SEBI ICDR Regulations.

The Company’s Equity Share are listed only at one Nationwide Stock Exchange i.e. on NSE Limited and accordingly, “NSE Limited” is the Stock exchange on which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.

**III Discounted cash Flow Method (DCF):**

- DCF Method expresses the present value of a business as a function of its future cash earning capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flows stream, discounted to the present times at an appropriate discount rate. It recognizes that money has a time value by discounting future cash flows at appropriate discount factor.
- This method is used to determine the present value of a business on a going concern assumption. The DCF methodology depends on the projection of the future cash flows and the selection of an appropriate discount factor.
- When valuing a business on a DCF basis, the objective is to determine a net present value of the cash flows (“CF”) arising from the business over a future select period of time of the project life, which is called the explicit forecast period. Free cash flows are defined to include all inflows and outflows associated with the project including debt service, taxes, and capital expenditure and net changes in



## CS ABHISHEK CHHAJED

(IBBI Registered Valuer)

134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,

Ahmedabad City , Ahmedabad , Gujarat - 380001

E-mail – csabhishekchhajed1@gmail.com Contact number - +91 94088 12129

working capital requirement etc. Under the DCF methodology, value must be placed both on the explicit cash flows as stated above, and the ongoing cash flows a company will generate after the explicit forecast period. The latter value, also known as terminal value, is also to be estimated. The terminal value refers to the present value of the business as a going concern beyond the period of projections up to infinity. This value is estimated by taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimated growth rate of the industry and economy.

- The longer the period covered by the projection, the less reliable the projections are likely to be. For this reason, the approach is used to value businesses, where the future cash flows can be projected with a reasonable degree of reliability.
- The discount rate applied to estimate the present value of explicit forecast period free cash flows and to estimate the present value of terminal cash flow, is taken at COE. Cost of equity is derived, on the basis of capital asset pricing model (CAPM), it is function of risk-free rate (Rf), Beta ( $\beta$ ) (an estimate of risk profile of the company relative to equity market, however Beta takes into account only systematic risk) and equity risk premium (Rp) (excess of return on equity issued to public in India (Rm) over the risk free rate of return (Rf) earned) assigned to the subject equity market. Discount rate is further increased by unsystematic risk of the company.
- Terminal value represents the present value at the end of explicit forecast period of all subsequent cash flows to the end of the life of the asset or into perpetuity if the asset has an indefinite life. In case of assets having indefinite or very long useful life, it is not practical to project the cash flows for such indefinite or long periods. Therefore, the valuer needs to determine the terminal value to capture the value of the asset at the end of explicit forecast period.
- Terminal of Value of cash flow is calculated as per Gordon growth formula mentioned below;

# (Last year cash flow of explicit period X (1+Growth rate)/ (Cost of Equity-Growth rate))

- Value obtained by using DCF method gives us the Total Value of Firm/Enterprise Value;
- The Discounted Free Cash Flow (“DCF”) method, an application of the Income Approach is arguably one of the most recognized tools to determine the value of a business.
- This method is generally used when there is reasonable certainty on the timing, quantum and quality of the cash flows, which has its close coupling with the underlying assets. It is the most commonly used valuation technique, and is widely accepted by valuers because of its intrinsic merits, some of which are given below:
  - (a) It is a very sound model because it is based up on expected future cash flows of a company that will determine an investor's actual return.
  - (b) It is based on the expectations of performance specific to the business, and is not influenced by short-term market conditions or non-economic indicators.
  - (c) It is not as vulnerable to accounting conventions like depreciation, inventory valuation in comparison with the other techniques/approaches since it is based on cash flows rather than accounting profits.
  - (d) For the purpose of the present valuation exercise, I have considered fit to use Discounted Free Cash Flow (DCF) Method for determining the fair value of shares of the Company.

**9. VALUATION ASSUMPTIONS IN APPLYING DCF APPROACH:**

The fair value of shares of the Company under this method has been arrived as follows:

In the present case, valuation under DCF method is based on management certified projections for FY 2024-25 to FY 2028-29. The projection certified from FY 2024-25 to FY 2028-29 are considered as explicit period in this valuation analysis.

For the explicit period, free cash flows from the business have been arrived at as follows:

- Profits after tax as per the projections have been considered.
- Depreciation & amortization on fixed assets have been added to the Net profits after tax.
- Capital expenditure, Changes in long term debt liability, change in working capital requirement is adjusted from above cash flow to arrive at free cash flow to shareholders.
- The cash flows of each year are then discounted at COE. COE is considered as one of the most appropriate discount rate in the DCF Method. The COE is worked out using the following parameters:
  - Cost of Equity is worked out using the following formula:
    - Risk Free Return in India + (Beta x Equity Risk Premium) + Company Specific Risk
      - The risk free rate of return is taken at 7.05% being 10 years Government of India bond yield from as at April 01, 2024 (<https://countryeconomy.com/bonds/india>).
      - Industry Beta is taken at 1.00 (Assumed)
      - Market Risk Premium (Rp) i.e.  $R_p = (R_m - R_f)$ . The equity risk premium is considered 8.75% (Source: Excess of BSE Sensex CAGR since April 1, 1979 till April 01, 2024 over risk free rate of return).
      - Company Specific Risk is taken at 2.00% being risk related to Management capability, achievability of projections by company, stability of industry in which company is operating, diversification of product/Services of the company and other contingencies.

Based on above workings and information obtained from management of the company, COE is calculated at 17.80%.

- Therefore, proportionate cash flows of FY 2024-25 are discounted with proportionate present value factor. **(Annexure: I)**
- Mid-Year Discounting Convention is used to discount cash flows for the explicit period assuming all the cash flows are accrued and realised by company in the middle of year. **(Annexure II)**
- Based on dynamics of the sector and discussions with the Management, I have assumed a terminal growth rate of 4% beyond the projection period. The cash flows of FY 2028-29 have been used to determine the terminal value. Based on these assumptions and as per Gordon constant growth formula mentioned in point 8-B of this report, the terminal value has been calculated at Rs 37,897.67 Lakhs at the end of explicit period. Terminal Value discounting factor is calculated based on discounting factor of FY 2028-29.
- The discounted perpetuity value is added to the discounted free cash flows for the explicit period to arrive at the enterprise value/ value to firm.
- Cash and Cash equivalent balance as at February 28, 2022 is added, Total Debt/loan liability as at end of explicit period and contingent liability as at February 28, 2022, if any, are reduced from Enterprise value to calculate Value available to Shareholders.
- Value available to Shareholders is further adjusted for Discount on lack of marketability since shares of the company are not traded on any stock exchange. Under ICAI Valuation Standard 103, DLOM need to be applied under Income approach while valuing illiquid securities. As per International valuation

**CS ABHISHEK CHHAJED****(IBBI Registered Valuer)****134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,****Ahmedabad City , Ahmedabad , Gujarat - 380001****E-mail – [csabhishekchhajed1@gmail.com](mailto:csabhishekchhajed1@gmail.com) Contact number - +91 94088 12129**

Standard 105, A DLOM reflects the concept that when comparing otherwise identical assets, a readily marketable asset would have a higher value than an asset with a long marketing period or restrictions on the ability to sell the asset. For example, publicly-traded securities can be bought and sold nearly instantaneously while shares in a private company may require a significant amount of time to identify potential buyers and complete a transaction. We have applied DLOM of 20%.

- The value so arrived is divided by the Total number of Equity Shares outstanding on fully diluted basis as at March 31, 2024.

**10. VALUATION ANALYSIS:**

In terms of first Proviso to the Sub-Regulation 1 of Regulation 166A r.w. Sub-Regulation 1 of Regulation 166A and Sub-Regulation 1 of Regulation 164 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”) and by using the Valuation Parameters, the following is the Valuation Analysis of Equity Shares of the Company.

Sr. No.	Valuation Parameters	Value per Equity Share (in Rupees)
1.	Discounted Cash Flow Method	305.00
2.	Net Assets Value Method	57.80
3.	Market Value Method	1,135.38

**For, detailed working calculation of Value of Equity Share, please refer;**

**Annexure 1** - For Net Assets Value Method

**Annexure 2** - For Price Earning Capacity Value Method

**Annexure 3** - For Market Value Method

Sr. No	Method	Value per Equity Share (in Rupees) (A)	Weights (B)	Weighted (C=A*B)
1.	Discounted Cash Flow Method	305	1	305.00
2.	Net Assets Value Method	57.80	2	115.60
3.	Market Value Method	1,135.38	3	3406.14
<b>Total (D)</b>			<b>6</b>	<b>3826.74</b>
<b>Floor Price (In Rupees) (Total of C / D)</b>				<b>638.00</b>

**11. CONCLUSION:**

In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment 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 documents available with us but which will strongly influence the worth of a Shares and Debentures.

In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined in this report, I conclude as under;

**CS ABHISHEK CHHAJED****(IBBI Registered Valuer)****134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,****Ahmedabad City , Ahmedabad , Gujarat - 380001****E-mail – csabhishekchhajed1@gmail.com Contact number - +91 94088 12129**

Sr. No.	Provisions	Minimum Floor Price (in Rupees)
A	Floor Price in terms of first Proviso to the Sub-Regulation 1 of Regulation 166A of the SEBI ICDR Regulations	638.00
B	Floor Price in terms of the Sub-Regulation 1 of Regulation 164 of the SEBI ICDR Regulations	1,135.38

Accordingly, the Floor Price of the Equity Share of the Company having Face Value of Rupees 10.00 each in terms of Chapter V of SEBI ICDR Regulations as at Relevant date is **INR 1,135.38 (Rupees One Thousand and One Hundred Thirty-Five and Thirty Eight Paise Only)**.

**12. CAVEATS, LIMITATIONS AND DISCLAIMERS:**

My 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. My engagement for this valuation consulting work does not include any procedures designed to discover any defalcations or other irregularities, should any exist.

I have provided an assessment of the value based on the information available, application of certain formula and within the scope and constraints of our engagement, others may place a different value to the same. However, I independently did not verify such information and make no representation as to the accuracy or completeness of such information obtained from or provided by such sources.

The company and its representatives warranted to us that the information supplied to us was complete and accurate to the best of their knowledge and that the financial information properly reflects the business conditions and operating results for the respective periods in accordance with generally accepted accounting principles. Information supplied to us has been accepted as correct without any further verification. I have not audited, reviewed, or compiled the historical provided to us and, accordingly, i do not express any audit opinion or any other form of assurance on this information. Because of the limited purpose of the information presented, it may be incomplete and contain departures from generally accepted accounting principles. In the course of the valuation, i were provided with both written and verbal information. I have however, evaluated the information provided to us by the Company 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.

My conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company. I assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise.

The draft of the present report was circulated to the Management for confirming the facts stated in the report and to confirm that information or facts stated are not erroneous and the assumptions used are reasonable.

No investigation on the Company's 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. No consideration has been given to liens or encumbrances against the assets, beyond the liabilities in the books. Therefore, no responsibility is assumed for matters of a legal nature.

My work does not constitute an audit or certification of the historical financial statements including the working results of the Company referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis

**CS ABHISHEK CHHAJED**

**(IBBI Registered Valuer)**

**134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,**

**Ahmedabad City , Ahmedabad , Gujarat - 380001**

**E-mail – csabhishekchhajed1@gmail.com Contact number - +91 94088 12129**

and results are specific to the purpose of valuation mentioned in the report and it is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

I have no responsibility to update this report for events and circumstances occurring after the date of this report. My fees is not contingent to the results or output of this report. I will not be responsible to appear in front of Companies act, income tax, RBI or any other regulatory authority in relation to the said valuation.

The decision to carry out the transaction (including consideration thereof) on the basis of this valuation lies entirely with the SEL and my work and my finding shall not constitute a recommendation as to whether or not SEL should carry out the transaction. The report and conclusion of value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The conclusion of value represents my opinion, based on information furnished to us by the client and other sources. Any person/party intending to provide finance/invest in the shares/business of the Company 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.

My report is meant for the purpose mentioned in point 2 of this report and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared.

I acknowledge that I am independent valuer and have no present or contemplated financial interest in the Company. My fees for this valuation is based upon my normal billing rates, and not contingent upon the results or the value of the business or in any other manner. I have not been engaged by the Company in any unconnected transaction during last five years.

Neither me, nor any managers, employees of my firm makes 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.

Thanking you,

Yours faithfully,

**ABHISHEK CHHAJED**

**RV Registration No – IBBI/RV/03/2020/13674**

**Registered Valuer**

**UDIN-F011334F000589494**

**Place: Ahmedabad**



**CS ABHISHEK CHHAJED**

**(IBBI Registered Valuer)**

**134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,**

**Ahmedabad City , Ahmedabad , Gujarat - 380001**

**E-mail – csabhishekchhajed1@gmail.com Contact number - +91 94088 12129**

**Annexure 1**

**Valuation of Equity Shares of SEL under NAV Method:**

**Calculation of Net Assets Value of the Company as at March 31, 2024**

<b>Particulars</b>	<b>Amount in Lakhs</b>
Total Assets	21,196.15
Total Liabilities	16,571.98
Net worth	4,624.17
No. of Equity Shares	80.00
<b>Book Value Per Share</b>	<b>57.80</b>



**CS ABHISHEK CHHAJED**

**(IBBI Registered Valuer)**

**134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,**

**Ahmedabad City , Ahmedabad , Gujarat - 380001**

**E-mail – csabhishekchhajed1@gmail.com Contact number - +91 94088 12129**

**Annexure 2**

**Valuation of Equity Shares of SEL under DCF Method:**

Amount in Lakhs

<b>Estimated future cash flow and Share Valuation working</b>				
<b>Years</b>	<b>Cash Flow</b>	<b>COE</b>	<b>Present Value Factor</b>	<b>Discounted Cash Flow</b>
2024-25	7,858.89	17.80%	0.8489	6,671.27
2025-26	636.16	17.80%	0.7206	458.42
2026-27	4,612.89	17.80%	0.6117	2,821.73
2027-28	5,613.33	17.80%	0.5193	2,914.81
2028-29	5,029.46	17.80%	0.4408	2,216.96
Terminal Value of Cash Flow	37,897.67	17.80%	0.4408	16,705.11
Total Value of Firm				31,788.29
Debt as at end of Explicit Period				4,075.17
Contingent Liability as at March 31, 2024				-
Cash and Cash Equivalent Balance as at March 31, 2024				19.08
Total Value of Equity share holders before DLOM				27,732.20
DLOM@20%				3,327.86
Total Value of Equity share holders after DLOM				24,404.34
Outstanding number of Equity Shares				80
<b>Fair Value per Equity share in Rs</b>				<b>305.00</b>

<b>Assumptions</b>	
Tax Rate	As per Income tax
Discount Rate	17.80%
Perpetual growth rate	4.00%



**CS ABHISHEK CHHAJED**

**(IBBI Registered Valuer)**

**134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,**

**Ahmedabad City , Ahmedabad , Gujarat - 380001**

**E-mail – csabhishekchhajed1@gmail.com Contact number - +91 94088 12129**

<b>COE</b>			
<b>Particulars</b>		<b>Weights</b>	
Cost of Equity	17.80%	1.00	17.80%
Risk free Return (10 years GOI Bond Yield as at April 01, 2024)	7.05%		
BSE Sensex (Since inception till April 01, 2024)	8.75%		
Beta (Assumed)	1.00		
Company Specific Risk (Assumed)	2.00%		
<b>COE</b>			<b>17.80%</b>
<b>Growth Rate</b>			<b>4.00%</b>

**FREE CASH FLOW TO SHAREHOLDERS (AMOUNT IN RS. LAKHS)**

<b>Year</b>	<b>FY 2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>
PAT	2,488.87	5,707.80	6,292.57	6,787.99	6,934.54
Depreciation	1,125.27	1,581.10	1,559.42	1,538.47	1,509.37
Capex	0.00	0.00	0.00	0.00	0.00
Changes in Borrowing	4,608.98	-1,337.18	-1,303.73	-1,305.62	-1,307.29
Changes working capital	-364.23	-5,315.56	-1,935.36	-1,407.52	-2,107.16
<b>Free cash flow to Firm</b>	<b>7,858.89</b>	<b>636.16</b>	<b>4,612.89</b>	<b>5,613.33</b>	<b>5,029.46</b>
<b>Terminal Value of Cash Flow</b>					<b>37,897.67</b>



**CS ABHISHEK CHHAJED**

**(IBBI Registered Valuer)**

**134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,**

**Ahmedabad City , Ahmedabad , Gujarat - 380001**

**E-mail – csabhishekchhajed1@gmail.com Contact number - +91 94088 12129**

**“ANNEXURE M”**

**PROFIT AND LOSS ACCOUNT**

**(Amount in Rs. Lakhs)**

**Projected Profitability Statement for the year ended**

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	2025-26	2026-27	2027-28	2028-29
	Actual	Provi.			Projected		
<b>Revenue from Operation</b>							
Revenue from Operations (Net)	16,171.29	36,592.11	66,062.69	1,36,625.27	1,42,361.45	1,47,990.21	1,48,221.53
Other Income	267.55	209.42	10,212.00	10,714.00	11,241.00	11,794.25	12,375.06
<b>Total Income</b>	<b>16,438.83</b>	<b>36,801.53</b>	<b>76,274.69</b>	<b>1,47,339.27</b>	<b>1,53,602.45</b>	<b>1,59,784.46</b>	<b>1,60,596.59</b>
Raw material related exp	14,033.08	30,593.65	59,659.54	1,19,315.35	1,24,258.65	1,29,176.40	1,29,149.47
Other Expenses	1,567.09	4,207.57	11,979.00	18,390.00	18,907.00	19,493.00	20,154.00
Total Expenses	15,600.17	34,801.22	71,638.54	1,37,705.35	1,43,165.65	1,48,669.40	1,49,303.47
<b>Net Profit Before Tax &amp; Depreciation</b>	<b>838.66</b>	<b>2,000.31</b>	<b>4,636.15</b>	<b>9,633.92</b>	<b>10,436.80</b>	<b>11,115.07</b>	<b>11,293.13</b>
Depreciation for the Year	453.49	846.16	1,125.27	1,581.10	1,559.42	1,538.47	1,509.37
<b>Net Profit Before Tax</b>	<b>385.17</b>	<b>1,154.15</b>	<b>3,510.87</b>	<b>8,052.82</b>	<b>8,877.38</b>	<b>9,576.60</b>	<b>9,783.76</b>
Tax Provision/Taxes	114.09	280.67	1,022.00	2,345.02	2,584.81	2,788.60	2,849.21
<b>Net Profit/Loss transferred to Balance Sheet</b>	<b>271.08</b>	<b>873.48</b>	<b>2,488.87</b>	<b>5,707.80</b>	<b>6,292.57</b>	<b>6,787.99</b>	<b>6,934.54</b>



**CS ABHISHEK CHHAJED****(IBBI Registered Valuer)****134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,****Ahmedabad City , Ahmedabad , Gujarat - 380001****E-mail – csabhishekchhajed1@gmail.com Contact number - +91 94088 12129****BALANCE SHEET****(Amount in Rs. Lakhs)**

Particulars	FY 2022-23	FY 2023-24 Provi.	FY 2024-25	2025-26	2026-27 Projected	2027-28	2028-29
<b>EQUITY &amp; LIABILITIES</b>							
<b>Shareholder's Fund:</b>							
Share Capital	800.00	800.00	864.20	864.20	864.20	864.20	864.20
Reserves and Surplus	2,962.69	3,824.17	13,541.00	19,249.00	25,541.00	32,328.00	39,263.00
Share Application Money Pending Allotment			-	-	-	-	-
Unsecured Loan	4,472.82	4,720.02	9,329.00	7,991.82	6,688.09	5,382.46	4,075.17
Deferred Tax Liability	47.95	119.53	-	-	-	-	-
Long Term Provisions	349.40	228.41	-	-	-	-	-
<b>Current Liability:</b>							
Short Term Borrowing	2,121.32	4,895.96	11,499.00	11,287.00	11,256.00	11,261.00	11,265.00
Trade Payable	2,914.18	4,918.08	4,398.83	8,212.59	8,536.71	8,873.54	8,845.85
Other Current Liability & Provisions	409.75	1,689.98	1,609.86	2,212.68	2,339.12	2,459.70	2,531.10
<b>Total</b>	<b>14,078.12</b>	<b>21,196.15</b>	<b>41,241.88</b>	<b>49,817.29</b>	<b>55,225.12</b>	<b>61,168.90</b>	<b>66,844.32</b>
<b>ASSETS</b>							
<b>Fixed Assets:</b>							
Opening WDV	-						
Add: Addition during the Year	-						
Less: Depreciation during the Year							
Closing WDV	5,539.08	5,471.60	12,568.32	10,987.22	9,427.80	7,889.33	6,379.96
Non Current investments	8.08	237.84	237.84	87.84	87.84	87.84	87.84
Other Non Current Assets	183.91	334.20	334.20	334.20	334.20	334.20	334.20
Projected Revenue	-				4,000.00	9,000.00	14,000.00
<b>Current Assets:</b>							
Investment		1,230.15	-	-	-	-	-
Inventories	3,038.07	6,638.59	14,439.53	15,215.79	15,818.29	16,420.75	16,441.78
Trade Receivables	3,024.75	4,669.36	9,377.59	18,138.73	18,910.66	19,672.58	19,772.46
Cash & Cash Equivalents	13.34	19.08	29.40	39.51	49.32	59.20	68.08
Short Term Loan and Advances	1,543.16	559.37	-	-	-	-	-
Other Current Assets	727.72	2,035.96	4,255.00	5,014.00	6,597.00	7,705.00	9,760.00
<b>Total</b>	<b>14,078.12</b>	<b>21,196.15</b>	<b>41,241.88</b>	<b>49,817.29</b>	<b>55,225.11</b>	<b>61,168.90</b>	<b>66,844.32</b>

Private & Confidential  
Valuation\_SEL\_2024

**CS ABHISHEK CHHAJED**

**(IBBI Registered Valuer)**

**134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,**

**Ahmedabad City , Ahmedabad , Gujarat - 380001**

**E-mail – csabhishekchhajed1@gmail.com Contact number - +91 94088 12129**

**Valuation of Equity Shares of SEL under Market Price Method**

*(Source: NSE Limited)*

<b>Date of EGM/AGM/POSTAL BALLOT</b>	12-06-2024
<b>Relevant Date</b>	13-05-2024

<b>Name of the Company</b>	Solex energy Limited
<b>Stock Exchange</b>	National Stock Exchange of India Limited

**Average of the volume weighted average price (VWAP) of the equity shares of Solex energy Limited quoted on the National Stock Exchange of India Limited during the 90 trading days preceding the relevant date (considering relevant date as 13/05/2024)**

Days	Date		VWAP	Days	Date		VWAP
1	10-05-2024	34400	33483200.00	46	01-03-2024	13400	11193340.00
2	09-05-2024	24800	25516140.00	47	29-02-2024	21400	17615600.00
3	08-05-2024	8000	8692590.00	48	28-02-2024	48200	40129320.00
4	07-05-2024	9200	10131100.00	49	27-02-2024	15800	14195800.00
5	06-05-2024	19600	21768050.00	50	26-02-2024	41400	36907670.00
6	03-05-2024	21200	24304190.00	51	23-02-2024	56400	49586100.00
7	02-05-2024	28400	33241930.00	52	22-02-2024	50600	47635340.00
8	30-04-2024	31200	38138080.00	53	21-02-2024	169200	157766660.00
9	29-04-2024	51200	63141750.00	54	20-02-2024	107600	86393090.00
10	26-04-2024	10600	12484700.00	55	19-02-2024	32800	23462060.00
11	25-04-2024	42200	46715630.00	56	16-02-2024	19000	13122380.00
12	24-04-2024	34600	37235150.00	57	15-02-2024	19800	13375970.00
13	23-04-2024	45800	53591980.00	58	14-02-2024	15200	9853050.00
14	22-04-2024	83400	97425260.00	59	13-02-2024	13800	9298540.00
15	19-04-2024	65800	71610010.00	60	12-02-2024	26800	18622760.00
16	18-04-2024	13200	14076480.00	61	09-02-2024	52600	35877730.00
17	16-04-2024	51400	52084820.00	62	08-02-2024	12000	7464890.00
18	15-04-2024	65400	59181190.00	63	07-02-2024	23600	14576220.00
19	12-04-2024	146000	117389130.00	64	06-02-2024	16800	10317610.00
20	10-04-2024	6200	4959290.00	65	05-02-2024	30800	19189260.00
21	09-04-2024	10200	8112540.00	66	02-02-2024	26800	15491780.00
22	08-04-2024	16000	12848500.00	67	01-02-2024	50800	29240950.00
23	05-04-2024	16600	13044730.00	68	31-01-2024	12000	7299480.00
24	04-04-2024	29600	23395090.00	69	30-01-2024	14000	8565840.00
25	03-04-2024	11800	9589660.00	70	29-01-2024	25600	16450350.00
26	02-04-2024	17400	14565810.00	71	25-01-2024	84200	54508600.00
27	01-04-2024	11400	9891800.00	72	24-01-2024	14000	8174390.00
28	28-03-2024	3000	2454190.00	73	23-01-2024	64200	39526760.00
29	27-03-2024	7600	6233730.00	74	20-01-2024	1800	1012180.00
30	26-03-2024	7800	6687380.00	75	19-01-2024	4400	2471990.00

**CS ABHISHEK CHHAJED**

**(IBBI Registered Valuer)**

**134-1-2 Nilkanthnagar, Gordhanwadi Tekra , Kankaria,**

**Ahmedabad City , Ahmedabad , Gujarat - 380001**

**E-mail – csabhishekchhajed1@gmail.com Contact number - +91 94088 12129**

31	22-03-2024	9600	8154400.00	76	18-01-2024	8400	4508130.00
32	21-03-2024	9200	7600550.00	77	17-01-2024	3000	1670800.00
33	20-03-2024	6600	5249160.00	78	16-01-2024	3400	1958600.00
34	19-03-2024	2400	1916400.00	79	15-01-2024	5000	2981730.00
35	18-03-2024	9600	7666550.00	80	12-01-2024	10400	6209900.00
36	15-03-2024	11600	8746520.00	81	11-01-2024	12000	7098350.00
37	14-03-2024	19400	14012200.00	82	10-01-2024	11200	6433410.00
38	13-03-2024	16200	12078080.00	83	09-01-2024	11600	6486950.00
39	12-03-2024	19600	15332090.00	84	08-01-2024	10600	5728750.00
40	11-03-2024	13000	10549000.00	85	05-01-2024	21800	12327350.00
41	07-03-2024	9400	7480070.00	86	04-01-2024	37600	22296600.00
42	06-03-2024	12600	9741690.00	87	03-01-2024	111800	59877570.00
43	05-03-2024	9200	7548220.00	88	02-01-2024	81200	39287580.00
44	04-03-2024	9000	7490780.00	89	01-01-2024	5200	2240270.00
45	02-03-2024	5400	4577590.00	90	28-12-2023	10400	4567720.00
						<b>Average Price</b>	<b>820.20</b>

**Average of the volume weighted average price (VWAP) of the equity shares of Solex energy Limited quoted on the National Stock Exchange of India Limited during the 10 trading days preceding the relevant date (considering relevant date as 13/05/2024)**

Days	Date		VWAP	Days	Date		VWAP
1	10-05-2024	34400	33483200.00	6	03-05-2024	21200	24304190.00
2	09-05-2024	24800	25516140.00	7	02-05-2024	28400	33241930.00
3	08-05-2024	8000	8692590.00	8	30-04-2024	31200	38138080.00
4	07-05-2024	9200	10131100.00	9	29-04-2024	51200	63141750.00
5	06-05-2024	19600	21768050.00	10	26-04-2024	10600	12484700.00
						<b>Average Price</b>	<b>1135.38</b>

A	Average of 90 trading days VWAP		<b>820.20</b>
B	Average of 10 trading days VWAP		<b>1135.38</b>
C	<b>Applicable Minimum Price (Higher of the A or B)</b>		<b>1135.38</b>